2026 Year-End Guide

Payroll Deadlines, W-2 & 1099 Reporting, ACA Requirements & 2026/2027 IRS Limits

Message from the President

Dear Valued Client,

I want to personally thank you for trusting FlexChecks with your payroll needs in 2026. Working with outstanding clients like you—and backed by our exceptional team—makes it a privilege to deliver the reliable services and tools you count on every day.

Whether you're a longtime FlexChecks partner or wrapping up your first year-end with us, please review this information carefully. Your prompt attention will help us process W-2s efficiently, so your employees receive them right after the start of the new year.

Thank you again for your loyalty and confidence this past year. We're excited to keep supporting you in 2027 and beyond. If you have any questions, feel free to reach out to me or any member of our dedicated team.

Diane Pelak

President, FlexChecks Inc.

2026 Year-End Guide — Quick Overview

1. Message from the President
2. FlexChecks Holiday Schedule
3. Year-End Checklist
4. Client Processing Deadlines
5. Year-End Adjustments & W-2 Hold
6. What's New for 2026 W-2s & 1099s
7. Bonus Checks & Special Payrolls
8. Manual Checks & Fringe Benefits
9. HSA, 3rd-Party Sick Pay & S-Corp
10. Deferred Comp & SECURE 2.0
11. Box 12 Code DD & FUTA Reduction
12. Tax Rate & SUTA Notifications
13. Year-End Delivery & UPS Schedule
14. All Important Year-End Dates
15. Audit Tools, W-4s & Tax Forms
16. 2026/2027 Fee Guide & ACA
17. 2026 & 2027 IRS/SSA Limits
18. Resources & Contact Information

FlexChecks 2026/2027 Holiday Schedule

> **IMPORTANT:** Payrolls must be submitted **at least 2 business days in advance** of the check date, taking weekends and Federal Reserve Holidays into consideration.

We provide time off for the Holidays for our outstanding, committed staff so they can spend time with family and friends. When submitting payrolls during the Holidays, keep in mind that payrolls must be submitted to FlexChecks at least two (2) business days in advance (taking Federal Reserve Holidays into consideration).

**** IMPORTANT: If your payroll check date is normally Friday, it will be moved for Christmas Day and New Year's Day to either the Thursday before or the following Monday, depending on your setup. If your check date is normally Thursday, Thanksgiving (11/26/2026) will move to Wednesday, 11/25/2026 or Friday, 11/27/2026. To confirm your check dates, navigate in isolved to *Payroll Run Schedule*. We are requiring all payrolls with a check date of Thursday, 12/24/2026 to be submitted by 10:00 AM ET on Tuesday, December 22, 2026.****

If your payroll is NOT received two business days in advance, your direct deposits may be delayed until the day after your scheduled payroll date (to allow the Federal Reserve two (2) banking days to process). If you need next-day direct deposits, please reach out to your Client C.A.R.E. Team Leader.

- **Thanksgiving Day:** Thursday, Nov 26, 2026 – **CLOSED** (Federal Reserve & FlexChecks Holiday)
- **Day after Thanksgiving:** Friday, Nov 27, 2026 – **CLOSED** (FlexChecks Holiday)
- **Christmas Eve:** Thursday, Dec 24, 2026 – **CLOSED at NOON (12:00 PM ET)**
- **Christmas Day:** Friday, Dec 25, 2026 – **CLOSED** (Federal Reserve & FlexChecks Holiday)

- **New Year's Day:** Friday, Jan 1, 2027 – **CLOSED** (Federal Reserve & FlexChecks Holiday)
- **Martin Luther King Jr. Day:** Monday, Jan 18, 2027 – *Federal Reserve CLOSED / FlexChecks Office OPEN (not a banking day for ACH)*

2026 Year-End Action Checklist

Now Through Early December 2026

- Review processing deadlines and identify your **2nd-to-last and final scheduled payroll check dates of 2026**.
- Review your PTO/accrual plans and renewal dates in isolved.
- Review your **2027 Payroll Run Schedule** in isolved and contact your Client C.A.R.E. Team Leader for any changes.
- **URGENT – Confirm Your Year-End Delivery Package & Address (Two Ways in isolved):**
  - **On Screen (** `Client Management > Client Maintenance > Delivery Package` **):** Look in the grid for the package with a checkmark in the **Year-End Delivery Package** column *(note: Year-End uses the Year-End Delivery Package checkbox—not Primary Package—and is tied to a specific Legal Company and Pay Group)*. Opening that package shows the assigned Address, Contact, Delivery Method, and any Permanent Delivery Instructions or Override Name that will print on the shipping label. To view or update the actual street address tied to that package, go to `Client Management > Client Maintenance > Addresses` (or notify your **Client C.A.R.E. Team Leader** before your final scheduled 2026 payroll).
  - **Via Report (** `Reporting > Client Reports` **):** Run the **Year-End Options** report (under Year-End audit reports), which summarizes your year-end setup and delivery options in one view.
  - **isolved University Walkthrough:** Reference **Year-End: 305 - Year-End Auditing (Customer)** for a step-by-step walkthrough.
- **Audit Tipped & Overtime Pay Codes (New for 2026):** Verify that qualified cash tips, Treasury Tipped Occupation Codes (TTOCs), and FLSA overtime premiums are accurately tracked for 2026 W-2 Box 12 (TP/TT) and Box 14b reporting.
- **Preview ACA Forms Early:** Preview 1094-C/1095-C forms in isolved now to catch coding errors before the January rush (do not click "Approve" until Jan 1, 2027).

With or Before Your Final Scheduled 2026 Payroll

- **Watch for Automated Payroll Emails:** When your **2nd-to-last scheduled payroll** is submitted, you will receive an email reminder that all 2026 adjustments must be submitted with your final scheduled payroll. When your **final scheduled payroll** is submitted, you will receive an email confirming we will run your W-2s.
- **Audit Employee Records:** Run the *Employee W2 Verification Report* in isolved to verify legal names, SSNs, and current mailing addresses.
- Ensure employee benefit plan start dates, statuses, hire dates, and W-2 Retirement Plan box indicators are current.
- Submit all **2026 Bonus & Special Payrolls, Fringe Benefits & Adjustments** (personal use of company car, >2% S-Corp shareholder health insurance, GTL over $50k, HSA employer contributions, 3rd-party sick pay, manual/voided checks) **with your final scheduled payroll of the year** (unless you place a **W-2 Hold [$200 fee]** prior to your final scheduled payroll).
- **Need to Hold 2026 W-2s? ($200 Fee):** To hold your W-2s, contact your **Client C.A.R.E. Team Leader** to place the hold **($200 fee)** *before* your final payroll of the year, then submit our **Payroll Adjustment Form**; we run adjustments on held accounts after regular W-2s are printed and shipped—generally after **January 18, 2027**.

Client Processing Deadlines & Year-End Adjustments

Standard Processing & Wire Rules

- Payrolls must be submitted **at least two (2) banking days** in advance of the check date to allow time for funding and direct deposits to post.
- Due to strict banking rules, exceptions cannot be made to the two-day rule without expedited processing/wiring.
- Payrolls with **$100,000+ in federal tax liability** require a wire transfer and must be reported at least 5 business days prior to check date.
- Payrolls with **$100,000 or more in Net Pay** to a single direct deposit account (or predetermined ACH limit) will also require a wire.
- **Best Practice:** Do not wire funds unless you have received wire instructions from your FlexChecks support representative.

Year-End Adjustments & W-2 Hold Policy

- **2nd-to-Last Scheduled Payroll Email Reminder:** When your second-to-last scheduled payroll of the year is submitted, you will receive an automated email reminding you that **all year-end adjustments must be submitted by the time you run your final scheduled payroll of the year**.
- **Final Scheduled Payroll & Automatic W-2 Processing:** All 2026 adjustments must be received with (or no later than) your final scheduled payroll of the year. When your final scheduled payroll is submitted, your quarter and year are closed and you will receive an email confirming that FlexChecks will run your W-2s.
- **Adjustments After Final Payroll / Reprint Fees:** If adjustments are needed following the submission of your final scheduled payroll (without a W-2 Hold in place), you may incur additional charges to correct and reprint W-2s.
- **Placing a W-2 Hold ($200 Fee):** To hold your W-2s, contact your **Client C.A.R.E. Team Leader** to place the hold **($200 fee)** *before your final payroll of the year*, then submit the **Payroll Adjustment Form**. Once the hold is in place, FlexChecks runs your adjustments after regular W-2s are printed and shipped—generally after **January 18, 2027**—and your W-2s will be printed and released once those adjustments are completed.

IF YOU ANTICIPATE NEEDING TO MAKE ADJUSTMENTS AFTER YOUR FINAL 2026 PAYROLL: Contact your Client C.A.R.E. Team Leader to place a W-2 Hold ($200 fee) *before* your final 2026 payroll, then submit our **Payroll Adjustment Form**.

NEW for 2026 Year-End: Federal Tax & W-2 / 1099 Reporting Changes

Major federal provisions under the **One Big Beautiful Bill Act (OBBBA, P.L. 119-21)** and the **SECURE 2.0 Act** take effect for the 2026 tax year and directly impact 2026 Forms W-2, 1099-NEC, and 1099-MISC filed in early 2027:

2026 Provision / Form Change	What Changed for Tax Year 2026	Employer Action Required Before Final 2026 Payroll
Qualified Cash Tips on Form W-2 *Box 12 Code TP & New Box 14b (TTOC)*	Employees in qualifying tipped occupations may deduct up to $25,000 in qualified cash/charged tips on their personal tax returns (2025–2028). For 2026 W-2s, employers must report total cash tips in **Box 12, Code TP** and split Box 14 into **Box 14a (Other)** and **Box 14b (Treasury Tipped Occupation Code – TTOC)**.	Verify that voluntary cash/charged tips are separated from mandatory service charges (service charges do not qualify). Confirm every tipped employee has a valid 3-digit IRS **TTOC** assigned for Box 14b.

2026 Provision / Form Change	What Changed for Tax Year 2026	Employer Action Required Before Final 2026 Payroll
Qualified Overtime on Form W-2 *New Box 12 Code TT*	Non-exempt FLSA employees may deduct up to $12,500 ($25,000 MFJ) of qualified overtime premium on their personal returns. Employers must report the **FLSA overtime premium portion** (the "half" in time-and-a-half required under FLSA Sec. 7 for hours over 40/week) in **Box 12, Code TT**.	Ensure overtime earning codes in isolved accurately distinguish FLSA-required 0.5x overtime premium from straight-time base pay or non-FLSA daily/double-time premiums.
Trump Account Contributions *New W-2 Box 12 Code TA*	Employer contributions under IRC Sec. 128 to an employee's or dependent's Trump Account (up to $2,500/year beginning July 4, 2026) are reported in **Box 12, Code TA**.	Notify your Client C.A.R.E. Team Leader if your company made any Sec. 128 Trump Account contributions in 2026.
SECURE 2.0 Mandatory Roth Catch-Up (Sec. 603) *Effective Jan 1, 2026*	Participants age 50+ in 401(k), 403(b), or governmental 457(b) plans whose **prior-year (2025) Box 3 Social Security wages exceeded $150,000** from the employer must make all 2026 catch-up deferrals on a **Roth (after-tax)** basis. (For 2027, the threshold looks at 2026 Box 3 wages.)	Audit 2026 catch-up deferrals for employees who earned >$150,000 in 2025 FICA wages to ensure catch-up contributions were coded as Roth (Box 12 Codes AA, BB, or EE) and included in Box 1 taxable wages.
1099-NEC & 1099-MISC Reporting Threshold Raised to $2,000	For payments made in calendar year 2026, the reporting threshold for **Form 1099-NEC** (nonemployee compensation & attorney fees) and most **Form 1099-MISC** boxes (rents, prizes, other income) increased from **$600 to $2,000** (indexed for inflation after 2026). Form 1099-NEC also adds Boxes 1b/1c (tips/TTOC) and 1d (FLSA-required overtime only; normally blank for true independent contractors).	Review contractor totals paid in 2026. Forms 1099-NEC/MISC are required for recipients paid **$2,000 or more** in 2026 (or any amount if backup withholding was deducted).
NEW: Early Online W-2s (Jan 10) + H&R Block® & TurboTax® Direct Import *isolved People Cloud™ Integration*	Employees who opt in to online W-2 delivery can view and download their 2026 W-2 in isolved on **January 10, 2027**. Plus, isolved People Cloud™ has teamed up with **H&R Block®** (alongside **TurboTax®**) at no cost so employees can import their W-2 directly from isolved, and employees using the H&R Block integration receive a **20% discount on their federal tax filing**.	Encourage employees to opt in to electronic W-2 delivery in isolved Employee Self-Service for early access on **January 10, 2027** and direct W-2 import into **TurboTax** or **H&R Block (20% off federal filing)**.

Bonus Checks & Special Payrolls

> **CRITICAL RULE:** Unless you place a **W-2 Hold ($200 fee)** prior to your final scheduled payroll, **all bonus and special payrolls are due with (or no later than) your last scheduled payroll of the year** to be included on **2026 W-2s** (because your quarter and year close automatically and W-2 processing begins when your final scheduled payroll is submitted).

If you plan to process bonus checks for year-end, please keep the following options in mind:

- Bonus checks can be effective **on the same day** as your normal payroll or **on a different day** than your normal payroll.
- **Deductions & Benefits:** Specify which deductions or benefits (e.g., 401(k) only, or block all voluntary deductions) should be calculated.
- **Paid Time Off:** Specify whether you want PTO accruals calculated on the bonus run.
- **Direct Deposit vs. Live Checks:** Choose whether to use direct deposit or paper checks (on any or all bonus checks).
- **Tax Withholding:** Specify supplemental flat-rate tax withholding (22% federal supplemental rate up to $1M) or calculate at regular W-4 rates.
- **Gross-Up Option:** Bonus checks can be grossed up (you provide the desired net check amount, and we calculate the gross pay and taxes).

Transmit your bonus payroll instructions using our online **Miscellaneous Payroll Calculation Form**:
https://forms.gle/3r5yYXhZQKP6WL5MA

> **Large Bonus & Next-Day IRS Deposit Rule ($100,000+):** Any net pay bonus over **$100,000** to one individual, or any payroll generating **$100,000 or more in federal tax liability** (which must be deposited with the IRS by the next banking day), must be reported to FlexChecks at least **five (5) business days prior to the check date** and will require a wire transfer prior to check date.

Items to Report With Your Final Scheduled 2026 Payroll

Generally, taxable wages include all non-cash payments, fringe benefits, tips, and other compensation. Because W-2 processing begins automatically when your final scheduled payroll is submitted, all items below must be received **with (or no later than) your final scheduled payroll of 2026**:

Manual & Voided Checks

If you paid employees net pay outside a normal payroll run or need to void checks from earlier in 2026 that have not yet been forwarded to our office, submit them before or with your final scheduled 2026 payroll. *Note: Voiding checks or adjusting Q1–Q3 2026 requires reopening closed quarters (fees apply).*

Taxable Fringe Benefits & Auto Use

Report the cash value of non-cash fringe benefits—such as **Personal Use of a Company Vehicle (PUCC)**, **Group-Term Life Insurance over $50,000**, non-qualified moving expense reimbursements (except qualifying active-duty military or intelligence community moves under OBBBA), and non-accountable expense allowances exceeding IRS mileage/per-diem rates—with live wages on or before your final scheduled 2026 payroll so required taxes can be withheld. Reference: **IRS Publication 15-B (2026)**.

Health Savings Account (HSA) Contributions

All 2026 HSA contributions—both employee pre-tax payroll deductions and employer contributions (even if deposited outside of payroll)—must be reported on Form W-2 in **Box 12, Code W**. If you made employer HSA contributions outside of payroll, send those totals to us with or before your final scheduled 2026 payroll.

Third-Party Sick Pay

If your employees received short- or long-term disability payments from a third-party insurer in 2026, contact your provider in November/December to confirm W-2 filing responsibility and obtain year-end statements early. Any third-party sick pay to be included on FlexChecks W-2s must be submitted with your final scheduled 2026 payroll (or you must place a W-2 Hold before your final payroll runs, in which case W-2s will be printed and released Jan 18, 2027 or later).

S-Corporation (>2% Shareholder) Health Insurance

Health and accident insurance premiums paid by an S-Corporation on behalf of a **greater-than-2% shareholder-employee** must be included on the shareholder's Form W-2 in **Box 1** (subject to federal, state, and local income tax, but exempt from Social Security, Medicare, and FUTA taxes) and in **Box 14a** so the shareholder can claim the self-employed health insurance deduction.

Deferred Compensation & Retirement Plan Box

Amounts deferred to Sec. 457 or non-qualified deferred compensation plans with a substantial risk of forfeiture become taxable for FICA/FUTA upon vesting. Notify your Client C.A.R.E. Team Leader of any 2026 vesting dates/amounts or distributions before your final scheduled payroll. Also verify which employees should have the **W-2 Box 13 "Retirement Plan"** checkbox marked (including eligible non-contributing employees in certain plans).

Box 12 Code DD, FUTA Credit Reduction & Tax Rate Notices

Employer-Sponsored Health Coverage (Box 12, Code DD)

Under the ACA, employers that filed **250 or more Forms W-2** for the prior calendar year (2025) must report the total combined cost (employer + employee portions) of employer-sponsored group health plan coverage in **Form W-2 Box 12, Code DD**. Verify and submit your Code DD amounts with or prior to your final scheduled 2026 payroll to avoid W-2 reprint fees.

2026 FUTA Credit Reduction (Form 940)

States with outstanding federal unemployment (Title XII) loans have their FUTA tax credit reduced, resulting in additional fourth-quarter FUTA tax on Form 940 (typically calculated and impounded with December payrolls). For 2026, **California** (1.5% reduction) and the **U.S. Virgin Islands** (4.8% reduction) remain FUTA credit reduction jurisdictions (New York repaid its loan and is not a credit reduction state unless a new balance remains unpaid as of Nov 10, 2026).

2027 Tax Rate & Deposit Frequency Notifications (All 26 States): State Unemployment (SUTA/SUI) rate notices and IRS/state deposit frequency changes are mailed directly to the employer. **Forward all 2027 SUTA rate notices and tax agency notices to your Client C.A.R.E. Team Leader immediately upon receipt so your 2027 payroll taxes are impounded and filed accurately.** FlexChecks/isolved is not responsible for penalties or interest resulting from unreported rate or filing frequency changes.

Year-End Delivery Considerations & Official 2026/2027 UPS Holiday Schedule

Due to heavy holiday mail volume, **we cannot guarantee timely U.S. Postal Service (USPS) delivery during the holiday season**. We strongly recommend switching paper payroll packages to **UPS** (which is trackable) or utilizing **Direct Deposit and Electronic W-2 delivery**. Per the **Official 2026 U.S. UPS Holiday Operations Schedule**, please note how UPS holiday operations impact FlexChecks paper payroll shipments:

- **Day After Thanksgiving (Fri, Nov 27, 2026):** UPS operates normal pickup and delivery, but **the FlexChecks office is CLOSED on Thu, Nov 26 and Fri, Nov 27**. Paper payroll packages needed for Fri, Nov 27 or Mon, Nov 30 must be processed early to ship from FlexChecks no later than **Wed, Nov 25**.
- **Christmas Eve (Thu, Dec 24, 2026 – Open[2]):** UPS delivers Ground and Air packages normally, but **UPS pickup service on Dec 24 is available ONLY for Air & International Air packages** (if prearranged by Fri, Dec 18 or via UPS On-Call Pickup®; **no UPS Ground pickup on Dec 24**). Because FlexChecks closes at **12:00 PM Noon ET on Thu, Dec 24** (and requires all Thu, Dec 24 check-date payrolls by **10:00 AM ET on Tue, Dec 22**), any package shipping on Dec 24 before Noon must use **UPS Air**. All packages shipping UPS Next Day Air® on Christmas Eve will automatically have their shipping billing adjusted.
- **New Year's Eve (Thu, Dec 31, 2026 – Open[3] Air Only):** Although **FlexChecks is OPEN normal hours on Thu, Dec 31, 2026**, UPS operates a modified schedule: **UPS delivers and picks up ONLY UPS Air & International Air packages on Thu, Dec 31 (NO UPS Ground pickup or delivery on Dec 31; Air pickup must be prearranged by Mon, Dec 28 or via On-Call Pickup®)**. Paper payroll packages requiring delivery on Thu, Dec 31 or shipping on Thu, Dec 31 for Mon, Jan 4 delivery **must use UPS Next Day Air® / Air service** (or ship via UPS Ground no later than Tues, Dec 29). All packages shipping UPS Next Day Air® on New Year's Eve will automatically have their shipping billing adjusted.

*To temporarily upgrade your shipping method to UPS or UPS Next Day Air® (charges vary by location), contact your **Client C.A.R.E. Team Leader** in advance for a cost estimate.*

Holiday	Day & Date	UPS® Domestic Ground, Air & Int'l	FlexChecks Policy & UPS Footnotes (1, 2, 3)
Thanksgiving Day	**Thu, Nov 26, 2026**	**Closed** (UPS Holiday)	**FlexChecks CLOSED.** No UPS pickup or delivery (UPS Express Critical® available; The UPS Store® Limited[1]).
Day After Thanksgiving	**Fri, Nov 27, 2026**	**Open** (Normal Service)	**FlexChecks CLOSED** (no packages shipped from FlexChecks on Nov 27). UPS delivers Next Day Air® shipped Wed, Nov 25.
Christmas Eve	**Thu, Dec 24, 2026**	**Open[2]** (Modified Air Pickup)	**FlexChecks CLOSES at 12:00 PM ET.[2]** Normal UPS Ground & Air delivery; **pickup available ONLY for Air/Int'l Air** (prearranged by Fri, Dec 18 or On-Call Pickup®). No Ground pickup.
Christmas Day	**Fri, Dec 25, 2026**	**Closed** (UPS Holiday)	**FlexChecks CLOSED.** No UPS pickup or delivery service (UPS Express Critical® available).
New Year's Eve	**Thu, Dec 31, 2026**	**Open[3]** (Air Only; No Ground)	**FlexChecks OPEN Normal Hours.[3]** **Delivery & pickup of UPS Air & Int'l Air packages ONLY** (prearranged by Mon, Dec 28 or On-Call Pickup®). **No UPS Ground pickup or delivery on Dec 31.**
New Year's Day	**Fri, Jan 1, 2027**	**Closed** (UPS Holiday)	**FlexChecks CLOSED.** No UPS pickup or delivery service. Normal UPS service resumes **Mon, Jan 4, 2027**.

Important 2026/2027 Year-End Dates & Deadlines

Date / Milestone (2026 / 2027)	Event / Processing & Filing Deadline
Thu, Nov 26 & Fri, Nov 27, 2026	**Thanksgiving & Day After Thanksgiving – FlexChecks Office CLOSED**
2nd-to-Last Scheduled 2026 Payroll	**Automated Email Reminder Sent:** You will receive an email when your 2nd-to-last scheduled payroll is submitted reminding you that all 2026 adjustments must be submitted with your final scheduled payroll of the year
Tue, Dec 22, 2026 (10:00 AM ET)	**Submission deadline for all payrolls with a Thursday, Dec 24, 2026 check date**
Thu, Dec 24, 2026 (12:00 PM ET)	**Christmas Eve – FlexChecks Office CLOSES at NOON (12:00 PM ET)**
Fri, Dec 25, 2026	**Christmas Day – Federal Reserve & FlexChecks Office CLOSED**
Final Scheduled 2026 Payroll	**Deadline for All 2026 Adjustments & W-2 Hold Requests:** All 2026 adjustments must be received with your final scheduled payroll (or a W-2 Hold must be placed prior to submission). Upon submission, you will receive an email confirming W-2 processing has begun
Fri, Jan 1, 2027	**New Year's Day – Federal Reserve & FlexChecks Office CLOSED**; First day to approve 2026 ACA forms in isolved; **Michigan minimum wage increases** to $15.00/hr ($6.30 tipped; $12.75 minors under 18)

Date / Milestone (2026 / 2027)	Event / Processing & Filing Deadline
Sun, Jan 10, 2027	**Online W-2s Available in isolved:** Employees who opt in to electronic W-2 delivery can view, download, and import their 2026 W-2 in isolved (unless account is on a W-2 Hold)
Fri, Jan 15, 2027	**1099 Data Submission Deadline** (FlexChecks 1099 service); **Early ACA Approval Deadline** (for Jan 31 delivery)
Mon, Jan 18, 2027	Martin Luther King Jr. Day – Federal Reserve Holiday (FlexChecks Office OPEN); **1099 processing begins; Held W-2s (placed on W-2 Hold) are printed and released Jan 18, 2027 or later**
Mon, Feb 1, 2027*	**IRS & SSA Statutory Deadline to Furnish & File 2026 W-2s and 1099-NECs** (and California 1095-C distribution deadline) **Moved from Sun, Jan 31, 2027*
Fri, Feb 5, 2027	**Final FlexChecks / isolved ACA Approval Deadline** (guarantees delivery & filing prior to March 2)
Tue, Feb 16, 2027*	Deadline for employees claiming **EXEMPT on Form W-4** to submit a new 2027 W-4 to maintain exempt status **Feb 15, 2027 is Presidents' Day*
Tue, Mar 2, 2027	**Federal Deadline to Furnish 2026 Form 1095-C to Employees** (and remaining state mandates)
Wed, Mar 31, 2027	**IRS Electronic Filing Deadline for 2026 ACA Forms 1094-C & 1095-C**

Audit Tools, SSN Verification & 2027 W-4 Forms

Audit Employee Data in isolved NOW

The IRS assesses penalties of up to $330+ per form for filing W-2s with mismatched names or invalid SSNs. Invalid SSNs print as `000-00-0000` and are the employer's responsibility to correct before year-end.

- **Run Employee Audit Report:**
  `Reporting > Client Reports > Employee W2 Verification > Generate Report > My Reports Queue`
- **Run Year-End Setup & Delivery Audit Report:**
  `Reporting > Client Reports > Year-End Options`
  (under Year-End audit reports; see **Year-End: 305 - Year-End Auditing (Customer)** in isolved University).
- **Update Employee Records:**
  `Employee Management > Employee Maintenance > General`
- **Preview W-2s:**
  `Reporting > Client Reports > Search "W2" > Employee W2 Preview`
  (also runs automatically with your final scheduled 2026 payroll).
- **$5/New Hire SSN Verification Option:** FlexChecks can verify every new hire's SSN with their first payroll for **$5 per new hire**. Contact your Client C.A.R.E. Team Leader to subscribe!

2027 Form W-4 & Exempt Status Renewal

The isolved system will not automatically begin new withholding without a completed W-4 in the system. Remind employees to review their tax withholding and submit an updated Form W-4 if they experienced a life event in 2026.

> **EXEMPT W-4 Expiration Rule:** Any employee claiming **EXEMPT** from federal income tax withholding in 2026 must submit a new 2027 Form W-4 by **February 16, 2027** (since Feb 15 is Presidents' Day) to retain exempt status. If no new W-4 is received, employers must begin withholding as Single with no adjustments.

Tax Forms: W-2s, Paperless Delivery & 1099 Filing Service

Forms W-2 & Electronic Consent (Online W-2s Available January 10, 2027!): Your W-2 billing is included with your final payroll invoice of 2026. When your final scheduled payroll of the year is submitted, you will receive an email notification that we will run your W-2s (unless you placed a W-2 Hold prior to your final payroll, in which case your W-2s will be printed and released **January 18, 2027 or later**). Paper W-2 packages are shipped according to your **Year-End Delivery Package** setup in isolved (reviewable on screen at `Client Management > Client Maintenance > Delivery Package` via the *Year-End Delivery Package* checkmark—with street addresses updated under `Client Management > Client Maintenance > Addresses`—or via the **Year-End Options** report under `Reporting > Client Reports`). **Employees who opt in to online delivery will be able to view and download their 2026 W-2 in isolved on January 10, 2027**—sooner than waiting for a paper copy in the mail! Employees can opt into paperless W-2s in under 10 seconds in isolved Employee Self-Service (`User Icon > User Preferences > Consent to Electronic Delivery of Tax Forms`). Learn more & download our free employee email template at **flexchecks.com/electronic-w-2-delivery/**.

> **NEW for 2026 Tax Season – Direct W-2 Import into H&R Block® & TurboTax® (Plus 20% Off Federal Filing!):** isolved People Cloud™ has teamed up with **H&R Block** (alongside our existing **TurboTax** integration) at **no cost** to give your employees another convenient way to speed up tax time by importing their W-2 directly from isolved into either **TurboTax** or **H&R Block**. As an added benefit, employees who use the **H&R Block integration receive a 20% discount on their federal tax filing**!

FlexChecks 4-Step 1099 Service

1. Download our 2026 1099 Excel template (**FlexChecks-1099-Data.xlsx**) and complete the **Company Information** tab, the applicable **1099 NEC Data** and/or **1099 MISC Data** tab(s), and the **Totals & Sign-Off** tab.
2. Securely upload your completed & signed-off workbook at **flexchecks.com/send-us-files/**
3. Receive confirmation of receipt and delivery timing.
4. FlexChecks e-files your 1099s with federal/state agencies, mails originals directly to recipients, and sends you a PDF copy.

New for 2026 Tax Year: *The IRS 1099-NEC / 1099-MISC filing threshold increased from $600 to **$2,000** for 2026 payments (including attorney fees).*

New Box 1d (Overtime): Box 1d on the 2026 Form 1099-NEC reports only qualified overtime required under the FLSA (the "half" of time-and-a-half), which is already included in Box 1a. True independent contractors are not covered by FLSA overtime rules, so Box 1d is normally left blank for them.

2026/2027 1099 Pricing & Deadlines

1099 Service Item	Fee
1099 Base Processing Fee	**$75.00**
Per 1099 Form	**$8.95**

Submission Deadline: Submit 1099 data no later than **Friday, January 15, 2027**. 1099 processing and filing begins **Monday, January 18, 2027**.

FlexChecks 2026/2027 Fee Guide & ACA Reporting Requirements

FlexChecks 2026/2027 Year-End & Special Fee Guide

Service	Fee
HOLD W-2s	$200.00
W-2 Shipping (minimum)	$26.00
W-2 Copy (per employee)	$15.00
W-2 Correction – Name, Address, or SSN	$50.00 each
W-2 Correction – Figures (W-2c)	$150.00 each
1099 Base Fee / Per 1099 Form	$75.00 / $8.95
1099 Correction (per form)	$100.00
Re-Open Prior Year for Adjustment	$250.00
Re-Open Prior Quarter	$200.00
Amended Return (per return)	$100.00
Manual Check / Void Check – Live	$15.00 / $25.00
Off-Calendar Run (outside normal schedule)	Normal Fee + $50.00
Next Day / Same Day Direct Deposit	$100.00 / $250.00
Reverse Payroll	$50.00

ACA 1094-C & 1095-C Reporting for 2026

Employers with **50+ full-time/FTE employees** in the prior calendar year (Applicable Large Employers) or offering **self-funded health coverage** must furnish Form 1095-C to full-time employees and file Forms 1094-C/1095-C with the IRS.

Approval Required: FlexChecks will electronically file 1094 & 1095 forms with the IRS **ONLY after you approve your ACA forms in isolved**. Billing occurs on the payroll run after approval (per contract; fees apply for rejected/corrected files).

Date	2026 ACA Reporting Milestone (Early 2027)
1/1/2027	First day to approve 2026 ACA forms in isolved
1/15/2027	**FlexChecks approval deadline** to guarantee delivery prior to Jan 31 / Feb 1 (for CA & early state mandates)
2/1/2027	California & state 1095-C distribution deadline (Jan 31 is Sunday)
2/5/2027	**Final FlexChecks / isolved approval deadline** to guarantee delivery prior to March 2
3/2/2027	**IRS deadline to furnish 2026 Form 1095-C** to employees
3/31/2027	**IRS deadline for electronic ACA submission** (status confirmed by 6/30/2027)

All fees are subject to change and billed with your final 2026 payroll invoice or applicable run.

2026 & 2027 IRS / SSA Payroll, Retirement & Benefit Limits

Use this side-by-side reference for closing out **2026 W-2s** and setting up **2027 payroll deductions and benefit plans**:

Category / Benefit Plan	2026 Official Limit	2027 Official / Projected Limit
Social Security (OASDI) Taxable Wage Base (6.2% rate)	**$184,500** *(Max tax: $11,439.00)*	**$192,300** *(Max tax: $11,922.60 – Official SSA)*
Medicare Taxable Wage Base (1.45% ER/EE; +0.9% EE over $200k)	No Wage Limit	No Wage Limit
401(k) / 403(b) / Roth 401(k) / 457(b) Elective Deferral	**$24,500**	TBA by IRS *(Projected: $25,500)*
401(k) / 403(b) / 457(b) Catch-Up (Age 50+) *SECURE 2.0 Super Catch-Up (Ages 60–63 only)*	**$8,000** (Age 50+) **$11,250** (Ages 60–63)	TBA by IRS *(Projected: $8,500 Age 50+)* **$11,250** (Ages 60–63)
SECURE 2.0 Mandatory Roth Catch-Up Wage Threshold *(Prior-year W-2 Box 3 FICA wages requiring catch-up as Roth)*	**$150,000** *(based on 2025 Box 3 wages)*	TBA by IRS *(Projected: $155,000 for 2026 wages)*
SIMPLE IRA / SIMPLE 401(k) Deferral & Catch-Up	**$17,000** *(Catch-up: $4,000 / Ages 60–63: $5,250)*	TBA by IRS *(Announced Nov 2026)*
Health Savings Account (HSA) – Self-Only / Family *HSA Catch-Up Contribution (Age 55+)*	**$4,400** Self / **$8,750** Family **$1,000** (Age 55+)	**$4,500** Self / **$9,000** Family *(Rev. Proc. 2026-24)* **$1,000** (Age 55+)
HDHP Minimum Deductible / Out-of-Pocket Max	Ded: $1,700 S / $3,400 F | OOP: $8,500 S / $17,000 F	Ded: **$1,750 S / $3,500 F** | OOP: **$8,700 S / $17,400 F**
Health Care FSA Maximum Salary Reduction / Carryover	**$3,400** *(Max Carryover: $680)*	**$3,500** *(Max Carryover: $700; Rev. Proc. 2026-35)*
Dependent Care FSA Maximum *(Increased by OBBBA)*	**$7,500** MFJ or HoH / **$3,750** MFS	**$7,500** MFJ or HoH / **$3,750** MFS *(Statutory)*
Qualified Transportation Fringe (Parking / Transit)	**$340 / month**	TBA by IRS *(Projected: $350 / month)*
ACA Affordability Safe Harbor Threshold	**9.96%** of household income	**10.22%** of household income *(Official IRS)*
IRS Standard Business Mileage Rate	**72.5¢/mi** (Jan–Jun 2026) / **76.0¢/mi** (Jul–Dec 2026)	TBA by IRS in December 2026
Federal Minimum Wage	**$7.25 / hour** *(higher state/local rates apply)*	**$7.25 / hour** *(check state minimum wage increases)*
Michigan Minimum Wage *Regular / Tipped / Minors under 18*	$13.73 / $5.49 / $11.67	**$15.00 / $6.30 / $12.75** *(eff. Jan 1, 2027)*

Sources: SSA 2027 COLA & Wage Base Release (Oct 2026); IRS Rev. Proc. 2026-24 (2027 HSA/HDHP); IRS Notice 2025-67 (2026 Retirement Limits); IRS Rev. Proc. 2025-32; IRS Notice 2026-10 & Announcement 2026-11 (2026 Mileage Rates); P.L. 119-21 (OBBBA); Michigan LEO Wage & Hour Division (2027 Michigan minimum wage). Remaining 2027 IRS COLA figures are typically released in late Oct/Nov 2026.

FlexChecks, Inc. | 146 Monroe Center St NW, Suite 820 | Mailing: PO Box 141215, Grand Rapids, MI 49514-1215
Talk to Humans: **616.791.7900** | Fax: **616.791.7901** | www.flexchecks.com | sales@flexchecks.com | © 2026 FlexChecks, Inc. All Rights Reserved.