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# CKR Financial Services

## monthly journal

HELPING OUR CLIENTS GET AHEAD OF THE COMPETITION

*January holds some important deadlines with grave penalties if these deadlines are not met. We're here to help keep you on track. We'll take it step-by-step and then discuss the consequences of noncompliance:*

## W-2's and 1099's

**1-First**, if you are a business owner, talk with your employees and make sure they update their Form W-4's in case they have moved or changed marital status. You want to be sure their W-2's go to the right address. If you are an employee who has moved during the year, be proactive and update your address with your employer so you get your W-2 delivered to your new address. It is a chore having to wait for the employer to re-issue a W-2 because you did not notify them of your move.

**2-Business owners**, follow up with vendors to get a W-9 if they have done over \$600 cumulatively in work for you in 2021. You **MUST** issue a 1099 to these

vendors with some exceptions. If you paid for these services by credit or debit card, you do not need to issue a 1099 as they will receive a 1099-K from the credit card processor. However, if you used Zelle or Venmo to pay them, you **DO** need to issue a 1099 to the vendor for the cumulative amount you paid them in 2021. (You will not need to track this for tax year 2022 as new federal guidelines make the 3<sup>rd</sup> party payment app report payments of \$600 or more just like credit card processors do now – so there's relief in the future but not for tax year 2021 – **THIS** year.)

**3-1099's** must be mailed by January 31, 2022 for vendors and subcontractors. The same

deadline is in place to mail W-2's for employees.

**CONSEQUENCES:** There are HUGE penalties for noncompliance. If a business fails to issue a W-2 on time, the IRS can assess a penalty of \$50 per W-2 IF you file the correct form within 30 days of the due date. Max penalty is \$536,000 per year or \$187,500 for small businesses. If you file between 30 days of the due date and August 1, the penalty increases to \$100 per form, with a max fine of \$1,609,000, or \$536,000 if you operate a small business. Failure to file forms by Aug 1 results in a fine of \$260 per W-2, or \$1,072,500 for small businesses and \$3,218,500 annually for others. **EVEN IF YOU USE A PAYROLL SERVICE OR OTHER THIRD PARTY TO FILE W-2s FOR YOU, YOU ARE STILL RESPONSIBLE FOR MAKING SURE THE FORMS ARE FILED CORRECTLY AND ON TIME.** This is another reason it is important for business owners to double-check employee information before these items get filed. Similar penalties exist for failure to file 1099-NEC's or 1099-MISC's. For more information, see IRS.gov.



## WHAT MAKES YOU SMILE?

I saw somewhere a simple quote: "What makes you smile? Then do more of that." I know this sentiment is oversimplified but it is a basic principle. Life is short and there are too many things that weigh us down, so when we find something that brings us joy or makes us smile, we should incorporate more of that into our days. At CKR Financial Services, we wish you a stress-free and abundant New Year!



# 2022 at a glance

*Reminders of important mileposts and bank holidays this year to keep in mind for business and personal financial matters:*

“We learn from history that we don’t learn from history.”

DESMOND TUTU

“It’s good to have money and the things that money can buy, but it’s good, too, to check up once in a while and make sure that you haven’t lost the things that money can’t buy.

-George Lorimer

“Impossible is just a word thrown around by small [people] who find it easier to live in the world they’ve been given than to explore the power they have to change it. Impossible is not a fact. It’s an opinion. Impossible is potential. Impossible is temporary. Impossible is nothing.”

-Muhammad Ali

## 1 January

(Observed Fri Dec 31)

Bank Holiday – New Year’s Day

## 15 April

-Personal & Corporate Tax Deadline  
-1<sup>st</sup> Qtr Estimated Taxes Due

## 15 September

-S-Corp & Multi Member LLC Extension Deadline  
-3<sup>rd</sup> Qtr Estimated Taxes Due

## 17 January

Bank Holiday – Martin Luther King Jr Day

## 30 May

Bank Holiday – Memorial Day

## 10 October

Bank Holiday – Columbus Day

## 31 January

Deadline to send out 1099’s and W-2’s.

## 19 June

(Observed Mon 20 June)  
Bank Holiday-Juneteenth

## 15 October

Personal and Corporate Extension Deadline

## 21 February

Bank holiday – President’s Day

## 4 July

Bank Holiday – Independence Day

## 6 November

Daylight Savings Time Ends

## 11 November

Bank Holiday – Veterans Day

## 13 March

Daylight Savings Time Starts

## 15 July

2<sup>nd</sup> Qtr Estimated Taxes Due

## 24 November

Bank Holiday – Thanksgiving Day

## 15 March

S-Corp & Multi-Member LLC Tax Deadline

## 5 September

Bank Holiday – Labor Day

## 25 December

(Observed Monday Dec, 26)  
Bank Holiday – Christmas

ONBOARDING NEW EMPLOYEES GETTING YOU DOWN? WE HAVE DIGITAL ONBOARDING. EASY FOR YOU. EASY FOR YOUR NEW EMPLOYEE. NO MORE CHASING DOWN W4’S AND I9’S. EMPLOYEES SIGN IN THE APP AND EVERYTHING IS STORED IN THEIR DIGITAL FOLDER. NO LONGER DECIPHER HANDWRITING. EASY AND HASSLE-FREE, LETTING YOU GET BACK TO THE IMPORTANT TASK OF MANAGING YOUR BUSINESS!

CALL US FOR MORE INFORMATION!

New Service Offered by CKR Financial Services  
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