

Sage

Sage 100 Contractor 2022 (SQL)

Year-End Guide

U.S. Edition

October 2022

This is a publication of Sage Software, Inc.

© 2022 The Sage Group plc or its licensors. All rights reserved. Sage, Sage logos, and Sage product and service names mentioned herein are the trademarks of The Sage Group plc or its licensors. All other trademarks are the property of their respective owners.

Last updated: October 5, 2022

Contents

- Chapter 1: Introduction 1
 - About year-end processes 1
- Chapter 1: Calendar Year End Processes (Closing Payroll and Verifying 1099 Balances) 5
 - Close Payroll at calendar year end 5
 - Verification tasks after archiving the oldest payroll year 5
 - New Calendar Year Preparation 6
 - Preparing to close the payroll year 7
 - Preparing payroll for the new calendar year 7
 - Processing vendor 1099s after calendar year end 8
- Chapter 2: Fiscal Year-End Processes 10
 - Preparing for fiscal year end 10
 - Advance the General Ledger period for fiscal year end 13
- Chapter 3: Archiving data 15
 - About archiving company data 15
 - Archiving the oldest fiscal year 15
 - About removing jobs at fiscal year end 18
 - About archiving payroll data 18
 - Archiving payroll data 19
- Chapter 4: Annual Reporting for the Affordable Care Act (ACA) 22
 - Tasks to complete before the new year 24
 - Tasks to complete as early as possible in the new year 25
 - Tasks to complete periodically throughout the new year 26

Chapter 1: Introduction

About year-end processes

Sage 100 Contractor includes separate year-end processes:

- A process for closing payroll
- A process for advancing the fiscal year

You can remove old data from the earliest fiscal year or payroll year at any time. Because it can take considerable time to create an archive, you do not need to archive at year end. The following processes are available in Database Administration:

- Archive Oldest Payroll Year
- Archive Oldest Fiscal Year

Note: Use the procedures in the year-end checklists to help simplify year-end processing. The checklists are available in the [Sage 100 Contractor Year-End Center](#).

For many companies, the fiscal year end is the same as the calendar year end on December 31, while other companies have a fiscal year end other than December 31. Throughout this guide, we provide steps for both your fiscal year end and your calendar year end.

The fiscal and calendar year end can be a busy time. To keep your ledgers current and accurate, audit your books monthly. Sage recommends performing an additional audit several weeks before your year end to resolve any errors before beginning transactions for the next fiscal year. However, if you are on period 12 of your current fiscal year, you can begin entering transactions for period 1 of the new fiscal year even if you are still resolving auditing errors.

After you enter accounting adjustments, resolve any audit errors, archive your data, and make at least two backup copies of your data for your permanent records.

The time required to complete your year-end processes depends on many factors, such as the size of your company, any audit errors, and any accounting adjustments. You may be able to finish your year end in a few hours if:

- You have already backed up your data.
- You have been keeping up with accounting period audits.
- Any and all period audit errors are repairable.

What is a company archive?

Over the course of a year, the accounting and payroll databases grow as you enter records. In a manual accounting system, you might move previous years' records to storage boxes or a storage facility. Similarly, you can move Sage 100 Contractor records to an archive file when you no longer need the data for a fiscal year.

When you archive company data, Sage 100 Contractor:

- Removes the accounting activity from the oldest fiscal year (12 periods) in your current company, and places it in an archive company.
- In your current company books, adjusts the beginning balances for asset, liability and equity accounts and sub-accounts, as well as jobs, vendors, service clients, and equipment to match the archive year's corresponding ending balances.
- Rolls income and expense balances for the archive year into the beginning balance for the Retained Earnings account in the current company.

When do I create the company archive?

You can create a company archive at any time after you have advanced to at least period 1 of the next fiscal year.

We recommend that you archive as soon as you have resolved all audit errors, and you have received and entered all accounting entries, including adjustments.

- If you have more than one fiscal year to archive, you may perform the archive process more than once.
- If you have only one year's worth of data to archive, you must advance to at least period 1 of the next fiscal year in your current company books.

- The company folder cannot be in the same fiscal year that you are trying to archive.

How do I create a company archive?

You use the **Archive Oldest Fiscal Year** utility in Database Administration to archive your company.

You use the **Archive Oldest Payroll Year** utility in Database Administration to archive your Payroll data.

I don't have enough hard disk drive space to create an archive company. What can I do?

If you do not have enough disk space, free up disk space by deleting unnecessary files or programs, or manually copy the data to another hard disk drive, CD, or DVD.

What about data backup?

To prevent loss of data, we highly recommend that you always store one copy of your backed-up data off site for added security.

After creating the company archive, review it to make certain that all records were copied correctly. If you find that the archive is incomplete, restore from a backup copy, and then create a new archive.

How does Sage 100 Contractor handle audit errors?

Every time you close a period, and when you advance the default posting period to period 1 of the next fiscal year, Sage 100 Contractor audits all transactions to verify that complete and balanced transactions support each account balance. If any transactions are out of balance, you are prompted to print an audit report. The audit report provides information you can use to resolve the errors.

Audit errors that refer specifically to periods contain the word "Period" in the row. You can resolve most period audit errors by recalculating the ledger balances: open **1-6 Period and Fiscal Year Management > Recalculate Balances**, then **Recalculate Balances** again.

Any remaining audit errors require assistance from Sage Customer Support. Visit [Sage Customer Resources](http://www.SageCity.com/Resources) (www.SageCity.com/Resources) for links to Live Chat and Online Case submission.

What about entering transactions?

If you are on period 12 of your current fiscal year, you can enter transactions for period 1 of the next fiscal year. Periods 2 through 12 of the next fiscal year become available when you advance to period 1 of the next fiscal year using the **Change Period** window. If you need to make adjustments to the previous fiscal year, you can do so by posting transactions to period 0.

To post a period 0-Prior Year transaction, post the transaction to period 0 of the current year. Then, to post the transaction to the archive, open the archive company then post the transaction to period 12. Sage 100 Contractor no longer supports posting simultaneously to period 0 of the current company and period 12 of the archive company.

When a fiscal year's data is no longer needed in the current books, archive your data, which removes your ledger data from the current books and places it in a company archive. Creating an archive removes all accounting activity from the oldest fiscal year in your company and adjusts the current balances for asset, liability, and equity accounts and sub-accounts, as well as jobs, vendors, service clients, and equipment to match the archive year's ending balances. Income and expense balances roll into the Retained Earnings account beginning balance.

The archive company contains all the data from the oldest 12 periods (your oldest fiscal year) existing in your company at the time you create the archive. If you have more than 12 periods of data in your company that require archiving, perform the archive process more than once.

Chapter 1: Calendar Year End Processes (Closing Payroll and Verifying 1099 Balances)

Close Payroll at calendar year end

Closing Payroll is not the same as archiving Payroll:

- When you **close** a payroll year, the program prepares Payroll for a new year (for example, resetting all employee quarter-to-date and year-to-date totals). It does not remove payroll records.
- When you **archive** payroll, the program removes **5-2-2 Payroll Records** for the oldest payroll year. You use the Archive Oldest Payroll Year tab in Database Administration to archive payroll.

Use the **5-3-8 Close Payroll Year** window in Sage 100 Contractor to close a payroll year.

Verification tasks after archiving the oldest payroll year

Verification tasks

Open the archive, and make sure your payroll data is there for the year.

Important! If something went wrong during the archive process, delete the archive file and the current company file (using Database and Company Administration Guide) because they are not valid or correct files. Then, restore your data from backup and archive your data again.

New Calendar Year Preparation

Update payroll calculations

- Update any state or local payroll calculations, as needed, in **5-3-1 Payroll Calculations**. Delete calculations that will no longer be used or update rates if required.
- Adjust the **Default Max** to the correct maximums for the selected **Max Type**. Save the calculations, recall the calculations, and then select **Options > Update Employees > ALL Employees**.

Important! Updating employee calculations using **5-3-1 Payroll Calculations > Options > Update Employees** for calculations that involve different rates per employee can cause values to be reset to zero. For example, updating the employee 401 (k) maximum will cause this to happen because the setting varies per employee. If you have variable rates on your payroll calculations, do not update your employee rates from **5-3-1 Payroll Calculations**. Calculations that involve different rates per employee need to be updated in each employee's record on the Calculations tab of **5-2-1 Employees**.

- Maximums for the new year can be found by searching on the topic at <http://www.irs.gov/>.
- The **Default Max** may need to be updated manually with employees who are having wages garnished.

Print year-end reports

- When ready, print required year-end reports from your current data:
 - W-2s from **5-4-1 Federal Forms**
 - 1099 from **4-5 Vendor 1099 Forms**
 - 941 from **5-4-1 Federal Forms**

Preparing to close the payroll year

You should complete this task before closing Payroll for a calendar year. Be sure to resolve any audit errors found.

Payroll audit

Open **5-3-7 Payroll Audit**, click **Audit**.

If payroll is outsourced, it may be okay to close with payroll audit errors.

If you have any errors, first try to resolve them by clicking **Repair** in **5-3-7 Payroll Audit**.

Preparing payroll for the new calendar year

Before you process your first payroll in the new year, we recommend that you adjust rates for unemployment, adjust thresholds for payroll calculations, and reset vacation and sick accrual.

Make the corrections and adjustments from the menu option **5-3-1 Payroll Calculations** in your active company folder:

- Correct State Unemployment default rates and default maximums.

After saving the changes, remember to select **Options > Update Employees > Update Default Rate and Maximum > Employees with this Calculation**.

- Correct Social Security default maximums.

After saving the changes, remember to select **Options > Update Employees > ALL Employees**.

- Correct State Disability Insurance default rates and default maximums.

After saving the changes, remember to select **Options > Update Employees > Update Default Rate and Maximum > Employees with this Calculation**.

- Correct 401K default maximums.

After saving the changes—and only if all employees with this calculation have the same maximum—select **Options > Update Employees > Update Maximum Only > ALL Employees**.

Note: Do not update the rate from the **5-3-1 Payroll Calculations** window because you must do it individually for each employee using the **5-2-1 Employees > Compensation** tab.

- Delete, edit, or add payroll calculations using the **5-3-1 Payroll Calculations** window.

If the changes apply to all employees with these calculations, carefully select the appropriate update option from the **Options** menu.

- Reset sick and vacation time accrual for eligible employees (**5-2-1 Employees > Compensation** tab) only if leftover hours do not carry over to the next year.
- Using the **5-2-1 Employees** window, adjust calculation maximums to reflect what was accumulated in prior years on the Calculations tab. For example, you may need to adjust employee loan repayment or employee garnishment maximums.

Tip: For more information on closing the payroll year, look in Help and search for “closing.”

Processing vendor 1099s after calendar year end

At the end of the calendar year, finish entering all vendor payments for the calendar year. Verify the vendor 1099 balances, and then print the 1099s.

To process vendor 1099s at calendar year end:

1. In your current company, select the **4-1-5-61 Vendor 1099 Payments** report.
2. Print the report.
3. Review the report for accuracy.

Processing vendor 1099s after calendar year end

4. If you discover any discrepancies in the vendor 1099 amounts listed, open **4-4 Vendors (Accounts Payable)** and select the vendor; then select **Options > 1099 Balance Startup/Adjustment** and make the correction.
5. Open **4-5 Vendor 1099 Forms** to process your 1099s.

Tip: Print an individual vendor payment journal for each vendor, and then mail it to the vendor for additional verification.

Chapter 2: Fiscal Year-End Processes

Preparing for fiscal year end

The following instructions assume that these steps are performed at the Sage 100 Contractor server location. Sage strongly recommends this method because it avoids network irregularities that can disrupt the closing process.

Important! You must have exclusive access to your company file to perform these steps.

Each task listed below should be completed in preparation for fiscal year end. Resolve audit errors as found during each step.

- Verify posting period
- Backup and verification
- Recalculate balances
- Inventory audit (optional, but we strongly recommend it if you use the Inventory module)
- Verify checks
- Job status and removal
- Print reports and record counts for verification

Important! You must complete these preparation steps prior to archiving the general ledger.

Note: These steps assume you will not have your bank statement before you archive. If you have your bank statement, you may complete your bank reconciliation before you archive in the current company or after you archive in the new company file. If you do your bank reconciliation after you close your books in the new file, the archive file is not updated. If you want the archive file updated, you will need to do the bank reconciliation again in your archive.

Verify Posting Period

In **1-6 Period and Fiscal Year Management > Change Period**, ensure the posting period is set to **Period 12**.

Backup and verification

Back up and validate your company file by following your regular backup and verification procedures.

Inventory audit (optional, but strongly recommended if you use the Inventory module)

If you use inventory, open **12-5 Inventory Audit**, click **Audit**.

Verify checks

Verify that there are no unprinted checks.

To find and resolve unprinted checks:

1. Open **2-5 General Journals**.
2. Print the **2-5-21 General Journal** report with the following settings:
 - a. In the **Account** box, use the range for all cash accounts listed in **1-8 General Ledger Setup**.
 - b. In the **Transaction#** box, select **Equal**, and type **0000**.
 - c. In the **Credit Amount** box, select **Greater or =**, and type **\$0.01**.
3. If the transaction is an unprinted check, open **1-1 Checks/Bank Charges**, and then click the **Print records** button to print the check, if desired.

If you don't need to print a check, open **1-3 Ledger Transactions**, and change the **Transaction#** to anything other than 0000.

Note: If it is a **Source 16-Payroll**, click the **Go To Source** button to change the **Check#**. It's highly unusual that the check number would have been changed to 0000 unless the check had to be reprinted immediately.

Period Audit Errors

Some audit errors refer specifically to periods. If period audit errors exist, the **Audit** report displays them prominently. For example, a period audit error will contain the word **Period** in the row.

You can resolve most period audit errors by recalculating the ledger balances. To recalculate the ledger balances, open **1-6 Period and Fiscal Year Management > Recalculate Balances**, and then click **Recalculate Balances**.

Audit Errors Requiring Customer Support Assistance to Repair

Any remaining audit errors cannot be repaired by clicking **Recalculate Balances** on **1-6 Period and Fiscal Year Management > Recalculate Balances**. These audit errors might originate in accounts receivable, jobs, vendors, service clients, equipment, or other areas of the program where transactions originate.

Caution! Resolving remaining audit errors after a repair requires assistance from Customer Support. Visit [Sage Customer Resources](http://www.SageCity.com/Resources) (www.SageCity.com/Resources) for links to Live Chat and Online Case submission. Be prepared to provide your company name, telephone number, and the company contact person. At that time, a Customer Support technician may request additional reports to help determine the cause of the error.

Additional audit error reports are included with Sage 100 Contractor to assist Customer Support technicians in identifying the transaction sources of audit errors.

Job status and removal

Verify that the status on each job in **3-5 Jobs (Accounts Receivable)** is correct. Any job that should be removed at year-end must have a status of **6-Closed** or **2-Refused**.

Note: If you need to change several jobs' statuses to **6-Closed**, you can use a Picklist window to close multiple jobs at once. To access this command, open **3-5 Jobs (Accounts Receivable)** and select **Update > Closed Status**.

Print reports and record counts for after year-end verification

Print the following reports that will be used for verification purposes after the books have been closed:

- **2-2-21 Balance Sheet** report for period 12
- **2-3-21 Income Statement** report for periods 1 through 12
- **3-1-3-26 AR Invoice Aging** report for period 12
- **4-1-3-26 AP Invoice Aging** report for period 12

Note: If you pay retainage in the next year for a prior year invoice and then print this report for the prior year, the report will show a reduced Retention amount, and the amount paid in the future period is allocated to the Current period or an aging period. Therefore, you should always print these reports as part of your year-end processing to ensure that you have a set of reports that reflect the true amount of retainage outstanding at year end.

- **5-1-2-41 Payroll Check Register** report with “totals for status” equal to **3-Posted**
- **5-4-3-21 ACA Full Time Equivalent Count** report.
- **6-1-6-21 Job Cost Totals** report for periods 1 through 12
- **11-1-3-26 Service Invoice Aging** report for period 12, if you use Service Receivables

Tip: If you archive your data at year end, you can also print the reports from the archive company, later.

Advance the General Ledger period for fiscal year end

Back up your Sage 100 Contractor data

Back up and verify two copies of your Sage 100 Contractor data. Put one copy in a safe storage area. Save at least one copy to a separate removable storage device.

Note: A backup created at this point in the process reveals whether or not the program has discovered data problems during the year-end close. You can use this backup to

Advance the General Ledger period for fiscal year end

verify data integrity if you have to close again.

Advance the fiscal period

Open **1-6 Period and Fiscal Year Management > Change Period**, and then under **Change period to**, select period 1 of the next fiscal year.

You are now in the current fiscal year in your company file.

Note: You do not have to advance to period 1 of a new fiscal year before you can make transactions in it. If you are on period 12 of your current fiscal year, period 1 of the next fiscal year is available for transactions. Periods 2-12 of the next fiscal year become available only after you advance to period 1 of the new year.

What happens when you advance the fiscal year?

Sage 100 Contractor does not require you to close your books at the end of the fiscal year.

When you advance the fiscal year (from period 12 of the current year to period 1 of the next fiscal year), Sage 100 Contractor audits your accounting records to verify that valid, balanced transactions support the account balances. If no errors are present, Sage 100 Contractor advances the accounting period to period 1 of the next fiscal year. Periods 2-12 of the new fiscal year become available.

If you are on period 12 of your current fiscal year, you can begin entering transactions for period 1 of the new fiscal year by selecting **Period 1** from the **Posting Period** window or by changing the company period in **1-6 Change Period**.

Important! Make sure you have posted all the transactions for the year you are archiving. After archiving, you can post an entry to period 0 in the current books, but you must also open the archive and make the entry for the previous year.

Chapter 3: Archiving data

You can archive data at any time. It is not necessary to archive data before advancing the fiscal year or before closing the payroll for the year.

You archive data using these Archive Company Data tabs in Database Administration:

- Use Archive Oldest Fiscal Year to archive accounting data for a fiscal year.
- Use Archive Oldest Payroll Year to archive the payroll for a calendar year.

For more information about archiving data, see the help for Database Administration or refer to the *Database and Company Administration Guide*.

About archiving company data

You use Archive Oldest Fiscal Year in Database Administration to archive accounting data for the oldest fiscal year in your current company. You can archive fiscal year data at any time.

The Archive Data wizard leads you through the process of archiving your data from previous fiscal periods. It removes the oldest fiscal year of data from your current company, and places it in a separate archive company. Therefore, before archiving a fiscal year, ensure your current period is not in the same fiscal year.

Note: Advancing your fiscal period and archiving fiscal data are separate processes. You do not need to close the books at year end, and you do not have to archive your data before advancing to the next fiscal year. However, you cannot archive a fiscal year until you advance the default posting period to at least period 1 of the following year using the **Change Period** window in the Sage 100 Contractor application.

Archiving the oldest fiscal year

The data archive process removes the oldest fiscal year of data from your current company, and places it in a separate archive company. Therefore, before archiving a fiscal year, ensure

your current period is not in the same fiscal year.

The Archive Data wizard leads you through the process of archiving your data from previous fiscal periods. You can archive up to 12 periods at one time. You do not have to close your fiscal year before archiving your data

Before archiving

Make sure you have :

- Administrator rights for the company you want to archive.
- Posted all transactions for the year you are archiving.
- Advanced the default posting period to at least period 1 of the year following the one you are archiving. (You advance your fiscal period using the **Change Period** window in the Sage 100 Contractor application.)
- Created at least two backups of your company data.

To archive a fiscal year

1. Open **Database Administration**.
2. Click **Archive Company Data > Archive Oldest Fiscal Year**.
3. On the Archive Oldest Fiscal Year tab, select the company you want to archive from the list box.

Note: Only companies for which your current login ID has administrator rights appear in the list.

The **Archive Data** wizard opens, displaying information about the archiving process and the tasks you should have completed before archiving.

Tip: As you proceed through the wizard, you can click the **[Help]** button to view more detailed information about each page.

4. Click **[Next]** .
5. On the Preparation page:

- a. Click [**Begin Preparation**] to start performing all the listed preparatory tasks.

Note: If any problems are encountered, the process stops, and the text on this button changes to [**Resume Preparation**]. Click [**Resume Preparation**] to continue running subsequent tasks to see if there are additional items that require your attention.

- b. When all the preparatory tasks are complete and without error, click [**Next**].

Note: You can click [**Next**] only when all tasks have been completed successfully.

6. On the Maintenance Options page, select one or more maintenance tasks you want to perform prior to archiving, and then click [**Next**].
7. On the Archive Data page:

- a. Type a name for the company archive in the **Enter name for the company archive** box. The name cannot contain any special characters
- b. Click [**Begin Archiving**], and then click [**Yes**] if you are sure you have backed up your data and completed the other tasks in the "Before archiving" section.

Note: If the archive folder exists, it must be empty. Click [**Yes**] to continue the process, or click [**No**] to go back to the Archive Data page.

If you selected maintenance options before archiving, you can click **View Result** to display a message box that lists information about the maintenance tasks completed.

- c. Click [**Next**].

When the archiving process has finished, the wizard backs up your data, and then displays information about working with your archive company.

8. Click [**Close**].

After archiving a fiscal year

If you have more than one year of fiscal data to archive, perform the archive process more than once.

About removing jobs at fiscal year end

Caution! If you need to review any deleted records, refer to the company's archive or restore a backup made prior to the archiving of your fiscal year.

When archiving your accounting data, you can remove job records from the company database. When a job is completed, fully invoiced, completely paid, and you do not want to carry its data into the next fiscal year, change the job record status to **6-Closed**.

Important! All jobs with a job record status of **2-Refused** will also be removed when archiving your data if you select the **Remove jobs with closed or refused status** maintenance option.

When Sage 100 Contractor removes a job record, it also removes job-related records, including schedules, takeoffs, progress billing, time and materials setup, closed purchase orders, subcontracts, change orders, budgets, proposals, and accounts payable and receivable invoices assigned status **4-Paid** or **5-Void**.

The archive process does not remove a closed or refused job unless the job has a zero balance, no open payable invoices/credits, no job costs in the current books, no payable invoices/credits in the current books (even if they are paid or void), and no balance in a WIP account. You can confirm that the jobs meet the criteria for removal.

Note: If jobs, vendors, employees, and equipment records created in subsequent years exist at the time you archive, these records are copied to the archive company, although the associated accounting data is removed.

About archiving payroll data

At the end of the calendar year, you archive the payroll to close it and prepare for the new calendar year. During the close, Sage 100 Contractor removes all payroll records and resets

the quarter-to-date and year-to-date totals to \$0. You can also delete old or unneeded employee records.

Important! Closing payroll does not affect the accrued vacation, sick, and compensation times in the employee records that you choose to retain.

Note: The payroll archive company is different from the general ledger archive company. If you enter transactions between closing the fiscal year and closing payroll, back up and archive your accounting and payroll records separately to ensure that you have permanent records of all your data.

Before entering timecards for the new calendar year, audit, back up, and then close (archive) the payroll. Although you may back up your company data at any time, in the context of closing the payroll, it makes sense to back up your data after you have audited it and corrected any errors.

Closing payroll can be time consuming, and the time necessary to create an archive may be considerable depending on the number of payroll records and employees contained in each company. We recommend creating a schedule of tasks to perform leading up to the close. For example, consider auditing the payroll a month in advance of the scheduled closing date. This should provide enough time to resolve any errors that might exist.

Note: When you close a payroll year, Sage 100 Contractor creates new ACA records for the new payroll year. It uses the December values from the previous year as defaults for each month of the new year.

Archiving payroll data

- Archiving and closing payroll at the end of the calendar year is a separate process from closing the fiscal year in the general ledger.
- You cannot process payroll for the new calendar year until you archive (and close) payroll for the previous year.
- You cannot enter payroll data with check dates in the new calendar year until you archive payroll for the previous year.

Before you archive payroll data

- Review the *Year End Guide* to make sure you are familiar with all aspects of closing a payroll year.
- Make sure that the ACA information in **5-2-1 Employees** records is up to date for the year you are archiving.
- Make sure that you are in your current company and not in your general ledger archive company.
- Back up and verify two copies of your Sage 100 Contractor data.
 - Put one copy in a safe storage area.
 - Save at least one of your backup copies on a separate removable storage device.

Note: You can use this backup copy to verify data integrity if you have to close again.

- Make sure no other users are logged into the company.

To archive payroll data

1. In Database Administration, click **Archive Company Data > Archive Oldest Payroll Year**.
2. On the Archive Oldest Payroll Year tab:
 - a. From the **Select the company to archive** list, select the company for which you want to archive payroll .
 - b. In the text box, type a name for the payroll archive.
 - c. If you want to remove records for employees who no longer work for the company, select their statuses as follows:

Archiving payroll data

- To remove records with 3-Quit status, select the **Quit** checkbox.
 - To remove records with 4-Laid Off status, select the **Laid Off** checkbox.
 - To remove records with 5-Terminated status, select the **Terminated** checkbox.
 - To remove records with 7-Deceased status, select the **Deceased** checkbox.
3. Click [**Create Archive**] .

Chapter 4: Annual Reporting for the Affordable Care Act (ACA)

To ensure compliance with the Employer Shared Responsibility provisions of the Affordable Care Act (ACA), your company may be required to file these forms concerning health care coverage:

- **Form 1094-C Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns**

You file this form for your company. It lists the number of full-time employees and the total number of employees each month. It also includes additional information if your company is a member of an Aggregated ALE (Applicable Large Employer) Group.

- **Form 1095-C Employer-Provided Health Insurance Offer and Coverage**

You file a separate form for each full-time employee. It indicates whether your company offered minimum essential health insurance to the employee and family, and the employee share of the lowest-cost coverage. If the employee enrolled in an employer self-insured plan, it also lists the individuals covered.

Note: Reports for the 2021 year are due in early 2022.

Refer to the [Internal Revenue Service website](#) to find out:

- Whether your company qualifies as a large employer, and if you need to report employee healthcare coverage on these forms.
- The definitions of "minimum essential health coverage" and "self-insured plan."
- Detailed information about the codes defined by the ACA, and which codes to use in your company.

You may also want to contact your tax advisor for assistance with the ACA requirements.

If you are required to report health care information for 2022, you must track ACA hours beginning with the first paycheck in 2022. It is a good idea to assemble the required employee and dependent information ahead of time so that you can enter it in Sage 100 Contractor early in January 2022.

Tasks to complete before the new year

You should complete the following tasks before the start of each new year.

Determine whether your company is subject to reporting under the Affordable Care Act

Visit the IRS website (<http://www.irs.gov/Affordable-Care-Act>) or consult your tax adviser to find out whether your company qualifies as a Large Company under the ACA.

Educate yourself about the Affordable Care Act

Visit SageCity (<http://sagecity.na.sage.com/p/aca.aspx>) to view the training videos and other resources designed to help you become familiar with the ACA.

Assemble employee and dependent coverage information

Make sure you have the following information for each employee:

- Name
- Social Security Number
- Work Status (Full Time, Part Time, Seasonal, Exempt)
- Offer of Coverage Code (as defined under the Act)
- Safe Harbor Code (as defined under the Act)
- Share of Min Plan Premium (the employee's share of the lowest premium)
- Zip Code (for the employee, depending on the selected Offer of Coverage Code)
- Months covered by insurance

If the health care plan you offer your employees is self-insured, obtain the following information about the employee's spouse and each dependent:

- Name
- Social Security Number or Date of Birth
- Months covered by insurance

Tasks to complete as early as possible in the new year

If you have not done so before, enter the **ACA Policy Origin Code** for your company on the General Information tab in the **7-1 Company Information** window. (This code is required when you submit ACA 1094-B or 1095-B reports.)

Enter or update health care coverage for each employee in the top portion of the ACA tab in the **5-2-1 Employees** window.

- Name
- Social Security Number
- Work Status (Full Time, Part Time, Seasonal, Exempt)
- Offer of Coverage Code (as defined under the Act)
- Safe Harbor Code (as defined under the Act)
- Share of Min Plan Premium (the employee's share of the lowest premium)
- Zip Code (for the employee, depending on the selected Offer of Coverage Code)
- Months covered by insurance

Tip: If you have a large number of employees for which you need to update these ACA settings, use the **Update All Employees' ACA Settings** window. (In the **5-2-1 Employees** window, click **Options > Update All Employees' ACA Settings.**)

If you offer your employees health care coverage under a self-insured plan, enter or update the following information for the employee's spouse and each dependent in the bottom portion of the ACA tab in the **5-2-1 Employees** window:

- Name
- Social Security Number or Date of Birth
- Months covered by insurance

Tasks to complete periodically throughout the new year

Tasks to complete periodically throughout the new year

- When paying employees, ensure that ACA hours are recorded for each pay period in the **5-2-2 Payroll Records** window.
- Print and review **5-4-3 ACA Allocation** report on a monthly basis to see if there are any discrepancies between ACA hours and actual hours, and reconcile them as necessary. (Discrepancies are noted with an asterisk at the bottom of the report.)