

YEAR-END PAYROLL PREP:

THIRD-PARTY SICK PAY, DISABILITY, AND EQUIVALENT PLAN BENEFITS

2026

xenium



MODERATOR

Lacey Partipilo

VP, Client Success

Xenium HR



SPEAKER

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Xenium HR



SPEAKER

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WHAT WE ARE COVERING TODAY

- Understanding Third- Party Sick and Pay Statements
- Roles and Responsibilities
- Understanding Oregon Equivalent Plan benefit payments
- Recognize Year-End reporting deadlines
- Xenium TPA offerings
- 2026 Year-End Payroll Checklist

THIRD-PARTY SICK DEFINITION AND RECOGNIZING STATEMENTS

Wage replacement paid to an employee by an insurance carrier, disability provider, or leave administrator rather than directly through the employer's payroll.

COMMON EXAMPLES

Short-term disability (STD)
Long-term disability (LTD)
Paid Family leave benefits (PFML)
Oregon Equivalent Plan bene fits

MUTUAL OF OMAHA
DAILY DISABILITY WITHHOLDING REPORT
02/02/2026

REPORT: GFS32211
RUN DATE: 02/03/2026
PAGE: 1333

POLICYHOLDER NAME:
REPORTING ENTITY:
PRODUCT DESCRIPTION: PAID MEDICAL LEAVE

GROUP ID:
BILLING ENTITY:
LEGACY POLICY:

RESPONSIBILITIES:
EMPLOYER MATCH DEPOSIT:
W2 PREPARATION: UNITED OF OMAHA

SUBGROUP	CLASS	CLAIMANT NAME	SSN	DATE OF DISABILITY	BENEFIT TIME PERIOD
			***-**-3202	08/01/2025	01/05/26 - 01/06/26

AMOUNT DESCRIPTION	AMOUNT	TAXABLE AMOUNT
GROSS	628.90	0.00
INCOME TAX	0.00	251.56
EMPLOYEE SS	15.60	251.56
EMPLOYEE MEDI	3.65	251.56
EMPLOYER SS	15.60	251.56
EMPLOYER MEDI	3.65	251.56
GROSS	628.90	0.00
INCOME TAX	0.00	251.56
EMPLOYEE SS	15.60	251.56
EMPLOYEE MEDI	3.65	251.56
EMPLOYER SS	15.60	251.56
EMPLOYER MEDI	3.65	251.56

POLICY SUBTOTAL:

MUTUAL OF OMAHA
MONTHLY PFL WITHHOLDING REPORT
MONTH 12/2025

REPORT: GFS32231
RUN DATE: 01/07/2026
PAGE: 632

GROUP ID: G000C38M
BILLING ENTITY: GUPM0C38MF801A
LEGACY POLICY: GUPM-0C38M

RESPONSIBILITIES:
1099 PREPARATION: MUTUAL OF OMAHA

PRODUCT DESCRIPTION: PAID FAMILY LEAVE

SUBGROUP	CLASS	CLAIMANT NAME	SSN	DATE OF PFL	PRIOR PERIOD ADJUSTMENTS	AMOUNT DESCRIPTION	MONTHLY TOTALS AMOUNT	MONTHLY TOTALS TAXABLE AMOUNT	YTD AMOUNT	YTD TAXABLE AMOUNT	QTR(4) AMOUNT	QTR(4) TAXABLE AMOUNT
801A	01					GROSS	0.00	0.00	4,392.08	0.00	0.00	0.00
						INCOME TAX	0.00	0.00	0.00	4,392.08	0.00	0.00
801A	01					GROSS	0.00	0.00	19,658.72	0.00	10,473.98	0.00
						INCOME TAX	0.00	0.00	8,400.00	19,658.72	4,480.00	10,473.98
	CLASS SUBTOTAL: 01					GROSS	0.00	0.00	24,050.80	0.00	10,473.98	0.00
						INCOME TAX	0.00	0.00	8,400.00	24,050.80	4,480.00	10,473.98
	SUBGROUP SUBTOTAL: 801A					GROSS	0.00	0.00	24,050.80	0.00	10,473.98	0.00
						INCOME TAX	0.00	0.00	8,400.00	24,050.80	4,480.00	10,473.98
	POLICY SUBTOTAL: GUPM-0C38M					GROSS	0.00	0.00	24,050.80	0.00	10,473.98	0.00
						INCOME TAX	0.00	0.00	8,400.00	24,050.80	4,480.00	10,473.98

ROLES AND RESPONSIBILITIES

CLIENT

- Notify Xenium when an employee begins receiving Third-Party Sick Pay benefits
- Provide eligibility and employee information to the carrier, as required
- Forward carrier statements and reporting documents to Xenium
- Review payroll reports and year-end reporting for accuracy

INSURANCE CARRIER

- Determine employee eligibility and administer benefits
- Calculate and pay Third-Party Sick Pay benefits
- Determine and communicate tax treatment and withholding responsibilities
- Provide timely and accurate benefit payment statements
- Supply year-end reporting information and required tax documentation

XENIUM'S ROLE AND RESPONSIBILITIES

XENIUM PAYROLL & TAX TEAM

- Process payroll adjustments based on carrier-provided information
- Apply tax treatment and withholding as determined by the carrier
- Fund and remit employer tax liabilities, when applicable
- Coordinate W-2 reporting and reconciliation
- Resolve discrepancies using carrier statements and available documentation

Key Takeaway: The insurance carrier determines benefit payments and tax treatment. Xenium relies on timely and accurate carrier reporting to process payroll adjustments, tax reporting, and year-end W-2 compliance.

PAYROLL CHECK JOURNAL AND VOUCHER REVIEW

PAYROLL CHECK JOURNAL REPORT

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[redacted]

Payroll Check Journal Report

Pay Dates from 04/01/2026 to 06/30/2026 By Division By Employee Name

Sort-By Criteria	Pay Description	Hours / Units	Pay Rate	Amount	Deduction Description	Amount	Contribution Description	Amount
***							MEDICARE - EMPLOYER	22.23
[redacted]							OASDI - EMPLOYER	95.06
Pay Method SALARIED							Contribution Total:	117.29
Check Date 06-30-2026								
Period Start 06-30-2026								
Period End 06-30-2026								
Employee ID I29289								
Net Pay $0.00								

PAYROLL VOUCHER

Employee Voucher

Voucher | Pay | Deductions | Benefits | Tax | Accounting | Banking | Time Off | Workers Comp

Voucher Number 011353 Employee [redacted] Pay Date 06/30/2026

Employee Tax

Tax Deduct Code	Tax Description	Exempt Earnings	Sheltered Earnings	Taxable Earnings	Taxable Over Limit	Tax Withheld	Tax Basis
00-10	FEDERAL INCOME TAX	0.00	0.00	1,533.23	0.00	0.00	P
00-11	FICA - MEDICARE	0.00	0.00	1,533.23	0.00	0.00	P
00-12	FICA - OASDI	0.00	0.00	1,533.23	0.00	0.00	P
38-20	OR INCOME TAX	0.00	0.00	1,533.23	0.00	0.00	P
Totals						0.00	

Uncollected Medicare: On Tips 0.00; on GTL 0.00

Uncollected OASDI: on Tips 0.00; on GTL 0.00

Third Party Taxes 117.29

Employer Tax

Tax Deduct Code	Tax Description	Exempt Earnings	Sheltered Earnings	Taxable Earnings	Taxable Over Limit	Tax Accrued	Tax Basis	Client Reporting Only
00-15	MEDICARE - EMPLOYER	0.00	0.00	1,533.23	0.00	22.23	P	N
00-16	OASDI - EMPLOYER	0.00	0.00	1,533.23	0.00	95.06	P	N
00-17	FEDERAL UNEMPLOYMENT	0.00	0.00	1,533.23	1,533.23	0.00	P	N
Totals						117.29		

Taxable Billing (w/ Shelters)

Tax Deduct Code	Tax Description	Exempt Earnings	Sheltered Earnings	Taxable Earnings	Taxable Over Limit	Tax Amount
00-15	MEDICARE - EMPLOYER	0.00	0.00	1,533.23	0.00	22.23
00-16	OASDI - EMPLOYER	0.00	0.00	1,533.23	0.00	95.06
00-17	FEDERAL UNEMPLOYMENT	0.00	0.00	1,533.23	1,533.23	0.00
Totals						117.29

A $0.00 net is expected when the carrier already paid the employee.

OREGON EQUIVALENT PLAN

MANAGING EMPLOYEES OREGON PAID LEAVE

Does employer allow for employees be allowed to supplement their benefits with PTO or Sick time?

Alerting your Payroll Specialist of Leave so Xenium can enter a Status Changes for employees to LOA (Leave of Absence)

Reach out to carrier once leave has ended to ensure benefits match up with LOA.

Pass along all benefit statements for entry by Xenium

2026 YEAR-END CHECKLIST

QUARTERLY REVIEWS (Ongoing)

Xenium

- Enter all Third-Party Sick information received prior to quarterly filings
- Process related payroll and tax adjustments

Client payroll manager

- Review payroll vouchers and check journals
- Verify entries are accurate and complete
- Report discrepancies promptly

DECEMBER

Client payroll manager

Deadline: Monday, December 14

- Submit all Third-Party Sick statements received to date
- Confirm all leave activity has been reported
- Xenium processes all submitted information for year-end reporting
- Request annual summary statements from carriers

JANUARY

- Review employee W-2s for Third-Party Sick reporting
- Encourage employees to review their W-2s as well
- Report any discrepancies immediately
- Complete any necessary corrections and filings
- Retain supporting documentation

KEY TAKEAWAY

Xenium is responsible for entering and reporting Third Party Sick information received. Clients and employees are responsible for reviewing payroll reports and W-2s to confirm all benefits have been reported accurately.

XENIUM TPA OFFERINGS

Reach out to Client Success or your HR Business Partner if you are interested in hearing about our TPA Services

XENIUM'S TPA OFFERINGS

For clients who use Xenium as their Third-Party administrator, Xenium supports **short-term disability and equivalent PFML plans** by:

- ✓ Managing the employer portion of the claims process
- ✓ Initiating employer claim documentation when a leave need is identified
- ✓ Providing employment and payroll information requested by the carrier
- ✓ Supplying monthly payroll data used to calculate plan billing
- ✓ Supporting monthly or quarterly billing, depending on the plan

YEAR END CHECKLIST

2026 Year-End Payroll Checklist

During the fourth quarter there are several payroll activities that require your attention as we plan and organize all aspects of year-end payroll processing. This checklist has been developed to assist in ensuring the information reported at year-end is complete, accurate and submitted timely for processing. Additionally, there are items identified to assist with a smooth transition to the New Year.

Should you have any questions about the information contained in this checklist, procedure for proper submission of the requested information or year-end payroll processing, please contact the Payroll Tax Department or your assigned Payroll Specialist.

ACTIVITY	REPORTING DEADLINE
☐ **Identification and submission of Taxable Fringe Benefits** - Submit completed report to payrolltax@xeniumhr.com. - See attached list of examples of fringe benefits.	**Friday, November 27th** $50 fee per transaction for late submission
☐ **Supplemental Checks (Bonuses, Missed Payments, etc.)** - Notify your Payroll Specialist as soon as possible if you will need a supplemental check processed.	**Monday, December 14th** $100 fee per transaction for late submission
☐ **Third Party Sick Pay** - Forward all Third-Party Sick Pay notifications to payrolltax@xeniumhr.com if you have not already done so.	**Monday, December 14th**
☐ **W-2 Updates** - Provide employee address changes / mailing address requests to your Payroll Specialist to ensure that employee W2's are distributed correctly.	**Monday, December 14th**
☐ **2027 Tax Rate Notifications** - Forward all tax rate notifications received to payrolltax@xeniumhr.com upon receipt. Timely receipt will ensure that tax calculations are accurate beginning with your first payroll of the new year.	**Upon Receipt**
☐ **W-2 Distribution / Availability on Employee Self-Service Portal** - W-2's will be mailed to employees' address of record on or before the deadline date of January 31, 2027th. W-2's will also be made available on the Xenium Employee Self-Service Portal.	**Sunday, January 31st**

ANY QUESTIONS?

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Contacts for support- Payroll Tax, HR Business
Partners for TPA Offerings

Get our free resources

Blog: xeniumhr.com/blog
Podcast: xeniumhr.com/podcasts
Webinars: xeniumhr.com/webinars

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