MERGER AND ACQUISITION DEFINITIONS
• Acquisition
• Merger
• Predecessor
• Successor
• Successor employer
• Statutory merger or consolidation

EMPLOYMENT TAXES
• Federal Insurance Contributions Act
  - Social security
  - Medicare
• Federal Income Tax Withholding
• State Income Tax Withholding
• Local Income Tax Withholding
• State Disability Insurance
• Federal Unemployment Tax
• State Unemployment Insurance

TYPES OF TRANSACTIONS
• Stock purchase
• Statutory merger or consolidation
• Asset purchase

FEDERAL, STATE, AND LOCAL PAYROLL TAX REPORTING
• Income tax
• Social security/Medicare
• Federal unemployment
• State unemployment

PREPARING FOR THE MERGER OR ACQUISITION
• Responsibility overview
• Transition coordinator
• Financial accounting
• Planning the merger or acquisition
• Issues to be considered
  - Type of transaction
  - Effective date
  - Payroll frequency of predecessor/successor
  - Initial pay period ending under successor
  - Initial pay date under successor
  - Predecessor’s/successor’s workweeks
  - Predecessor's federal, state, and local withholding EINs
  - Predecessor's local tax rates
  - Predecessor's SUI identification numbers and tax rates
  - Predecessor's workers' compensation premium rates
• Vacation, sick, PTO balances/policies
• Predecessor’s wage balances for FICA, FUTA and SUI/SDI
• Identify predecessor’s contacts for payroll, HR, and IS
• Staffing requirements
• WARN Act issues if downsizing the workforce

DUE DILIGENCE
• Completion of tax returns
• Timeliness
• Accuracy
• Timeliness of tax payments
• Review of general ledger payroll liabilities
• Outstanding tax issues with federal, state, or local taxing authorities
• Review of exempt/nonexempt classifications
• Miscellaneous income and benefits
• Company-provided airplane
• Company-provided automobiles
• Employee loans
- Golden parachutes
- Stock options
- Review of record keeping

INFORMATION REQUIRED FROM THE PREDECESSOR
- Federal record keeping requirements
- Wage and hour
- Tax
- State record keeping requirements
- Wage and hour
- Tax

OTHER PREDECESSOR INFORMATION
- Number of locations
- Location addresses, phone numbers, etc.
- Payroll and payroll tax policies
- Human Resources and Benefits policies
- Information systems
- Union versus non-union employees
- Existing union contracts
- HR policy manuals and employee handbooks
- Types of earnings and deductions
- Software applications and platforms
- Third-party administrators

PAYROLL TAX CHECKLIST
- Stock purchase
- Merger or consolidation
- Asset purchase

STRATEGIC PLANNING AND IMPLEMENTATION
- FICA wage base credits
- FUTA wage base credits
- SUI/SDI wage base credits
- Transfer of SUI experience rating
- Impact of SUI wage base credit
- Impact of voluntary payment
- Timeliness of request
- Analysis of rate notices of successor/predecessor
- Unemployment tax advantages or disadvantages
- Impact of mid-year transaction
- Impact of joint account applications
- Inactive accounts

ASSET PURCHASE
- Total acquisition
- Management agreements
- Reorganization of existing entities

ORGANIZING THE WORK
- Automatic interface of data
- Manual input of data
- Staffing requirements: short-term and long-term
- Develop acquisition package for new unit(s)
- New payroll, HR, and accounting procedures
- New employee benefits

*Program and faculty subject to change without notice.
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