

Overview

The goal is to avoid the complications that occur when a successor employer election is not completed correctly. Without the proper designation, employees may receive two W-2s, Social Security wage caps may reset—resulting in excess withholding, additional employee tax-return steps, and unnecessary employer tax costs—and NewCo cannot inherit the predecessor’s wage and tax history. To prevent these issues, it is essential that both federal payroll setup and state unemployment filings recognize NewCo as the successor employer.

Practical Step-By-Step Checklist (Missouri & Kansas)

1. At the time of payroll setup

- Check YES — Successor Employer in payroll onboarding
- Ensure the payroll provider merges wage bases from Predecessor → NewCo
- Confirm all YTD wages carry forward in system

✓ 2. State unemployment steps — Missouri

- File changes within **30 days**
- Employer Change Request via UInteract
- New owner files Unemployment Tax Registration
- Ensure successor account + wage history transfer is accepted by DES
- Confirm no wage-base reset in payroll system

✓ 3. State unemployment steps — Kansas

- NewCo registers through KDOL Employer Self Service Portal
- File K-CNS 020 (Employer’s Notice of Change) for successorship
- Confirm predecessor’s unemployment account is transferred
- Ensure payroll wage bases continue without restarting

✓ 4. Verify Successor Status Took Effect

Ask payroll to confirm:

- FICA wage bases for each employee show full YTD wages
- No duplicate W-2 generation is scheduled
- FUTA wage base continues correctly
- State unemployment tax rate is the inherited rate, not new-employer rate