

Payroll Year-End Checklist

Our Payroll Year-End Checklist is a comprehensive guide designed to help payroll departments close out the year efficiently and start the new year on the right foot. This checklist covers all essential tasks, including verifying employee information, filing tax forms, and ensuring compliance with regulations, making it an indispensable resource for a stress-free year-end process.

Verify Employee and Contractor Info

<input type="checkbox"/> Update Employee Records	Ensure names, Social Security numbers, and addresses are accurate for all employees.
<input type="checkbox"/> Allow Self-Service Updates	Enable employees to verify and update their personal information through self-service tools.
<input type="checkbox"/> Review Changes	Confirm updates to personnel, including new hires, terminations, and promotions.

Review Wage, Tax, and Benefit Data

<input type="checkbox"/> Validate Wages & Bonuses	Confirm that wages, overtime, and bonuses are recorded correctly.
<input type="checkbox"/> Verify Tax Withholdings	Ensure that federal, state, and local tax withholdings are accurate.
<input type="checkbox"/> Review Taxable Benefits	Include taxable benefits, such as life insurance, in year-end totals.

File and Distribute Tax Forms

<input type="checkbox"/> Prepare W-2s & 1099s	Generate and distribute tax forms to employees and contractors by January 31.
<input type="checkbox"/> E-File with the IRS	Submit forms electronically to meet compliance deadlines.
<input type="checkbox"/> Complete Additional Filings	File other required forms, such as 940 and 941, as applicable.

Manage ACA and Benefits Compliance

<input type="checkbox"/> ACA Reporting	File and distribute ACA Forms 1094 and 1095 for employers with 50+ full-time employees.
<input type="checkbox"/> Verify Benefits Updates	Ensure employee benefits are renewed or updated for the coming year.
<input type="checkbox"/> FSA Reminders	Remind employees about Flexible Spending Account (FSA) deadlines.

Process Year-End Adjustments and Bonuses

<input type="checkbox"/> Distribute Bonuses	Calculate and pay year-end bonuses accurately.
<input type="checkbox"/> Correct Payroll Errors	Make any retroactive pay corrections and reflect them in payroll totals.

Audit Payroll and Compliance Records

<input type="checkbox"/> Reconcile Payroll Data	Check payroll registers against bank statements and tax filings.
<input type="checkbox"/> Analyze Year-End Costs	Review payroll costs, tax liabilities, and benefit expenses.
<input type="checkbox"/> Check Legal Compliance	Verify adherence to new federal, state, and local payroll regulations.

Retain and Secure Payroll Records

<input type="checkbox"/> Archive Year-End Reports	Ensure names, Social Security numbers, and addresses are accurate for all employees.
<input type="checkbox"/> Backup Records	Enable employees to verify and update their personal information through self-service tools.

Communicate with Employees

<input type="checkbox"/> Inform About Tax Forms	Notify employees about the availability of year-end tax forms.
<input type="checkbox"/> Share Key Updates	Provide resources to help employees understand policy or law changes.
<input type="checkbox"/> Assist with Questions	Answer any employee questions about year-end payroll or taxes.

Prepare Payroll Systems for the New Year

<input type="checkbox"/> Update Tax Rates	Ensure payroll systems reflect new federal, state, and local tax rates.
<input type="checkbox"/> Test System Updates	Run tests to verify that system updates are functioning correctly.
<input type="checkbox"/> Schedule Compliance Tasks	Set reminders for deadlines to maintain compliance in the new year.

Plan for a Strong Start in the New Year

<input type="checkbox"/> Review Policy Changes	Update the employee handbook with any new policies.
<input type="checkbox"/> Distribute Notices	Provide employees with required notices, such as COBRA or HIPAA documents.
<input type="checkbox"/> Set Goals	Evaluate processes and set attainable improvement goals for the coming year.

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Make year-end payroll stress-free with People Savvy HCM. Automate W-2s, ensure compliance, and streamline reporting with tools designed for HR and payroll professionals. Simplify your processes so you can focus on your team and business.



HR Sidekick is designed to support you all year long. From compliance tools to expert guidance to automatic updates, it's your go-to solution for HR and Payroll teams of any size to stay confident and prepared every step of the way. Subscribe for year round answers.



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