



YEAR END CHECKLIST

Human Resources

- Verify home address for all employees.
- Reconcile all vacation/sick and/or Paid Time off balances for year-end payout or carryover if applicable.
- Move current year terminated personnel files to storage.
- Remind employees to file an amended W-4 if there has been a change in their filing status, exemptions, etc.

Payroll

- Reconcile manual checks to annual totals.
- Send reminder to employees to verify social security number and address on pay stubs.
- Capture all information (ex: personal use of company car, relocation, bonuses, etc.).
- Check third party sick pay (short or long term disability) postings to make sure you have captured all information required.
- Create a list of outstanding checks to insure you comply with your State Escheat Laws (unclaimed property).
- Confirm year-end payroll deadlines and federal and state deposit deadlines, and review the holiday processing schedule.
- Check the IRS website to ensure you have the most recent Forms 941, 940, 944, and 945.
- Verify the employer's new state unemployment insurance tax rate and taxable wage limit for each state where the employer has workers.
- Verify new state disability insurance rate and taxable wage limit, where applicable.
- Test reasonableness of Social Security tax withholding (multiply total wages less excess wages by 6.2%).
- Compare payroll register totals to Form W-3 totals.
- Compare Forms W-2 to State and local report totals.
- Compare total wages reported for each tax; reconcile any differences.
- Verify that reported taxes from Form W-3 equal tax deposits (total of Forms 941)?
- Check for excess contributions to qualified plans, including 401(k), 403(b) and SIMPLE plans, especially for highly-compensated employees.

- Ensure that terminated employees have zero balances for loans, garnishments, vacation, and sick time. These discrepancies were uncovered while preparing for the last payroll of the calendar year and should be corrected or adjusted.
- Schedule any special bonus payrolls.
- Confirm that for the new year the schedule of pay dates, period ending dates and quarter closing dates, are as intended and do not fall on holidays or weekends

Benefits

- Verify current employee and accurate dependent coverage
- Distribute new health/dental insurance cards
- Compile Census information for retirement plan testing (highly compensated).
- Review list of which employees have life insurance over \$50,000 to report taxable income for Taxable group term life insurance.
- Verify Flexible Spending Account balances to confirm that employees will have total amount deducted by end of calendar year.

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