

YEAR-END CHECKLIST

Get payroll over the finish line

Year-end looms large in the payroll world, and PayNorthwest is committed to helping clients have the smoothest year-end possible. Avoid year-end angst, extra work and penalties with our checklist of year-end activities, and enjoy a stress-free, productive end of this year and beginning of next.



■ Review and update employee information

Employee names, addresses and social security numbers need to be correct and are very much worth checking and verifying prior to the last payroll of the year. Penalties for incorrect information in your W-2 filings run from \$50-\$270 depending on when you make the correction. It pays to get it right the first time.

■ Process and record all manual and voided checks

Confirm that all voided checks have been recorded and that you have accounted for all manual checks written during the calendar year.

Be a Payroll Champion

Year-end is a breeze with help from PayNorthwest's human capital management (HCM) solution.

■ Plan bonus payrolls

Plan for any bonus payroll runs in advance, estimate dollar amounts and let your provider know. Sometimes payroll amounts beyond the normal amounts require approval to fully transact through payroll and banking systems. Head off any delays by letting your payroll provider know in advance.

■ Check bank holiday schedules

Banking holidays may delay transmission of direct deposits and when your people can actually get paid. If you don't know, call your payroll provider to find out if any of your paydates are affected.

■ Address adjustments and special items early

Payroll-related special items or adjustments should be handled as much in advance of the end of the year as possible. Completing this before January 1 helps avoid tax return amendments and related fees.

■ Don't forget fringe benefits

S-corp insurance for owners, deferred compensation, personal use of cars and group term life in excess of \$50,000 all need to be entered into your payroll system prior to year-end for accurate compliance.

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■ **Pay attention to third-party sick pay**

Insurance companies have until January 15 to inform you of disability benefits paid to your employees. If you have been notified during the year of benefits paid, let your payroll provider know. Advising your payroll provider that you are waiting on benefits notification lets them help get W-2s out correctly without a lot of rework.

■ **Start preparing for Affordable Care Act annual reporting**

Determine whether you had more or less than 50 full-time equivalents and whether you are fully or self-insured. Then you'll want to talk to an expert like your payroll or benefits provider.

■ **Check for any excess retirement contribution**

401(k), 403(b) and SIMPLE retirement plans cannot exceed limits set out by the IRS. Check with your retirement plan advisor for relevant limits to your type of plan.

■ **Keep an eye out for unemployment and other agency rate notices for the upcoming year**

You can start the year off right by having updated rates in the system as soon as you receive notice.

Getting ready for year-end takes a lot of work and attention to detail. Going carefully through this checklist will set you up for a smoother and less stressful year-end and January.

Increasing your team's fitness for that last lap of payroll tasks this year will reward your bottom line.

Get in Touch with the Experts

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