End-of-Year Payroll Processing Checklist

I. Preliminary Review

1. **Employee Information Validation**
   a. Verify active/inactive employee lists
   b. Confirm employee addresses and personal data

2. **Tax and Withholding Review**
   a. Check federal and state tax setup
   b. Review withholding allowances

II. Payroll Data Review

1. **Earnings & Deductions**
   a. Review all pay types and ensure accurate classification
   b. Validate benefit deductions and adjustments

2. **Year-to-Date Totals**
   a. Reconcile wages, tips, and other compensation
   b. Check overtime and bonus calculations

3. **Non-Cash Benefits and Other Compensation**
   a. Include fringe benefits in payroll records
   b. Document taxable reimbursements or awards

III. Tax Filing Preparation

1. **W-2 and 1099 Forms**
   a. Prepare and verify all W-2 forms
   b. Ensure all 1099 forms for contractors are ready

2. **Year-End Adjustments**
   a. Enter any final adjustments (e.g., manual checks, corrections)
   b. Verify employer tax payment reconciliations

3. **Filing Deadlines**
   a. Confirm deadlines for state and federal submissions
   b. Prepare electronic or paper forms as required

IV. Post-Processing Tasks

1. **Record Retention**
   a. Archive payroll reports and documentation
   b. Securely store employee year-end data

2. **Employee Communications**
   a. Distribute year-end forms to employees on time
   b. Provide instructions or FAQs as needed

Important Notes

- Accurate payroll processing ensures compliance and reduces risk of penalties.
- Keep documentation supporting all year-end adjustments and corrections.
- Update this checklist as new payroll regulations and requirements arise.
- Consult with a payroll specialist or tax advisor for complex situations.