

Essential Year-End Payroll Preparation

Finish the year strong and prevent payroll stress with this helpful checklist. Completing these tasks will help you feel confident that your payroll process is compliant and efficient in the new year (and beyond)!

COMPLIANCE

- Verify employee information:** For error-free payroll processing, double-check that all employee records are accurate (including names, addresses, Social Security numbers, and withholding allowances)
- Review payroll tax obligations:** Ensure that all payroll taxes (including federal, state, and local taxes) have been calculated correctly and paid on time throughout the year. Conduct a thorough review to avoid any potential issues with tax authorities.
- Confirm compliance with labor laws:** Review your payroll practices to ensure compliance with the latest labor laws and regulations (including minimum wage requirements, overtime rules, and any other relevant legislation)

BENEFITS

- Finalize bonuses and incentives:** If you plan to give year-end bonuses or incentives to your employees, determine the amounts and ensure they are accurately included in the payroll calculations. Remember to let eligible employees know about bonus criteria, too!
- Review paid time off (PTO) balances:** Review accrued PTO and ensure that any unused days align with your company's policy. Depending on your state's regulations, you may need to comply with certain rules regarding unused PTO payout.
- Update employee benefits:** If there have been any changes to your employee benefits offerings (such as health insurance plans or retirement contributions), update your payroll system accordingly to reflect the correct deductions or contributions.

NEXT YEAR PREP

- Update payroll software:** To prevent errors and maintain accuracy, ensure that your payroll software is up-to-date with the latest tax tables, compliance requirements, and any changes in labor laws.
- Communicate payroll schedule:** Inform your employees of any changes to the payroll schedule due to holidays or other factors that may impact the regular payday.
- Set payroll goals:** Set payroll-related goals for the new year, such as improving payroll accuracy, streamlining processes, or enhancing employee self-service options.

Need a payroll provider to assist you with these tasks?

Learn how Workstream helps QSR and franchise businesses simplify payroll year-round:
workstream.us/demo-payroll