



## Year-End Payroll Checklist

Use this checklist to prepare year-end payroll reports, verify records, and file required forms for employees, contractors, and government agencies.

## Step 1 – Verify Employee & Contractor Information

- Confirm employee names, Social Security numbers, and addresses.
- Update contractor records with legal names and Taxpayer Identification Numbers (TIN).
- Ensure all changes (address, marital status, exemptions) are reflected in payroll system.

## Step 2 – Reconcile Payroll Records

- Match payroll ledgers against bank records.
- Confirm totals for gross wages, taxes withheld, and employer contributions.
- Verify year-to-date (YTD) totals in payroll system match filed tax deposits.

## Step 3 – Prepare W-2 and 1099 Forms

- Generate **W-2 forms** for all employees.
- Generate **1099-NEC forms** for contractors paid \$600 or more.
- File W-2s with the **Social Security Administration (SSA)**.
- File 1099s with the **IRS**.

## Step 4 – Submit Annual Filings

- File **Form W-3** with the SSA (transmittal for W-2s).
- File **Form 1096** with the IRS (transmittal for 1099s).
- Submit **Form 940 (FUTA Annual Return)**.
- Double-check state-level year-end requirements.

## Step 5 – Review Benefits & Deductions

- Reconcile health insurance and retirement plan contributions.
- Ensure flexible spending account (FSA) or health savings account (HSA) balances roll over or reset correctly.
- Verify year-end bonuses are processed and taxed correctly.

## Step 6 – Prepare for Next Year

- Review payroll tax rate changes for the upcoming year.
- Update employee withholding elections (new W-4s if requested).
- Refresh payroll schedules and holiday calendars.

**Tip:** Complete year-end payroll tasks early in January to meet W-2 and 1099 deadlines and avoid last-minute penalties.