



Payroll Unlimited, Inc.
East Coast Benefits, Inc.

Year-End Payroll Processing Checklist

This checklist can help ensure that your company's year-end payroll processing runs smoothly and employees' W-2 forms are accurate. It will help you review each employee's record to ensure all earnings, taxable wages, deductions, fringe benefits, and other miscellaneous information are correct.

1. Confirm that employee name, address, date of birth, and social security numbers are correct.
2. If an employee has been terminated, is on leave of absence, or is deceased, ensure he or she has been coded in your payroll system as such.
3. Confirm that the deferred compensation plan types are correct, and verify employee totals. Examples: Section 125 plans, 401ks, 403bs, Simple IRAs, dependent care, auto allowance, etc.
4. Verify that group-term life insurance (GTL) adjustments have been submitted and are updated. (Note: Payroll Unlimited customers get their GTL processed at no extra charge.)
5. Ensure that all tax notices and forms are sent to your payroll processor. This will ensure all Unemployment Rates are correct in the payroll system.
6. Verify if any special reports are needed for the end of the year. Request these from your processor, if you cannot print them yourself.
7. If an employee is labeled as "Exempt," he or she must complete a new W-4 to ensure his or her status has not changed.
8. Confirm that all "manual" checks written during the year are accounted for and updated in the payroll system.

9. Determine that all voided or reversed paychecks have been accounted for in the payroll system.
10. Verify that employees do not have excess Social Security wages greater than the maximum for the year.
11. Verify that employees do not have excess Medicare tax deducted.
12. Verify employees' 401k and 403b deductions for annual maximums.
13. Post all taxable fringe benefits, tip allocations, and dependent care benefits. (Seek assistance from your service provider, as many of these items are exempt from certain taxes.)
14. Ensure all Third Party Sick Pay (3PSP) has been posted to the payroll system.
15. Verify all employees are taxed in their correct state.

If you have any questions about your company's year-end payroll processing, call your payroll service provider. And if you can't get someone on the phone, or get the runaround, call us! The Payroll Unlimited payroll experts are ready to help you. Call us at 201-703-1313.