Year End Payroll Checklist for Your Business

End of Year Checklist for Payroll

From end-of-year reporting and taxation to preparing for 2022, proper preparation for year-end payroll taxes begins well before the end of the calendar year. Even if you're experienced with end-of-year payroll, it can be easy to overlook crucial steps which will leave you scrambling to tie up loose ends.

An organized year end payroll checklist can help ensure you don't overlook any major requirements needed from a payroll or benefits perspective.

How to Prepare Before the Last Payroll of The Calendar Year

Here's a closer look at steps you can take now to prepare for the end of the year, even before your last payroll check is written.

- ✓ Set compensation for next year
- ✓ Set year-end bonuses
- ✓ Advise employees about unused benefits
- ✓ Confirm employees' identifying information
- ✓ Record all processed paychecks
- ✓ Prepare updated labor law posters for the next calendar year
- ✓ Order W-2s, W-3s, and other applicable tax forms
- ✓ Determine your payroll policies for the new year
- ✓ Check for special circumstances

What to Do After the Last Payroll of The Year

- ✓ Finalize wage, tax, and benefits information
- ✓ Distribute W-2 forms to all employees
- ✓ File tax forms with the IRS and deposit taxes owed
- ✓ Schedule any bonus payrolls
- ✓ Review the coming payroll year and initiate next year's payroll schedule

Conclusion

With a bit of advanced planning and using the year end payroll checklist, you can successfully wrap up this year and transition into a smooth start for the year ahead. Finalizing your payroll activities for this year and consulting with your payroll provider can help you avoid non-compliance fines and penalties, meet required deadlines, and establish payroll practices to help you find and keep qualified workers through the new year.

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