

**DON'T LET YEAR-END
SMACK YOU IN THE FACE...**

THE YEAR-END MASTER CHECKLIST





The Payroll Gal

The end of the year ignites different feelings for everyone...

Excitement...like holiday parties, vacations, and New Years

or maybe

Angst...like W-2s, year-end tax forms and 1094/1095s

If you're dreading the extra work, you are not alone.

Becoming an expert year-end planner just isn't in the cards for everyone.

There's the added pressure of perfection and deadlines not to mention that your relationship with your employees and the IRS depends heavily on your organizational skills, ability to multi-task, and attention to details.

And let's face it, one mistake could lead to costly reprinting of tax returns and W-2's.

That's why I created the Year-End Master Checklist. Now you can easily become a jedi of year-end forms, documents, and deadlines.

This downloadable checklist is your first line of defense to save your sanity and a have crisis free year-end.

I hope you find it helpful! Of course, if I can be of any help with payroll or HR, please feel free to reach out!

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Year End Checklist

Step 1. Verify Employee Data

Examine your existing employee data. Audit your information for accuracy of details such as:

- Up-to-Date Name Changes & Addresses.
- Birth dates.
- Properly keyed Social Security numbers.
- Correct spelling of names.
- Accurate tax ID numbers for independent contractors.
- Local taxes.

Step 2. Special Tax Items

Ensure that other special tax items have been updated and submitted:

- Other Compensation,
- Third-Party Sick Pay,
- Employee Business Expense Reimbursements,
- Taxable Fringe Benefits,
- Tip Allocation information,
- Dependent Care Benefits.

Step 3. Confirm Wage, Tax and Benefits Data

Verify that withholding has been made properly, or withhold from the final paycheck for taxable fringe benefits. These may include:

- Group-term life insurance in excess of \$50,000
- Third-party sick pay (is the third party issuing a W-2?)
- Personal use of company vehicle
- Non-qualified moving expense reimbursements
- Company-provided transportation or parking
- Employer-paid education not related to the employee's job

Step 3. Confirm Wage, Tax and Benefits Data Con't.

- Non-accountable business expense reimbursements or allowances
- Bonuses
- Non-cash payments
- Check for required backup withholding; verify amounts.
- Clean up all your accounting-related processes so you're in a good place when year-end rolls around.
- Run reports to clean up any inconsistencies with unpaid bills or open invoices.
- Remove unused or closed accounts and clear up any deposited funds.

Step 4. Check for Special Procedures

- Schedule any special bonus payrolls for the current year.
- Request any special reports needed for year end.
- Ensure adequate payroll supplies to complete the year and to begin the new year, including blank checks, payroll forms and blank Forms W-2 if you process in-house.
- Determine whether all adjustments are applied or that an adjustment payroll has been scheduled.
- Have employees complete a new Form W-4 if their situation has changed.
- Obtain new Forms W-5 for Advance Earned Income Credit (EIC) for the new year.
- Confirm that all "manual" payroll checks written during the year have been accounted for and updated in the system.
- Determine that all voided or reversed paychecks have been properly accounted for in the system.

Step 5. Year-end Forms & Deadlines

As you close out each quarter of the year, you're responsible for filing payroll tax returns, so you should already have this on auto pilot.

But at year end, you must add a few returns to the pile:

Due January 31, 2018

- Form 940. The Employer's Annual Federal Unemployment Tax Return
- W-2's, 1099's and the corresponding transmittals.
- Employee's 1095-B & 1095-C.

Due February 28, 2018

- 1094-C paper version

Due April 2, 2018

- 1094-C Electronic version

Failure to file complete and accurate Forms 1094-C by the form deadline will result in penalties equal to \$250 per form, not to exceed \$3 million per year.

Failure to file and furnish correct information on Form 1095-C could result in a \$500 per form penalty for employers.

You will also need to double check that all payroll returns have the correct federal id number and corresponding state numbers where applicable. Filing as an "applied for status" will lead to hours of frustration with the government.

Final Thoughts On Year End

Year End doesn't require craziness.

That's why I put the **Year End Master Checklist** together...to get you started on the right foot.

Make a calendar specific for year end. Assign duties and deadlines. If you plan the work and work the plan you will be in great shape! Of course, if I can help... please reach out.

I've been in the payroll business for nearly 20 years. I started The Payroll Gal so business owners don't have to get a PhD in payroll, HR and benefits to get the best deal for their company.

I have one simple goal... to leverage my insider know-how to help my clients get the best deal for their company. I can take the guess work out of service levels, pricing, and compliance.

At The Payroll Gal, I offer services from all the best providers and deliver candid advice without the sales pitch. It's payroll and HR the way it should be.

Let me know how I can help...

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