

Year-End Checklist & Important Dates

As the year draws to a close, now is the perfect time to review your payroll settings, prepare for required filings, and ensure all employee and contractor information is accurate. The following checklist outlines key tasks and important dates to help you stay organized and compliant.

November - Recommended Tasks

- Confirm employee and contractor setup. Ensure all individuals who should receive a W-2 or 1099-NEC are properly configured in your payroll system.
- Validate employee information. Review year-to-date wages, applicable taxes, names, addresses, and Social Security numbers for accuracy.
- Review tax agency notices. Confirm that any updates from federal or state agencies are correctly reflected in your payroll platform.
- Plan for additional payroll runs. Consider the timing of year-end bonuses, holiday pay, or special payrolls.
- Prepare for benefit updates. Review any retirement, health insurance, or other benefit changes that may impact payroll.

Important Dates in November

- November 27: Thanksgiving Day - Submit payroll early due to bank closures.

December - Recommended Tasks

- Review reportable compensation. Ensure items such as contractor earnings, S-Corp wages, third-party sick pay, fringe benefits, reimbursements, auto allowances, and group-term life insurance are accurately recorded.
- Plan for final payroll adjustments. Include bonuses, missed or handwritten checks, final checks, voids, commissions, and any last-minute corrections.
- Estimate FUTA credit reductions, if applicable in your state.
- Allocate additional retirement contributions for the current year, when applicable.
- Review tax agency notices and apply any required updates to your payroll system.
- Update time-off balances. Make necessary adjustments after the final payroll of the year, but before approving any payroll dated for the new year.

Important Dates in December:

- December 25: Christmas Day - Submit payroll early due to bank closures.
- December 26: Verify employee and contractor personal details and year-to-date wages



- December 28: Review the upcoming year's payroll calendar, including adjustments for bank holidays.
- December 29: Process any final payroll adjustments and run the last payroll of 2025 with a check date no later than December 31.

January 2026 - Important Year-Start Tasks

- Update employee earnings and deductions before running your first payroll of 2026.
- Add new hires and remove terminated employees in your payroll platform.
- Review federal and state tax agency notices and ensure your payroll system reflects all updates.
- Check workers' compensation settings, if applicable.
- Verify payroll changes for 2026, including:
 - Resetting annual wage limits
 - New state or local minimum wage requirements
 - Updated federal and state tax rates
 - Earning and deduction changes
- Review employer quarterly and annual reports for accuracy.
- Verify W-2s for employees and 1099-NECs for contractors.
- Distribute W-2s and 1099-NECs electronically or by mail by January 31.