

YEAR-END PAYROLL

BEFORE LAST PAYROLL IN DECEMBER

- Verify employee and contractor information
- Review employee wages for accuracy and completeness
- Verify earnings and deductions
- Review third party sick pay (if applicable)
- Process final payroll adjustments
- Report fringe benefits
- Report healthcare coverage (if required)
- Consider if payroll processing submission timeline requires adjustment for Christmas and New Year's Day holidays

BEFORE DECEMBER 31ST

- Verify company information, including tax IDs and email address
- Verify W-2 delivery address
- Gather data to meet 2020 ACA reporting deadlines (if applicable)
- Process bonus payrolls
- Run last payroll for the year
- Order forms and envelopes as needed for W-2/1099 processing

BEFORE YOUR FIRST PAYROLL IN JANUARY

- Adjust PTO accrual balances for year-end as needed per your company policy
- Update employee information, benefits, pay rates, and/or deductions effective January 1
- Obtain new W-4 form, if necessary
- Review ACA (if applicable)
- Review 2021 state minimum wage changes
- Review 2021 state unemployment insurance changes

JANUARY

- Receive delivery of year-end forms and W-2 and 1099s and review for accuracy if prepared by an outside provider, or
- Prepare payroll tax forms and 1099s in house
- Make sure your W-3 matches your four quarters of 941s or annual 944

BEFORE JANUARY 31

- File 1099's with the Social Security Administration
- File W-2's with the Social Security Administration
- Distribute W-2's and 1099's to employees and contractors
- File form 940
- File form 941 or 944
- File state withholding returns and state W-2s as required by each state you have employees
- File quarterly state unemployment returns as required state you have employees

Note: If a deadline falls on a weekend, the returns or forms are due the next business day.

ABOUT SMITH SCHAFFER

We are mostly known for helping local businesses grow with accounting, tax, and consulting solutions. People often refer to us as a helpful business advisor. We provide proactive solutions, deep expertise, and personal relationships, allowing you more time to work on growing your business.

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ROCHESTER

220 South Broadway, Suite 102
Rochester, MN 55904
507-288-3277

TWIN CITIES

7500 Highway 55, Suite 350
Minneapolis, MN 55427
952-920-1455

RED WING

519 Bush St.
Red Wing, MN 55066
651-388-2858