

W-2 Review and Update (due 12/26)
Check to ensure all employee information is correct:

- Name Changes
- Social Security Numbers
- Home Address Changes

Review Any Fringe Benefits With Your Accountant
Particularly if it is considered new this year to ensure they have been taxed properly.

1099 Review and Update (due 12/26)
Ensure all independent contractor data for 1099s is correct:

- Name Changes
- Social Security or EIN numbers
- Business Address Changes

Cafeteria Plan Documentation
Make sure you have your documents in your files for any cafeteria plan (Section 125) benefits that you offer. It may be difficult to get them if you get audited several years from now.

Order Enough W-2 and 1099 Forms
If you outsource payroll, make sure your workers know how and where to download their W2s or 1099s.
If you do not, be sure to order enough W2 and 1099 forms and envelopes.

Plan Your Holiday Payroll
Make sure you get the last payroll into the tax year you want it in.

Voided Check Processing
Process any voided checks that have been accumulating during the year.
Once you file the fourth quarter and year end reports it will be difficult and expensive to fix.

Third Party Sick Pay Information (due 1/15)
If you have third party sick pay retrieve and record the information.
You are required to make it part of your quarterly filings and in the employee's W2s (in many situations). Verify who is submitting the W-2's - the provider or the employer?

Verify Your State Unemployment Rate and/or Disability Rate
If your unemployment rate has changed for the current year, please send that information to your payroll provider so that the proper tax liability is calculated and paid.

Current Year Tax Tables
If you don't outsource payroll make sure that you have current year tax tables in place.
If not, update them and run a correcting payroll.

Run Any Bonus Payroll
Run your bonus payrolls with a check date in the current year. Record any payments made to employees or gifts that are deemed compensation before or with the last payroll.

Submit New State Unemployment Rate to Your Payroll Provider
Be sure to check your mail during the fourth quarter for updated unemployment rates from your state. You must notify your payroll provider before year end if your rate changes. Also submit your federal liability payment frequency change notice.

FUTA Credit Reduction States: CA, CT, and NY

A FUTA Credit Reduction applies to states that have taken loans from the federal government to meet their state unemployment needs but have not repaid the loans in the allowable time frame. A reduction in the usual credit against the full FUTA tax rate means that employers paying wages subject to unemployment insurance (UI) tax in those states will owe a greater amount of tax. The determination will be made after mid-November 2024.