

## 2019 End of Year Planning Checklist

Ensure you have a successful 2019 year-end by reviewing these reminders about payroll that occur only at the end of the year.

<b>DATE</b>	<b>ACTION</b>
December 31, 2019	Final date to process payroll in 2019
January 1-3, 2020	Last window to finalize backdated payrolls for 2019 (3 <sup>rd</sup> Party Sick Pay, Worker's Compensation). Wurk will process back-dated payrolls on client's behalf *
January 24, 2020	Target date for delivery of W-2s

*\*If you need to complete additional backdated payroll after the January 3<sup>rd</sup> date, contact Wurk Support.*

Included in this guide are two sections:

- 1) Items to review and consider BEFORE your LAST PAYROLL of the calendar year
- 2) Items to review and consider AFTER your LAST PAYROLL, but BEFORE the FIRST PAYROLL of the NEW calendar year



## BEFORE your **LAST PAYROLL** of the calendar year

*Please note that the pay date must fall within the calendar year to be included in the W2.*

In addition to normal payroll verification process, please consider and review the following:

### Employee and employer data

Verify the employer and employee data that is used in processing your quarterly tax reports and W-2s. Utilize your prior quarter tax return to verify the validity of the data.	
Compile a list of employees to which the "retirement plan" indicator in Box 13 of Form W-2 applies.	
Fringe Benefits, Tip Allocation information, and Dependent Care Benefits.	
Confirm that employee names and Social Security numbers are in the correct format. (The IRS may impose a penalty for each Form W-2 with a missing or incorrect Social Security number or employee name)	
Ensure that deceased employees are properly coded.	

### Wage, tax and benefits data

Check that Group-Term Life Insurance adjustments have been updated.	
Ensure that other special tax items have been updated, such as Other Compensation, Third-Party Sick Pay, Employee Business Expense	
Reimbursements, Taxable, Fringe Benefits, Tip Allocation information, and Dependent Care Benefits	
Verify the employer state unemployment insurance tax rate and taxable wage limit for each state.	
Verify that withholding has been made properly or withhold from the final paycheck for taxable fringe benefits. These may include: <ol style="list-style-type: none"><li>1. Group-term life insurance in excess of \$50,000</li><li>2. Third-party sick pay (is the third party issuing a W-2?)</li><li>3. Non-qualified moving expense reimbursements</li><li>4. Company-provided transportation or parking</li><li>5. Bonuses</li><li>6. Non-cash payments (Ex: Gym Membership, Employee Gifts, etc)</li></ol>	

## Special procedures

Schedule any special bonus payrolls for the current year.	
Determine whether all adjustments are applied or that an adjustment payroll has been scheduled.	
Remind employees to fill out a new Form W-4 if their situation has changed.	
Confirm that all "manual" checks written during the year have been accounted for and updated in the system.	
Determine that all voided or reversed paychecks have been accounted for in the system.	
Determine if you're an S-Corp. If so, contact Wurk for more information as these require a bit more paperwork and are more complex.	

*See the following page for your post-final payday checklist*



## **AFTER** your **LAST PAYROLL**, but **BEFORE** the **FIRST PAYROLL** of the **NEW calendar year**

The pay date is important, as this will be your last pay date within the calendar year and before your first pay date of the new calendar year.

### **Employee and Employer Data:**

Ensure that terminated employees have zero balances for loans, garnishments, vacation, and sick time.	
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### **Wage, tax and benefits data:**

Verify the employer's new state unemployment insurance tax rate and taxable wage limit for each state where the employer has workers.	
Verify new state disability insurance rate and taxable wage limit, where applicable.	
Test reasonableness of Social Security tax withholding (multiply total wages less excess wages by 6.2%).	
Verify the reasonableness of employer's matching Social Security tax.	
Test reasonableness of Medicare withholding (multiply total wages by 1.45%). Double-check the reasonableness of employer's matching Medicare tax.	
Test the reasonableness of state unemployment insurance tax (verify taxable wages and multiply by the employer experience rate).	
Compare Forms W-2 to State and local report totals.	
Compare total wages reported for each tax; reconcile any differences.	
Check contributions to and distributions from Section 125 plan for childcare and for medical care reimbursements.	
Check for excess contributions to qualified plans, including 401(k), 403(b) and SIMPLE plans, especially for highly compensated employees.	
Check for required tip allocations for tipped employees.	
Verify that employee requests for fringe benefit deduction changes for the new year have been applied.	
Confirm the settings and clearing of special accumulators for the new year.	

## Special procedures

Schedule any special bonus payrolls.	
Verify that the new year month-end close-out dates are accurate.	
Confirm that for the new year the schedule of pay dates, period ending dates and quarter closing dates, are as intended and do not fall on holidays or weekends.	

Wurk is committed to the ongoing success of cannabis companies everywhere and understands that year-end is a busy time. Reduce or avoid amendments for the new year by following these helpful reminders. Stay tuned for subsequent letters with additional information as we approach the final pay date of 2019.