

Three Steps for a *Successful Year-End*



STEP 1

Check employee and employer indicative data:

- Indicate which employees the "retirement plan" indicator in Box 13 of Form W-2 applies: [Link](#)
- 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.

STEP 2

Check wage, tax and benefits data:

- Confirm that deferred compensation plan type is correct and verify employee contribution amounts.
- Check that Group-Term Life Insurance adjustments have been updated and submitted.
- Ensure that other special tax items have been updated and submitted, such as Other Compensation, S-Corp Health Insurance for Shareholders, 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.
- 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
 - [S-Corp Health Insurance](#) on behalf of 2% Share Holders
 - [Third-party sick pay](#) (is the third party issuing a W-2?)
 - [Personal use of company vehicle](#)
 - [Company-provided transportation or parking](#)
 - [Employer-paid education not related to the employee's job](#)
 - [Non-accountable business expense reimbursements or allowances](#)
 - [Bonuses](#)
 - [Non-cash payments](#)

STEP 3

- Run the [W-2 Preview report](#) to confirm the accuracy of your W-2s. This report helps you catch any issues with earnings, deductions, and taxes and avoid W-2 corrections. Use [this process](#) to see which employees have opted into paperless W-2s.
- Confirm that all "manual" checks written during the year have been accounted for and updated** in the system.
- Schedule any special bonus payrolls for the current year.
- Determine that all voided or reversed paychecks have been accounted for in the system.

For more information:

Visit paycor.com/year-end or Call 855-565-3285

