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deadlines fast approaching, payroll practitioners want to work with their clients to ensure they meet all year-end deadline

**Taija Sparkman** • Nov. 05, 2014

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Year-end planning and preparation for your clients is crucial. With holidays and deadlines fast approaching, payroll practitioners want to work with their clients to ensure they meet all year-end deadlines and compliance. Some of the items that acquire attention include Forms W-2 and 1099, holiday and bonus pay and payroll for the New Year.

Below are a few tips to help you and your clients make the most of year-end planning and preparation:

- **Suggest clients remind employees to confirm W-2 and 1099.** Your clients will want to have employees and contractors review and update their name, address, social security number and other information before the end of the year.

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generally excludes punctuation. Names that have special characters will need to be corrected to include letters only. It's also important to make sure that the address on file with the IRS is the same address that's listed on the form.

- **Verify employee year-end totals.** If there were any glitches or special circumstances throughout the year that may have impacted an employee's pay, you'll want to make sure they are accounted for. Review payroll totals and reconcile any differences for items such as manual checks, voided checks, third-party sick payments, group term life insurance, dependent care benefits, moving expenses, 401(k) and retirement plans, paid time off, taxable fringe benefits and any other adjustments to wage and tax information.
- **Process the last payroll for the year.** Run your last scheduled, payroll for the year, including any bonus or special payrolls. The last date a payroll can be submitted for the current year is December 31. Any payrolls submitted after that for this year may incur penalty and interest charges.
- **Process bonus payrolls.** If your clients are planning to payout year-end or holiday bonuses, those will need to be processed before the end of the year. They should be processed as special payrolls, separately from regular payrolls. In addition, things to consider are the format it will be issued in (paper check or direct deposit), if voluntary deductions will be taken out and if changes need to be made to tax withholdings. Bonus payrolls will be included in this year's wages and reported on tax reports and W-2s.
- **Review information for first payroll in the New Year.** Depending on your client's payroll schedule, it's likely that processing for the first payroll of the New Year will actually take place this year. Therefore, you'll want to work closely with your clients to ensure that employee information is accurate and up-to-date. Review employees' deductions for medical, dental, life insurance, 401(k) and other

voluntary deductions to ensure they match the selections from the most recent

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business. Any government notices or communications are sent directly to the business, not the hired advisors. Therefore, it's important to remind clients to look out for this information and send it to you as soon as they receive it.

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