Sage HRMS Canada
Payroll year-end checklist

Whether you are processing T4 forms or installing the latest release, we want to ensure that you have easy access to all of the information and resources available. Use this checklist to guide you through preparing your year-end payroll information. This year-end checklist includes information about downloading product updates, making adjustments, and processing T4 forms.

		Task	Due Date	Assigned to / Completed by	Article
Step 1: Download product update					
Start by downloading the product update for year-end from the Sage Knowledgebase. For access to the updates you must have a valid business care plan and log in to support.na.sage.com. **Note**: The updates are usually available in the middle of December. We will send you an in-product message to let you know when your year-end product update is available to download					
Step 2: Update earnings and deductions					
1	☐	Use the **Update Earnings/Deductions** function to: • Modify the values assigned to employees' earnings and deductions. • Update single or multiple employee records at once. • Update current employee records (while ignoring terminated and inactive employees).			50530
Step 3: Verify employee tax information					
1	☐	Verify your current year tax information for each employee and update if necessary. **To review TD1 values on each employee's Taxes detail page in Sage HRMS:**			

2	☐	Select **Employees > View/Edit Employee > Payroll** tab **> Employee Payroll > Taxes** tab and review each tax setting (withholding, amount/percent, and so on).			
3	☐	To update the tax credits, select a tax from the table, and then click the **Tax** Info button			
4	☐	**Save** any changes.			
Tip: You can also use the Update TD1 Claim process (**Canadian Payroll > Processes**) to update employee tax information. For more information about updating employee tax information: Review the online help topic, Using the Update TD1 Claim window					
Step 4: Validate year-end reports and transaction history					
1	☐	Verify the year-to-date values are correct for gross wages, earnings subject to tax, earnings subject to tax (no ceiling), employer expense, and employee withholding.			
2	☐	Validate this information using the reports **Earnings and Hours** (select Reports **>** Canadian Payroll **>** Transaction Reports) **Tax Calculation Analysis** (select Reports **>** Canadian Payroll **>** Transaction Reports).			
3	☐	Compare Earnings and Hours to Tax Calculation Analysis			
4	☐	Using the Earnings and Hours and Tax Calculation Analysis reports, select the Report Type of **Calendar Year Totals** to retrieve year-to-date information. Use the **Report Summary pages** and **Year To Date columns** in the reports to balance taxes. (See Tax Code)			Tax Code Document
5	☐	If amounts are incorrect, use the Transaction History to adjust.			47670 21088

Step 5: Prepare and file year-end tax forms					
Before you start Verify that all employees have the correct province entered on their employee records so the tax files can be generated. The province of residence and employment must be entered in Sage HRMS on both the **Employees > View/Edit Employee > Payroll** tab **> Employee Payroll > General** and **Class/Schd** tabs.					
1	☐	To file your T4 forms electronically: Go to **Reports > Canadian Payroll > Government Reports > T4s Electronic Filing.**			
2	☐	Enter or verify all information on both the **Employer Info** and **Transmitter Info 1** windows.			
3	☐	Enter the social insurance number (SIN) of the 1st Proprietor field. Note that this field is required to process the file (if necessary, the system will accept zeros).			
4	☐	Complete all fields on the **Transmitter Info II** window. Note the following field information: • **Transmitter Number/MM Number**. No longer required by the CRA. Enter zeros in this field to continue. • **Submission Reference ID**. Enter a unique number for your own purposes to identify each submission you file with CRA. For example, if you have more than one RPP number, you can include it here.			
5	☐	Click **Browse** to specify where you want to save the file and click **Process** to create the file.			
6	☐	On the CRA website, select **T4 by Internet > Filing a T4 Information Return > Internet File Transfer (XML) > FILE NOW > Enter Secure Site**.			
7	☐	When prompted, agree with the CRA website terms and conditions to continue.			

8	☐	Enter your company's **RPP number**.			
9	☐	Scroll down on the website to enter the **Web Access Code** provided to you (the employer) by the CRA, and click **Continue**.			
10	☐	Select the file you created and saved in Sage HRMS and click the prompts to upload it.			
11	☐	Review the website notifications to confirm that the correct number of T4 forms were uploaded successfully. Print or save the page with confirmation for your records.			
Step 6: Close the General Ledger year					
After you complete year-end processing and before you process payroll for the new calendar year, complete the following:					
1	☐	Open General Ledger > G/L Periodic Processing > Create New Year. Click **Process**.			
2	☐	When processing finishes, click Close.			
3	☐	Open General Ledger > G/L Reports > Batch Status.			
4	☐	Print the Batch Status report for the transactions created by the Create New Year screen. Click **Close**.			
5	☐	Open General Ledger > G/L Reports > Posting Journals.			
6	☐	Print the posting journal created for the transactions created by the Create New Year screen. Click **Close**.			

7	☐	Open General Ledger > G/L Periodic Processing > Period End Maintenance.			
8	☐	Select Delete Inactive Accounts, Delete Transaction Detail History, Delete Fiscal Set History.			
9	☐	Click Process to clear prior-year fiscal sets and transaction details that have been kept for the number of years specified on the Posting tab of the G/L Options screen.			
10	☐	When processing has finished, click **Close**.			
11	☐	Back up your data.			
Step 7: Prepare for next year's payroll					
After you complete year-end processing and before you process payroll for the new calendar year, complete the following:					
1	☐	Review the tax rates and wage caps for next year's taxes.			
2	☐	Update next year's tax settings (for example, TD1 information) for employees.			
3	☐	If you need to update employee wage caps, use the **Update Earnings/Deductions** task to update the annual and lifetime maximums for multiple or all employees at once.			
4	☐	On the **Employees > Payroll** detail pages, review earnings and deductions that have reached their maximum amounts. For the earnings and deductions to calculate again this year, set the **Calculate** field to **Yes**.			

5	☐	Review accrual balances. You can use the **Accruals** report (**Reports > Canadian Payroll > Transaction Reports**) to validate each employee's accruals as they were earned and taken by date.			
6	☐	Define the next fiscal year if you haven't already done so (**Setup > Canadian Payroll > Fiscal Year Calendar).**			