Sage HRMS
Payroll year-end checklist

Whether you are processing W-2 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 year-end payroll reports, and how to process your federal and state tax forms including W-2, W-3, 940, 941, 1099, and 1096 forms.

		Task	Due Date	Assigned to / Completed by	Article
Step 1: Download the 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, deductions and taxes					
1	☐	Use the **Update Earnings/Deductions** window to change an earning or deduction rate, amount, start date, or other field at the employee level			50530
2	☐	Use the **Federal/State Tax Codes** setup window to update unemployment tax rates and caps.			50411
3	☐	Use the **Workers' Compensation Codes** setup window to update those rates and ceiling amounts.			50413

Step 3: 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	☐	Two reports you can use to validate this information are **Earnings and Hours** (select Reports **>** Payroll **>** Transaction Reports), and **Tax Calculation Analysis** (select Reports **>** 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 the following taxes. (See Tax Code)			Tax Code Document
5		If amounts are incorrect, use the **Transaction History** to make adjustments.			47670 21088
Step 4: Review taxes and employee information					
1	☐	Review your tax codes (**Setup > Payroll > Federal/State Tax Codes and Local/Other Tax Codes**) to make sure the Reporting IDs and W-2 reporting boxes are correctly listed.			
2	☐	Update employee information such as: • *Address*. On the Demographics detail page (**select, Employees > View/Edit Employee > Personal tab > Demographics**) or Termination detail page			

		(**select, Employees > View/Edit Employee > Personal tab > Termination**). • *Social Security Number (SSN)* On the Demographics detail page (**select, Employees > View/Edit Employee > Personal tab > Demographics > Personal tab.** • *Pension Plan and Third Party Sick Pay indicators*. On the Taxes page (**Employees > View/Edit Employee > Payroll tab > Employee Payroll > Taxes tab,** select the tax, then click **Tax Info…**).			
3	☐	Print W-2 Forms (**select Reports > Payroll > Government Reports > W-2 Forms**). Totals are provided at the end of the report. There should not be negative amounts for employees. **Note**: After you click the Print button on a tax form or file window in Sage HRMS, the system processes the information, creates a file, and the Sage Payroll Tax Forms and eFiling by Aatrix window opens. If your forms are not current, you will be prompted to update them.			
Step 5: Using Sage Payroll Tax Forms and eFiling by Aatrix					
With Sage Payroll Tax Forms and eFiling by Aatrix, you can file more than 250 state, provincial, and federal unemployment, withholding, and new hire reports from the data produced by Sage HRMS. Using Aatrix enables you to print W-2s. and make electronic W-2 forms available to employees through the Aatrix website, accessed directly from Sage HRMS.					
1	☐	To eFile federal forms 940, 943, 944, and 945**,** Select **Reports > Payroll > Government Reports > Federal Tax Filing**.			
2	☐	Select the form you want to file			
3	☐	Click **Display** to start the process. **The Sage Payroll Tax Forms and eFiling by Aatrix** window opens and walks you through the process of			

		validating the information and creating and filing the form.			
4	☐	To file supported state forms Select **Reports > Government Reports > State Tax Filing**.			
5	☐	Select the state for which you want to file. The supported forms for that state will appear.			
6	☐	Select the form you want and click **Display**. The Sage Payroll Tax Forms and eFiling by Aatrix window opens and walks you through the process of validating the information and creating and filing the form.			
For demos, instructions, and webcasts about using Aatrix for eFiling your payroll tax forms in Sage HRMS, go to https://partner.aatrix.com/sagehrms. If you haven't already registered, review the following online help topic for instructions: About Sage Payroll Tax Forms and eFiling by Aatrix.					
Step 6: Close the General Ledger year					
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, W4 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 > 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 > Payroll > Fiscal Year Calendar**).			