W-2's Calendar Year End Checklist

What can you do before processing your last paychecks of the calendar year?

- ☐ Read through and be familiar with IRS instructions:
  www.IRS.gov and search for W2 instructions
- ☐ Special Issues to Consider
  - ☐ Do you have 3rd party sick pay that will need to be reported on your W2's?
  - ☐ Did any of your present or terminated employees receive life insurance more than $50,000?
  - ☐ Have you made any expense reimbursements that are considered taxable?
  - ☐ Do you have an employer sponsored health plan that needs to be reported?
  - ☐ Do you have a cafeteria plan?
  - ☐ Did you withhold dependent care benefits from any employees that must be reported in Box 10 on the W2's?
  - ☐ Do you have a qualified pension plan?
  - ☐ Did you withhold any Ohio School District taxes?
  - ☐ Did you have employees who made contributions to a deferred compensation retirement plan?
    Instructions to deal with the above can be found here. Annual - GMS Accounting Online Help (helpgmsactg.com)
- ☐ Make sure all employee information is correct.
  - ☐ Employee Name is spelled correctly.
  - ☐ Social Security numbers are entered correctly.
  - ☐ Address changes
- ☐ Confirm that year-to-date payroll information is correct.
  Taxable wages can be calculated by taking the Gross Wages from the YTD Payroll Register and subtracting out the YTD amounts of deductions that are deferred from the appropriate tax. These amounts will be on the YTD Deduction Register.

W2 Reconciliation

Federal	State	SS	Medicare

YTD Total Pay from YTD Payroll register	$436,990.41	$436,990.41	$436,990.41	$436,990.41

Deferred Deduction amounts from the YTD Deduction register

Health	$23,391.75	$23,391.75	$23,391.75	$23,391.75
TSA	$16,622.07	$16,622.07		
TSA Optional	$1,025.76	$1,025.76		
	$395,950.83	$395,950.83	$413,598.66	$413,598.66

- ☐ Go to the Payroll, Annual, W2 Processing, W2 Edit boxes tab to make sure the W2 box column is correct. Also make sure the Retirement (Y/N) column is correct if you have a qualified Retirement plan.
- ☐ Print and review State and Local Tax Analysis

What must be completed after the last payroll check is issued with a December pay date and before the first payroll check dated in January?

- ☐ Make sure that tasks from above listing have been completed
- ☐ Go to Payroll, Annual, W2 Processing and click on Save/Clear YTD Amounts. Must be done after last payroll in the calendar year. Must be done before payroll check date can be used in the new calendar year. For Access users, it creates a backup in the GMSNET folder called ConversionnetW212-31-22bu.mdb. For SQL users, have IT make a backup.

To process W2's (Payroll, Annual, W2 Processing)

- ☐ **Edit W2 Boxes** Only the W2 Box and Retirement box can be edited. The other columns are info only. W2 box must have the box number and code with no spaces. For box 14, enter 14a, 14b, 14c even though box 14 doesn't require a code. Check box numbers and codes on irs.gov.

    The Retirement column will put a check in box 13 on the W2 Form

- ☐ **Edit Box 13 Retirement Plan** Use if the employee does not make the contribution but needs the box checked. This can be done by Class or by Optional Question if one has been established.

❑ **Edit/Prepare W2's** The prepare step must be done first. ***The December revision needs to be installed before doing the Prepare step.***

▪ **Edit W2's** – To add an employee not in the employee file, click on new and enter all the fields. Any field on this screen can be edited.

❑ **Print W2/W3/Proof listing**
▪ **Print W2 Proof Listing** – Check totals against the YTD Payroll/Deduction registers, State & Local Tax Analysis
▪ **Print W2's** – Select Traditional or 4-Up W2's. This selection can be run multiple times.
▪ **Print W3 Form**- Enter the contact Information. Check the totals against the totals on the W2 Prof listing.
▪ **GMS W2 Transmittal** – This selection is only run if GMS will print the W2's and/or create the electronic file for the Federal or State information. Please see Instructions if GMS is printing W2's or preparing e-files - GMS Accounting Online Help (helpgmsactg.com)