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Mid-year payroll switch checklist

Switching providers? Make sure all your bases are covered.

Provider capabilities

- Confirm the new provider supports your pay schedules/frequencies, and check compatibility with current HR + accounting systems.
- Make sure specialized tax situations (clergy housing, FUTA exemptions, etc.) are supported.
- Verify support channels (phone, email, chat, online help resources).
- Most providers should help you run your first payroll if needed.

Get ahead of gaps

- Determine if you need an "overlap" between providers to run ONE last payroll with your current provider to pay staff.
- Send your "last payroll" data to the new provider.
- Verify tax filing responsibilities for each provider.

Prepare employee data for migration

- Confirm whether the new provider will handle data importation.
- Compile a complete staff list with SSNs, mailing addresses, W-4s, and direct deposit information.
- Document any special wage types, garnishments, or deductions.
- Export year-to-date payroll summaries (by employee and quarter).

Collect tax documentation

- Gather company tax identification numbers (tax IDs).
- Export the previous quarter's tax records.
- Secure current year Form 941 filings and verify for accuracy, especially regarding pre-tax and post-tax deductions.
- Double-check SUI rates by state, make sure they match your notices, and send them to your provider.

Review data accuracy

- Double-check employee profile information.
- Verify YTD wage totals match previous records.
- Make sure the correct contribution limits were applied for retirement plans (401(k), Roth IRA), as rates can vary.
- Make sure Section 125 deductions — like medical, dental, HSA, FSA, vision — were correctly set (pre-tax/post-tax), as they'll affect W-2s and tax filings.

Multi-state employees

- Provide your new provider with withholding and unemployment account numbers for each state, worksite addresses, and remote employee locations.
- If any employees commute across state lines and there's a tax reciprocity agreement, let your new provider know to prevent double taxation.
- Check our tax reciprocity guide for your state's participation.

Communicate with employees

- Announce the change over email, company-wide meeting, or both.
- Hold a demonstration of the new system's interface.
- Explain where to find pay stubs, tax documents, and provide instructions for PTO requests.

Create a documentation access plan

- Establish how employees will access historical pay stubs.
- Determine how you'll distribute W-2s and 1099s at year-end.
- Archive payroll reports from the previous system and create a process for handling historical data requests.

Post-implementation review

- Evaluate the new system's performance.
- Collect feedback from payroll administrators and employees.
- Address any outstanding issues with your new provider.

Make a seamless switch

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