



2025 Year-End Checklist

Add these to your to-do list to help your business stay payroll and HR compliant:



Verify worker information

Run an employee summary or W-2 preview report to confirm names, Social Security numbers, and addresses for all current and former workers. Correct any typos or updates before forms are issued.

Review year-to-date payroll data

Run a year-to-date payroll summary to ensure wages, taxes, deductions, bonuses, commissions, and any off-cycle payments are included and accurate. Fix discrepancies now to avoid amended forms later.

Plan bonus pay

Issuing year-end bonuses? Schedule payroll early. Bonus runs may need extra processing time due to IRS Next-Day Rules and bank deposit limits. Aim to run bonuses at least a week or two before December 31.

Review or set holiday pay policies

Confirm which holidays your business will observe next year and update rules for premium pay, scheduling, or floating holidays. Be sure the policy is documented for employees.

Account for S Corp shareholder benefits

Shareholders owning 2% or more must include certain benefits (company-paid health insurance, HSA contributions, & personal vehicle use) as taxable income on their W-2s. Update payroll records before 2026.

Review 2026 federal and state law changes

Review any minimum wage changes, state unemployment wage base updates, or new paid sick or family leave laws.

Document third-party sick pay

If an insurance carrier issued sick or disability payments directly to employees, enter those amounts into payroll records. These payments count as taxable income and must be included before year-end.

Account for fringe benefits

Add any taxable perks, such as gift cards, gym memberships, or personal use of a company car, to payroll history so they are properly reported on employees' W-2s.

Record employer healthcare contributions

Request a year-end summary from your insurance provider that shows employee/employer premium totals. Ensure employer-paid amounts are entered accurately so they appear correctly on workers' W-2s.

Order new compliance posters

Federal and state labor law notices change often. Order and post updated compliance posters where all employees can see them before January.

Postmark year-end forms by 2/2/26*

W-2s and 1099s must be delivered to employees and contractors by February 2, 2026. If mailing, forms must be postmarked by this date.

*The typical postmark deadline of 1/31/26 falls on a Saturday, so this year's deadline is Monday, February 2, 2026.

Relax, reflect, recharge

Before signing off for the year, review your 2026 payroll calendar to confirm pay dates and bank holidays. Then take a well-deserved break — you've earned it!

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