Sedgwick Business Solutions LLC
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Year-End Payroll Checklist

Full Service Payroll Clients

Company: _____ **Completed by:** _____

Tax Year: _____ **Date:** _____

Before Sedgwick Business Solutions Files

- ☐ Make any changes 3–5 business days before year-end. Changes made after this deadline may require amended returns.
- ☐ Run bonus payrolls 5 business days before year-end to ensure timely deposits. We can process net to gross payroll for year-end bonuses on request. Must be run by 12/28/26.
- ☐ Add any S Corp Health Insurance to employees (if applicable) by December 21.
- ☐ Ensure that we have the correct home and work locations for all employees.

As a Full Service Customer, Sedgwick Business Solutions Handles:

- ✓ W-2/W-3 transmittal file to the SSA.
- ✓ Quarter 4 Form 941 (or Form 944, if applicable).
- ✓ Form 940 for federal unemployment tax.
- ✓ State W-2/W-3 (including annual reconciliations, if applicable).
- ✓ State Quarter 4 unemployment tax returns.
- ✓ Local Quarter 4/year-end returns and annual reconciliations or W-2/W-3 forms (if applicable).

Updates for Every New Year

- ☐ Forward your new SUTA rate letter to SBS as soon as it is received to ensure timely rate application.
- ☐ Update deductions and contributions (if applicable).
- ☐ Review the workers' compensation requirements in your state.
  - ☐ Review your workers' compensation policy.
  - ☐ Update workers' compensation codes and rates (if applicable).
- ☐ Check state and local laws for paid leave and time-off accrual requirements.
- ☐ Update time-off accruals for employees if needed.
- ☐ Have employees update their W-4 for 2027. This can be done by filling out a new W-4, or the employee can update the W-4 inside the employee portal themselves.

Forms 1099-NEC and 1099-MISC **if applicable*

- ☐ Make sure all your 1099 payments for 1099-NEC contractors and 1099-MISC vendors are provided to SBS 3–5 business days before January 31.
- ✓ SBS will distribute 1099-MISC and 1099-NEC to vendors and contractors no later than January 31.
- ✓ SBS will e-file Forms 1099-NEC and 1099-MISC with the IRS and the states that participate in the Combined Federal/State Filing Program by the January 31 deadline.
  - ✓ If only Forms 1099-MISC are being filed, SBS will e-file by the March 31 deadline.
- ✓ SBS will file the 1099-NEC and 1099-MISC with any states that do not participate in the Combined Federal/State Filing program.