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Year-End Checklist

*This checklist outlines the required tenant set up for W-2 processing, recommends steps for testing W-2 data and printing; and provides the high level steps for completing year end processing.*

# Configure Tenant for W-2 Processing and Preview Data

* Create [Year End Dashboard](https://doc.workday.com/reader/4R3J3ND4VKlVKEfUhZrLeQ/1YyahlvVkHhWocLRdA7A0A) (Optional)
* Review IRS W-2 reporting requirements for the current tax year.
* Review on Community: [COVID-19 Workday Payroll for US Solutions and Resources](https://community.workday.com/articles/631931)
* Update W-2 box configuration via the **View W-2 Box Configuration** report*.*
	+ Map earnings, deductions, and/or pay component related calculations for all tenant-maintained W-2 boxes by clicking on the applicable *Maintain W-2 Box Configuration* button:
		- Box d – Available to Mask the Control Number (beginning with 2017 W-2 Forms)
		- Box 7 – Social Security Tips
		- Box 8 – Allocated Tips
		- Box 9 – Not applicable
		- Box 10 – Dependent Care Benefits
		- Box 11 – Non-Qualified Plans: Separately map 457 distributions and contributions and non-457 plan distributions and contributions.
		- Box 12 – Required reporting for specific codes. (No new Box 12 codes for 2019)
			* For example, map 401(k) deductions to Box 12, Code D.
			* Record the USERRA year if reporting prior year make-up deferral under the Uniformed Services and Reemployment Rights Act.
			* Box 12 DD (Employer Sponsored Health Coverage) and 12EE (Designated Roth Contributions under 457(b) plan).
		- Box 13 – Checkboxes: If mapped earning, deduction, or pay component related calculations have a YTD value <> 0, the check box will be selected.
			* Statutory Employee
			* Retirement Plan
			* Third Party Sick Pay
		- Box 14 – Other tenanted items, for example, the lease value of a vehicle or union dues.
			* Assign a label to identify each item on the W-2.
			* Review IRS Notice 2020-54 for Guidance on Reporting Qualified Sick Leave Wages and Qualified Family Leave Wages Paid Pursuant to the Families First Coronavirus Response Act- [Notice 20-54](https://www.irs.gov/pub/irs-drop/n-20-54.pdf)
* Enable workers to opt out of a paper copy of the W-2 (Optional)
	+ Select the *Allow Worker to Opt-Out of Paper Copy* check boxvia the **Company Payroll Printing Options** task on the Year End Tax Documents tab.
	+ Select the *Always Print Terminated Workers Paper Copy* check box to override the printing for terminated workers.
	+ Review or modify the text employees will see when changing the W-2 printing election via self-service:
		- Access the **Edit Tenant Setup – Payroll** task and verify the *US Year End Tax Documents Electronic Signature Text*.
	+ Inform employees how to update the printing election through self-service: **My Tax Documents -> Change Year End Tax Document Printing Election**.
	+ To identify workers receiving a paper copy, you can run **US Year End Tax Documents Printing Election.**

* Enable Truncate SSN on Employee Copy of W-2 and W-2C Forms (Optional)
	+ Select the *Truncate SSN on Employee Copy of W-2 and W-2C Forms* check boxvia the **Company Payroll Printing Options** task on the Year End Tax Documents tab.
* Checkthe third party sick pay W-2 flag, if applicable, via the **Edit Company Federal Tax Reporting** task
	+ Select the check box for *Third Party Provides W-2 for Sick Pay* if you do not include third party sick pay in W-2s.
* Run W-2 preview reports
	+ Run the **W-2 Preview** report and verify employee data for all W-2 boxes.
	+ Run the **Company W-2 Audit** report:
		- Verify that values are mapped to W-2 boxes as required.
		- Balance W-2 totals to current completed payroll results.
* Run **Payroll Register** task as a secondary control (Optional)
	+ Run the **Payroll Register** task with a balance period based on payment date for company organization to verify W-2 totals. Configuration is required via the **Maintain Payroll Register Configuration** task.
* Run the **View W-2 Errors** report
	+ Correct any invalid data.
	+ Re-run the report to ensure errors are resolved prior to creating W-2s.
* Clean up company and employee data used for annual reporting
	+ Correct any invalid or missing SSN’s.
	+ Ensure employee addresses are complete for W-2 mailing, including creating a report to check for invalid postal codes.
	+ Consider [Address Hierarchy](https://doc.workday.com/reader/4R3J3ND4VKlVKEfUhZrLeQ/KLAA1J8sCqXlJ3059N11RQ)
	+ Correct any year-to-date negative amounts in payroll.
	+ Review and set up company FEIN and state tax ID numbers including formatting, and compare to the IDs set up in your tax filing system.
* Set up W-2 printing sort order and print file split, if needed, via the **Maintain W-2 Sorting Setup** task

# Procure W-2 Form and Envelope Stock

* + Order the supported forms and envelopes based on estimated W-2 counts.
		- Recommended form is Greatland, item 4upperfi05
	+ Allow sufficient time and quantity for testing and reprints.

# Test W-2 Form Data and Printing Before Year End

* Test W-2 data in sandbox
	+ Run **Create W-2 Data***.*
	+ Run the **View W-2 Form Data** report:
		- Verify that W-2 box data is correct.
		- Verify Company Address is correct.
	+ Run the **View Third Party Sick Pay Recap Form Data** report, if applicable.
	+ Balance W-2 data to payroll:
		- Run the **Company W-2 Audit** report*.*
	+ Balance W-2 totals to payroll results.
	+ Fix data and W-2 box configuration as needed.
	+ Cancel and recreate W-2 data as needed for testing.
* Test W-2 printing in sandbox
	+ Ensure printer property for page scaling is set to *None.*
	+ Run **Create W-2 Forms** for companies that contain:
		- Key executives
		- Highly compensated employees
		- Employees with tenant configured W-2 box data
		- Employees with overflow forms (for example, more than one state)
		- Employees with local taxes
		- Employees with long names and addresses
		- Companies with relationships
	+ Test W-2 printing for the selected employees:
		- Ensure the form prints correctly and aligns with form stock.
		- Adjust W-2 alignment in tenant setup and reprint as needed.
		- Apply any alignment adjustments to production tenant.
	+ Run Print Third Party Sick Pay Recap report,if applicable.
	+ Enable the Intuit Turbo Tax integration (optional)
	This enables your employees to automatically export their W-2 information for the coming tax season. Find set up information here [Enable Intuit Turbo Tax Integration](https://community.workday.com/node/363610)
* Test Q4/annual tax integration in sandbox
	+ ADP – Quarterly
	+ Ceridian - Quarterly and Annual Tax Integration
	+ MasterTax – Quarterly
* Send file to test server and review as needed.
* Review any validation warnings for the process and fix data as needed.

# Produce Employee W-2 Forms and Q4 / Annual Tax Files

* Complete all payrolls for the reporting year, including all off-cycles, such as manual adjustments
* Run **Payroll Register** task as a secondary control - (Optional)
	+ Run the **Payroll Register** task with a balance period based on payment date for company organization to verify W-2 totals. Configuration is required via the **Maintain Payroll Register Configurations** task.
* Run final preview reports prior to creating W-2 data
	+ Create the **Company W-2 Audit**report:
		- Balance to completed payroll results.
		- Note the *Worker Count – Receiving Paper* value for estimating number of paper forms. Or view the Year End Dashboard.
	+ Run the **View W-2 Errors** reportto ensure that all errors are fixed.
* Run **Create W-2 Data** *– Once the Create W-2 Data is run the W-2 Preview will only display the data that existed when W-2 Data was created.*
* Run the **View W-2 Form Data** report
	+ Export and save a copy to a secure drive for your records.
* Run Third Party Packaged Integration(s)
	+ ADP – Quarterly
	+ Ceridian - Quarterly and Annual Tax Integration
	+ MasterTax – Quarterly
	+ Intuit Turbo Tax Integration

**Important**: Keep the data for tax filing in sync with the employee W-2 data by running tax integrations immediately before or after creating the W-2 data.

* Run **Create W-2 Forms -** (Optional)
	+ Save the print files to a secure drive for your records.
		- Default is the create the forms for only those workers who have not opted out of a paper copy, if you want to create a W-2 form for all workers check the Include ~Workers~ Opted-Out of Paper Copy box.

* If Printing W-2 forms for your employees
	+ Load W-2 form stock in printer and print the forms.
	+ Deliver forms to employees.
		- Separate W-2 forms by distribution.
		- Verify Employee address is complete for mailing.
		- Stuff in envelopes being careful to account for overflow forms.
* Deliver to employees via U.S. mail or preferred method.
* Run **Schedule W-2 Pre-Print -** (Optional)
	+ Schedule when Workday generates W-2 form PDFs at the company level to reduce the processing load on your tenant during peak hours. Once you run this task, Workday displays a link to the W-2 PDF file on worker's profiles. Employees can't access this link until you publish year-end tax forms to ESS.
	+ Domain: Process: W-2 Bulk Print
* Run **Publish US Year End Tax Documents** - (Optional)
	+ Set the *Publish Date* for displaying forms through self service.
* For **Next Year**
	+ Setup period schedule(s).
	+ Build out FLSA calendars for the new year.
	+ Set up new ledger periods and verify that they are in the “open” status, not “created” to avoid any operational journal errors.