Spectrum Confidential Payroll Year-End Checklist

These instructions are provided for only those clients using the **Confidential Payroll** module in Spectrum. All other users should refer to the *Spectrum 2023 Payroll Year-End Checklist*.

Spectrum Confidential Payroll provides all of the features of the regular Payroll module, with the added security provided for those employees stored in a confidential company. Reports may be run separately for Payroll and Confidential Payroll, and an option is provided for printing this information together on selected reports.

After completing the final payroll cycle for 2023, it is necessary to close payroll records and prepare for 2024. If you are working in multiple companies, these procedures must be completed for each individual company.

The following is an overview of the year-end process:

- ☐ Complete the final 2023 pay cycle (check date 12/31/2023 or prior).
- ☐ Close the current year by printing the period end payroll reports.
- ☐ Perform the Build W-2 Forms procedure.
- ☐ Update the tax tables for 2024 rates.
- ☐ Change processing dates to the new year.
- ☐ Complete W-2 processing.
- ☐ Perform the **Year End Update** procedure.
- ☐ Commence regular 2024 pay cycles (make sure check dates are in the new year, regardless of the work date).

Order Your Forms

- Now is a good time to review your check stock and order more if you are getting low!

Close 2023 Before Starting 2024

To close the current year:

1. Print quarterly tax reports as usual using the Confidential Payroll module:
    - Unemployment Tax Report
    - Quarterly Federal Tax Report
    - State Disability Insurance Report
    - Subject to Tax Report
    - Workers' Compensation Report (Rate per $100)
    - Workers' Compensation Report (Rate per Hour)
    - Workers' Compensation Job Expense Report
    - Employee Earnings History Report

2. On the **Site Map**, **click Confidential Payroll > W-2 Processing**, and then click **Build**. This function creates W-2 information within the confidential company for all employees in all companies that you choose to consolidate. The list of companies to be included in this update is available from the **CP Company Maintenance** page within the **Confidential Payroll** module.

Update the Tax Tables to 2024 Rates

IMPORTANT: Tax tables must be updated prior to processing 2023 payroll.

To update the Tax Tables for US users:

1. From the **Site Map, click Payroll > Maintenance > Tax Tables**.
2. In the **Search** field type *US* and click **Go**. The **Edit Tax Table** window displays.
3. On the **Income Tax** tab, select a **Filing Status** to update and click **Edit**. The **Edit Income Tax Details** window displays.
4. On the **Properties** tab, make changes to the tax rates as needed.
5. The **Std Deduction** tab setting should be **None**, and data on the **Tax Credit** tab should remain the same.
6. The **Exemptions** tab has the exemption figure on it.
7. For states
8. If you have payroll in areas that have additional income tax withholdings, use the Other Taxes tab to update those schedules.
9. Back on the **Edit Tax Table** window, the **Other Taxes** tab includes FUTA, FICA, state disability, and Medicare rates. Update as necessary.
10. When finished, click **OK**.
11. Back on the **Tax Table Maintenance** tab, print the **Tax Table Listing** and compare it to the numbers on the IRS website.

    NOTE: For further information and verification of rates and limits, please refer to *Notice 1036* and the *Circular E Employer's Tax Guide for 2024*.

12. Worker's compensation rates may have changed as well. From the **Site Map**, click **Payroll > Maintenance > Worker's Compensation** to make updates as necessary.

Update Processing Dates to the New Year

If the payroll dated in 2024 uses a December 2023 period end date, set the minimum date to this period end date.

Complete W-2 Processing

IMPORTANT: This step must be completed by January 31, 2024 in the USA.

To complete W-2 processing:

1. From the **Site Map**, click **Confidential Payroll > W-2 Processing**.
2. Click **Listing** to search for and print the W-2 listings. Review and make changes as necessary.
3. All employees provided with W-2s are listed on the **W-2 Form Maintenance** page. Scroll the file to search for a specific employee.
4. Verify the W-2 formats.
5. Print the W-2s on plain paper to see how they will look. Be sure that the printed formats match the W-2 forms.
6. Load the W-2 forms into the printer and print.
7. Prepare the W-3 Form if you are filing paper W-2 forms.

Perform the Year End Update Procedure

When an employee is being purged during the **Year End Update** procedure, employee records are also cleared from the **New Employee Table** (which is used to track last job, last equipment, and related information). Benefit totals will be obtained from the **Payroll Time Off Bank Log Table** using the check date for 'YTD Earned'.

As a reminder, changes made to the Year End process with last year's 2021 R3 update included the removal of Employee Purge from the Year End Update process. That process is now handled using a separate utility and is not required to complete Year End.

To perform the Year End Update:

1. From the **Site Map**, click **Payroll > Period End > Year End Update**. The **Year End Update/Employee Purge** tab displays.
2. In the **Set new payroll year to** field, enter *2024*.