

Spectrum 2023 Payroll Year-End Checklist

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.

IMPORTANT: If you have Confidential Payroll, do not perform the steps discussed here in the Payroll Year-End Checklist, and refer to the *Spectrum 2023 Confidential Payroll Year-End Checklist*.

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

- Order your 2023 tax forms
- 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.
- Update processing dates to the new year.
- 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).
- Complete W-2 processing

Order Your Forms

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

Complete the final 2023 pay cycle

- For all checks dated 12/31/2023 or prior.
- Once the Year End Update is performed and a 2024 payroll cycle has been updated, payroll checks cannot be run for 2023 again, otherwise the new year's YTD totals will be incorrect.

Close the Current Year

To close the current year:

1. From the **Site Map**, click **Payroll > Reports**.
2. Print quarterly tax reports as usual:
 - Payroll Register
 - 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

Perform the Build W-2 Forms procedure

1. On the **Site Map**, click **Payroll > Period End > W-2 Processing**, and then click **Build**. A warning message displays.
2. Click **OK** to continue.
3. The **W-2 Form Update** page clears W-2 files and calculates W-2 information based on the payroll earnings history file. Leave the **Write 1 state and locality per W-2** box unchecked to allow two localities to be included. Only Form 1 for each employee contains federal information.
4. Update W-2 information as needed.
 - Numeric fields should be entered in positive dollars and cents (up to \$99 million). Numbers may not be negative.
 - Do not enter dollar (\$) signs or commas. Use a decimal point even if the amount is an even dollar amount.

Update the Tax Tables to 2024 Rates

NEW FEATURE: Related Payroll Taxes was a new feature implemented with the Spectrum 2021 R3 update. It allows for a greatly expanded number of payroll tax codes to be applied to various records, such as employees and jobs. A complete explanation of the new feature and instructions about how to use it can be found in: Spectrum 2021 R3 release notes, Spectrum Help File, and in the Spectrum Year End e-learning course.

IMPORTANT: Tax tables must be updated to new year rates prior to processing new year payroll.

To update the tax tables:

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** dialog 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. If you have payroll in areas that have additional income tax withholdings, use the **Other Taxes** tab to update those schedules.
8. Back on the **Edit Tax Table** window, the **Other Taxes** tab includes FUTA, FICA, state disability, and Medicare rates. Update as necessary. If you are working in multiple companies, make sure to update rates in all additional companies.
9. When finished, click **OK**.
10. 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 2023*.

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

Perform the Year End Update Procedure

The Payroll Year End Update clears the prior year YTD earnings figures, clearing the decks for a new year's payroll cycle. Once the Year End Update is performed, and a payroll cycle in the new year is updated, it is not advisable to attempt to process a prior year's payroll check. Special procedures would have to be taken to do so (i.e., voiding all the payroll checks in the new year) and is not recommended. Please confirm that all payroll checks dated for the prior year have been completed.

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*.

Complete W-2 Processing

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

To complete W-2 processing:

1. From the **Site Map**, click **Payroll > Period End > 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.