

Year End Preparation Checklist

The following checklist presents a timeline of milestones that SAP recommends you observe for Year End payroll processing. This list includes both **general** milestones that pertain to standard payroll practices and **specific** milestones that relate to Year End processing in SAP Payroll. We recommend that you perform these milestones in chronological order.

November

During November, we recommend that you plan to complete the following milestones if they have not already been completed earlier in the year:

- Review the current Year End Tax Reporter User Guide, found on the Year End Web site in SAP Service Marketplace, at <http://service.sap.com/hrusa>.
- Refresh your test client(s) with all current Master Data and Customizing found in your productive client(s).
- Install all required HR Support Packages (HRSPs), up to and including the Year End Base HRSP defined for your release.
- Apply Year End Transports (or equivalent HRSPs) when necessary.
- Define strict timelines and deadlines for:
 - Entering Year End Adjustments. To this end, and to avoid undesired claims from being stored in your system, identify a time window when FICA-taxable adjustments can be entered before the final payroll run of the year.
 - Reminding employees to update their mailing address, W-4 or EIC W-5 data, and any W-2 contact information.
 - Performing and auditing Tax Reporter simulation runs.
 - Performing Payroll Reconciliations.
 - Performing and auditing Tax Reporter production run(s).
 - Printing results from Tax Reporter production run(s).
- Per [SAP Note 175641](#), order tax forms for printing and envelopes, or
- Schedule a block of time with your outsourcing organization for printing.
- Attend course HR710 (U.S. Tax Reporter) or workshop WUSTAX (Advanced U.S. Tax Reporter) through SAP America's Education and Registration Department. To enroll in either offering, call (888) 777-1727, or visit the Online Training Catalog at <http://service.sap.com/education>.
- Identify all individuals who will hold responsibility for Year End processing in Tax Reporter, then provide these individuals with the necessary security authorizations, or confirm that they already possess them. Remember that company executives may require specific authorization.

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December

Before performing your final payroll run of the year, we recommend that you:

- Review the Year End Web site in SAP Service Marketplace, at <http://service.sap.com/hrusa>, as often as possible.
- Apply Year End Transports (or equivalent HRSPs) when necessary.
- Confirm the availability and configuration of your PostScript printer(s).
- Review the configuration information of the Tax Reporter User Guide you read in November and complete Tax Reporter configuration for the following items:
 - W-2 boxes 11 through 14
 - Company information, blocking factor, download format for data files
 - Features UXTM, UTXRP, UTXPR and UTXJS
 - Other configuration, as necessary
- Identify and enter all existing adjustments; for additional information, consult the Adjustment User Guide published for your release at <http://service.sap.com/hrusa>.
- Before running your first payroll run of the new year, identify and clear all existing claims from the current tax year; for additional information, consult the Claims Processing User Guide published at <http://service.sap.com/hrusa>.
- Perform W-2 simulation runs for small employee groups.
- Use the Payroll Reconciliation Report to compare payroll results with simulated Tax Reporter data; for additional information, consult the Payroll Reconciliation Report User Guide published at <http://service.sap.com/hrusa>.
- Apply all applicable Tax Update Bulletins (TUBs) for BSI TaxFactory.
- Perform test runs of the full W-2 production process.
 - If using a test client with a copy of production data, consider performing a productive Tax Reporter run in the test client.
 - Estimate the necessary Tax Reporter runtime on the production server.
 - Ensure that no system time-outs occur.
 - Print some W-2s to confirm printer setup, authorizations, and alignment.
 - If you are outsourcing your printing, run the applicable interface.
- Before running your first payroll run of the new year, update state unemployment insurance and other tax rate changes for the new year as necessary.
- Establish a holiday calendar for the new year; generate and review pay periods for the new year, if you have not already done so.
- Simulate and perform your first payroll run for the new year.

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January

After the new tax year has begun, plan to:

- Review the Year End Web site in SAP Service Marketplace, at <http://service.sap.com/hrusa>, as often as possible.
- Identify and process all prior-year adjustments.
- Perform Tax Reporter simulation runs.
- Use the Payroll Reconciliation Report to verify the accuracy of your simulation run results.
- Perform any necessary Tax Reporter configuration changes.
- Perform your Tax Reporter production run(s) and validate the outputs.
- Use the AccuWage application from the Social Security Administration to validate your electronic data W-2 file.
- Print and distribute all year-end tax report forms.
- Inform the SAP Year End Support Program that you have successfully completed W-2 production.
- File year-end forms with federal, state and local tax authorities.
- Issue and file any last-minute correction year-end forms.

February

If you have not already done so:

- Test W-2 Post-Filing Run functionality in the following areas; for additional information, consult the User Guide for W-2 Post-Filing Run published at <http://service.sap.com/hrusa>.
 - W-2 Post Filing
 - Corrections
 - Reprints
 - Reissues
- Establish a process for performing W-2c and reprint runs.