

Payroll setup and year-end checklist

Use this alongside the guide. Updated October 14, 2026.

- ☐ Apply for an EIN
- ☐ Register for state withholding and unemployment accounts in every state with employees
- ☐ Check local tax registrations for each work location
- ☐ Classify each worker as employee or contractor, and exempt or non-exempt
- ☐ Collect Form W-4, state withholding forms, and direct deposit details
- ☐ Choose a pay schedule that meets state pay frequency rules
- ☐ Set up workers' compensation coverage
- ☐ Set a firm cutoff for payroll changes each period
- ☐ Include nondiscretionary bonuses in overtime calculations
- ☐ Confirm your federal deposit schedule (monthly or semiweekly)
- ☐ File Form 941 every quarter
- ☐ File Form 940 by January 31
- ☐ Send W-2s to employees and SSA by January 31
- ☐ Send 1099-NEC to contractors paid above the current threshold
- ☐ Keep payroll records for at least four years

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