2025 Year End Checklist – PART I

Review all sections that apply to your payroll

* ***Details and instructions for each section can be found on the pages listed***

Any corrections will be charged Easytrack's customary hourly rate of $200. Any requests after EOD 12/12 for corrections that have to be made before year-end will be subject to an additional rush fee of $250.

☐ **1. EMPLOYEE and CONTRACTOR INFORMATION REVIEW - *page 2***

- *To be completed by ALL companies*

☐ **2. EMPLOYEE PAPER PAYCHECK REVIEW - *page 3***

- *Complete if you have issued ANY physical (paper) paychecks*

☐ **3. BONUS/ALTERNATIVE PAY REVIEW - *page 3***

- *Complete if you provided bonuses/alternative pay (i.e. gift cards, physical gifts, cash bonuses, etc.) that were not recorded in payroll*

☐ **4. BENEFITS DEDUCTIONS/CONTRIBUTIONS REVIEW - *page 3***

- *Complete if you offer benefits that could reflect on employee W-2s*

☐ **5. LABOR LAW POSTERS - *page 4***

- *Information on Labor Law Posters and Easytrack's offerings*

☐ **6. TAX CREDITS - *page 4***

- *Details on credits for which your company may qualify*

☐ **7. COMPANY EXEMPTIONS - *page 4*** ← **EXTREMELY IMPORTANT!!**

- *Confirm if the company is exempt from CO FAMLI employER portion or from SUTA*

☐ **8. S-Corps - *page 5***

- *Review if your company is an S-Corp*

☐ **9. Tasks which Gusto will ask you to do - *page 6***

- *Info for ALL companies*

Many of these tasks will also be requested by Gusto in an automated email as well as a task item on your Gusto home page. There will be a different item each week. See page 5 for more details.

Contact us at support@easytrackpayroll.com

1. EMPLOYEE INFORMATION REVIEW

a) Review/update Worker Names, Emails, Addresses, Social Security Numbers, Exemptions (if applicable), etc.

- **How to Review W2 Employees:**

  i. From the menu on the left side of the screen select **Reports**
  ii. Under **Reports Library** select **Employee summary**
  iii. Select CSV or PDF
  iv. Click Generate Report
  - ***Review all employees who worked in 2025*. Each employee will receive a W-2.**

- **How to Review 1099 Contractors:**

  i. From the menu on the left side of the screen select **Reports**
  ii. Under **Reports Library** select **Contractor Information**
  iii. You can download this as a CSV file or PDF
  - ***Review all contractors who worked in 2025*. Each contractor will receive a 1099*.**
  - **If you have asked Easytrack to NOT file 1099s for your contractors, then we won't.* If you are unsure, **contact Easytrack** at *support@easytrackpayroll.com*.

- **How to Update:**

  i. On the left side menu click on **People**

  ii. Any workers who no longer work for you will likely be listed under the **Dismissed** tab

  iii. Click the *name* of the Worker you need to update

  iv. Update information where applicable by clicking the **Edit** button to the right of the category

IMPORTANT NOTES:

- **!!!!! Employee address updates –** work or home – Date the change with a current or future date. ***Do NOT use an effective date in the past***. This will almost certainly cause **significant issues with taxes** as it will trigger payroll corrections. If you have questions about this, **contact Easytrack** at *support@easytrackpayroll.com*.
- If an employee's address isn't corrected *before December 12, 2025 – and you elect to have your employee W-2s mailed directly to them from the payroll system* – you *may* be responsible for printing a new W-2 on plain paper and mailing it to the correct address.
- **Social Security Number corrections**:
  i. If you find an *incorrect Social Security Number*, please **notify Easytrack** so that we can correct any prior filings that may have included the incorrect number
  ii. Any corrections will be billed at Easytrack's hourly rate of $200/hr

2. PAPER PAYCHECKS

a) If you EVER give workers physical checks, review all paychecks to ensure everything has been recorded *and* there are no duplicate checks. If something needs correcting, contact us.

- **How to Review:**

i. Select **Reports** from the menu on the left side of the screen
    a. For W2 employee payrolls reports:
        i. Select **Payroll Journal**
    b. For 1099 contractor payroll reports:
        i. Select **Contractor Payments**
ii. Mark any relevant checkboxes
iii. For the **Date range**, select **Annual**
iv. You can select **specific workers** to decrease the amount of data to review
v. Click **Continue** (employees) or **Generate Report** (contractors)
vi. You can review the report now, or you can save it:
vii. Click **Download** > Select the version you want

3. BONUSES/ALTERNATIVE PAY

a) If you provided employees with cash, gift cards, physical gifts, etc. and you *didn't record* this in payroll, contact us so we can ensure everything is recorded properly.

- **How to Review:**

i. Select **Reports** from the menu on the left side of the screen
ii. Select **Payroll Journal (legacy)**
iii. Check the box for **Employee earnings breakdown**
iv. Select **Annually** for the date range
v. Review everything recorded in the payroll system for each employee

4. BENEFITS DEDUCTIONS/CONTRIBUTIONS

a) Reconcile benefits recorded in the payroll system for *January 1, 2025* through *September 30, 2025.*

- **How to Reconcile:**

i. Select **Reports** from the menu on the left side of the screen
ii. Select **Benefits deductions**
iii. Make sure the report is set to **Year > 2025**, then click **Continue**

- Reconcile the benefits recorded in Easytrack to your accounting records (QuickBooks if you use it)
- Reconcile the benefits recorded in Easytrack to statements/invoices from your Insurance Carrier/Benefits Broker
- **Contact us immediately if you notice a discrepancy or have any questions.**

This is very important. ***All corrections and adjustments must be made prior to December 12.***

5. LABOR LAW POSTERS

a) **If you are already enrolled in our Labor Law Posters Automated Service, you do not have to do anything.**

b) **If you are not enrolled in a poster service, contact us. You are legally required to post labor laws and keep them updated. A poster service is the most convenient way to stay compliant.**

Please email us to enroll so you don't have to think about it later.

6. TAX CREDITS

* ***Click the links below for more information on these credits***

a) **Small Business Health Care Tax Credit for Small Employers**

b) **Section 45S Employer Credit for Paid Family and Medical Leave (extended through 2025)**

- Check with your CPA to see if your business qualifies for either of these tax credits.
- You do NOT need to communicate anything about this with Easytrack.

c) **R&D Tax Credit** or **401(k) tax credit**

- Check in the Gusto software to see if you qualify
- In Gusto on the left side menu, click on **Taxes & compliance** > **Tax credits**

7. COMPANY EXEMPTIONS

a) **CO FAMLI Employer Portion** ← *Click for more information*

- **IMPORTANT: Colorado requires this to be updated each year. Without being updated, they will automatically assume you have more than 9 employees and will expect you to pay the employer portion.**
- **Determine your liability from the look-back period**
  i. If you have CO employees, count the *total number* of W2 employees who worked for you during **2025 alone**, *regardless of the state they worked in*. **Do NOT count S-Corp owners.**
  ii. If the number is less than 10 employees for the whole year, you are exempt from paying the employer portion of FAMLI
  iii. If you had 10 or more individual employees working in 2025, you still may not be liable for the employer portion:
    - Count how many ***weeks*** in 2025 each individual employee worked ***even just one hour.***
    - Include employees on leave if they are expected to return to active employment.
    - How many employees worked ***at least one hour for at least 20 weeks*** in 2025? (Does not have to be 20 consecutive weeks.)
    - If fewer than 10 employees worked for at least one hour for at least 20 weeks in 2025, you are not liable for the employer portion of CO FAMLI.
- **You MUST let Easytrack know** what your employee count is so we can properly report that to the state! **Email us at support@easytrackpayroll.com and tell us either:**
  - **YES**, we are liable because we had 10+ employees during the look-back period
  - **NO**, we are not liable because we had less than 10 employees during the look-back period

We will not be liable for additional money owed to the state if you do not inform us accurately.

b) Paid Family Medical Leave in other states

- If you have PFML in a state other than CO and you aren't sure how to determine whether or not you are liable, please reach out to us at *support@easytrackpayroll.com*.

c) SUTA (Non-profits)

- If you are a SUTA exempt employer and you have added additional workers in 2025, let Easytrack know so we can determine if you are still exempt.

We will not be liable for additional money owed to the state if you do not inform us accurately.

d) S-Corp owners are exempt from FAMLI and should already be set up this way in Gusto. See below for more details.

e) Other types of business owners and workers MIGHT be exempt from FAMLI

If you are a sole proprietor, or an owner of a family business that does not have any employees, or you use an S-Corp business structure and are still unsure whether you qualify as self-employed or as an employer, here are some things to know:

- The structure of a business isn't what matters for FAMLI compliance. What matters is whether the business has qualifying employees.
- Not sure whether you, a relative, fellow owner or business partner counts as an "employee"? Under the FAMLI Act, an "employee" is any individual…performing labor or services for the benefit of another, irrespective of whether the common-law relationship of master and servant exists. The FAMLI Act's definition of "employee" includes a two-part exception:
  If a person is both primarily free from control in the performance of their work, and that work is part of their independent profession or trade, then that person is not an employee, and payments to them would not be subject to premiums. *§8-13.3-503 (7) C.R.S.* Individuals who meet this exception would be considered "self-employed," and their participation in FAMLI is optional.
- If you determine that as a business owner, you should be exempt from FAMLI, see 8b below and contact Easytrack.

8. S-Corp Owners

a) If your company is an S-Corp, confirm that ALL 2% or greater shareholders who are on payroll are listed as S-Corp owners in Gusto

- In Gusto, go to **People** and **select the owner** from the list of employees
- On the **Work** page, scroll down to the **Work** box and below **2% Shareholder**, it should say **YES**
- If it says No where it should say Yes, click on **edit** to the right and **change No to Yes** on the bottom line, then **Save**
- If you do not have the option to change to Yes, contact Easytrack .

b) S-Corp owners FAMLI exemption

- ***NOTE: S-Corp owners cannot be on the company's FAMLI account.*** If an owner wants to opt in to FAMLI, they have to set up a separate account for self-employed people and submit their wage reports and payments manually. This cannot be done in the payroll software. Additionally, the owner opting in will have to commit to participate for three years.
- You can confirm that the S-Corp owner(s) is marked as exempt from FAMLI by clicking on **People** and **select the owner** from the list of employees
- Click on **Taxes**

- Scroll all the way to the bottom of the page to the **Tax Exemptions** section
- You should see Active Exemptions for:
  Colorado Paid Family Medical Leave – Employee
  Colorado Paid Family Medical Leave – Employer
- If you do not see this, contact Easytrack at *support@easytrackpayroll.com*.

c) If your company has been an S-Corp Owner-Only company, you MUST let us know if you hire an employee so we can open a FAMLI account for your company.

- If FAMLI is not calculated on an employee's check, you will be liable for covering the amount the employee would have had deducted. You cannot collect it from the employee after they are paid.

FYI: Automated Gusto Emails and Home Page Tasks

The list below includes examples of the tasks you will be asked to complete by Gusto over the next several weeks. You will see them on your home screen in Gusto and you will receive automated emails from Gusto.

You will continue to see them on your home screen until you mark them as complete.

These items will be included in Easytrack's annual year-end checklists, parts 1 and 2, with detailed instructions.

- **Review company exemptions**
- **Review historical payrolls**
- **Review employees and their payrolls**
- **Add all contractors and their payrolls**
- **Review employee work and home addresses**
- **Review benefits**
- **Identify all 2% stakeholders**
- **Review employee exemptions**
- **W-2 questionnaire**
- **Report NSOs**
- **Review year to date W-2s (draft forms)**
- **Review year to date 1099s (draft forms)**
- **Distribute final forms**
- **Update SUI rates and deposit schedules**