2025 Year End HR Checklist

Finish the year with confidence and start 2026 strong

As year-end approaches, HR, payroll, benefits and talent professionals often face one of their busiest times, juggling compliance deadlines, reporting and plans for the new year. This checklist helps you stay organized, reduce stress and set your team up for success.

Get a Head Start on Year-End

Starting early makes a world of difference when wrapping up the year smoothly.

Stay on Top of Compliance: Monitor changes to federal tax, labor and benefits regulations for 2025, especially in areas like expanded pay transparency requirements, wage and hour compliance and other changes.

Plan Out Key Deadlines: Identify payroll, benefits and tax deadlines. Share these dates with your team, set reminders and assign tasks to stay on track.

Verify Employee Data: Review employee records, such as addresses, Social Security numbers and withholding info, for accuracy.

Start W-2 and 1099 Prep Early: Meet the Jan. 31 deadline (or next business day if it falls on a weekend) without last-minute scrambling.

Reconcile Payroll Taxes: Carefully review payroll and tax data for discrepancies to ensure accurate year-end reports.

> **Tip:**
> Start planning in Q3. Set internal deadlines, assign responsibilities and hold regular check-ins to prevent bottlenecks.

Wrap Up Benefits and Enrollment

Communicate Enrollment Details Early: Send benefits updates and deadlines well ahead of time to streamline open enrollment and reduce repetitive questions.

Double-Check Benefits Selections: Ensure employee elections are updated accurately in your systems and shared with providers. A quick audit now can prevent issues in January.

Review Benefits Usage and Costs: Track usage and trends to manage costs and align benefits with employee needs.

> **Tip:**
> Begin open enrollment planning at least three months ahead. Coordinate with providers, prepare materials and ensure the team can respond to employee questions.

Finalize Performance and Compensation

Complete Year-End Reviews: Document feedback, access goals and set new objectives with employees to wrap up the year and keep employees motivated.

Process Bonuses and Adjustments: Finalize bonuses or salary changes and confirm they're reflected in payroll for compliance and budgeting.

Evaluate Paid Time Off Balance: Decide on policies for unused paid time off (PTO), whether to pay out, roll over or reset balances for the new year.

Conduct a Wage Transparency Review: Review salary levels to ensure they're competitive, equitable and aligned with pay transparency requirements.

Tip:
Have employees complete self-assessments to give managers insights and streamline reviews.

Kick-Off the New Year Right

A well-organized January sets the tone for a seamless year.

Distribute W-2s and 1099s: Send to employees and contractors by Jan. 31, and meet IRS electronic filing deadlines.

Confirm Employee Classifications: Verify that classifications (e.g., exempt vs. non-exempt, part-time vs. full-time) are accurate to stay compliant and reduce legal risk.

Review Hiring and Recruitment Practices: Audit your recruiting process for fairness, compliance with job advertising rules and relevance of pre-employment checks.

Complete Affordable Care Act (ACA) Reporting: Distribute 1095-C forms for employee health coverage if required.

Tip:
Block time in January for tasks like W-2 distribution and ACA reporting to ensure they're prioritized.

Update Policies and Employee Handbook

Update the Employee Handbook: Ensure policies reflect regulatory and organizational changes. Incorporate new paid family leave, sick leave and anti-harassment provisions as required by your state.

Communicate Policy Changes: Meet with teams to review updates, answer questions and make sure they understand the changes.

Plan Your 2025 Training Calendar: Schedule compliance, leadership and skills development training for the year to support growth and meet strategic goals.

Tip:
Use a standardized template to identify which policies need annual updates.

Maintain Compliance and Reporting

File Payroll Tax Reports: Submit quarterly federal and state payroll tax returns, including Form 941, by the last day of the month following each quarter.

Handle ACA Reporting (if applicable): File all ACA forms, such as 1094-C, on time to avoid penalties. The deadlines are Feb. 28 for paper filings and March 31 for electronic filing.

Review Vendor and Contractor Agreements: Renew or renegotiate contracts for 2026, and confirm vendors meet privacy and compliance standards.

Verify OSHA Compliance: Confirm workplace safety logs, training records and required OSHA reports are current.

Tip:
Schedule quarterly compliance audits to confirm classifications, payroll records and benefits data.

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Engage Your Team and Set Goals for 2026

Celebrate Employee Contributions: Acknowledge key achievements and celebrate milestones to boost morale as you close out the year.

Gather Feedback on Employee Experience: Use surveys or informal check-ins to get a sense of employee satisfaction and help guide your 2026 planning.

Plan Annual HR Budget: Review workforce costs, benefits spent and technology investments to align with business priorities.

Outline Your 2026 HR Plan: Set clear priorities for talent development, workforce planning and engagement to align with business goals.

Tip:
Hold a strategy workshop with managers and stakeholders to refine HR's goals with organizational objectives.

Keep Your HR Team on Track All Year Long

Consistent, year-round practices can help you ease the pressure at the end of the year and keep everything on track.

Monitor Compliance Regularly: Stay on top of labor laws, tax regulations and other requirements to avoid surprises at year-end.

Keep Employee Records Updated: Maintain up-to-date employee records, including status changes and benefits, so you're always prepared.

Maintain Open Communication: Keep employees informed with regular updates on compliance, benefits and any new HR policies.

Review Data Privacy and Security: Audit system access, remove inactive users and confirm compliance with privacy standards.

Reinforce HR's Value: Use feedback and clear communication to showcase HR's role in driving goals and fostering engagement.

Tip:
Schedule quarterly "HR Health Check" meetings to review compliance, employee records and workflows.

Quick Reminder

Tasks and deadlines may look a little different based on your organization's location. Every HR team has its year-end planning process, so feel free to adapt this checklist to fit your specific priorities.

Make Year-End Easier

Discover how isolved HR Services can simplify year-end so your team focus on next year's goals.

Get Started

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