2025 Payroll Year-End Instructions (Q Series)

1. **Verify version *7.1.29 Addendum C* is loaded on your system.**

2. **Verify deduction codes and pay types.**

Important: Valid W2 prefixes MUST be used. If there are any incorrect deduction settings, call PUBLIQ Software.

Check Deduction Codes
A. From the menu bar, select **Control File > Deduction Table**.
B. Verify the following for each deduction:
    - Verify the tax status for each deduction.
    - Verify the unemployment settings.
    - Verify that the **W2 Box** and **W2 Prefix** fields are correct. See the table at the end of this section for valid prefixes for Box 12.
C. Select **Next** to scroll to the next deduction.

Check Pay Types

Important: Pay particular attention to poll worker and fringe benefit pay types. If there are any incorrect pay type settings, call PUBLIQ Software.

A. From the menu bar, select **Control File > Pay Types**.
B. Verify the Tax Information in the Pay Type Details section is correct for each pay type.
    a. Verify that the unemployment fields are correctly marked.

Exclude From Federal Unemployment	☐
Exclude From State Unemployment	☐

    b. Verify that the correct **W2 Box** and **Prefix** fields are completed. See the table at the end of this section for valid prefixes for Box 12.

W2 Reporting Box	
W2 Reporting Prefix	

C. To scroll to the next pay type, select the **Pay Type Number** field, and then select **Next**.

W2 Prefix Table

A	Uncollected social security or RRTA tax on tips. Include this tax on Form 1040.
B	Uncollected Medicare tax on tips. Include this tax on Form 1040.
C	Taxable cost of group-term life insurance over $50,000 (included in boxes 1,3 (up to social security wage base) and 5).
D	Elective deferrals to a section 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of section 401(k) arrangement.
E	Elective deferrals under section 403(b) salary reduction agreement.
F	Elective deferrals under section 408(k)(6) salary reduction SEP.
G	Elective deferrals and employer contributions (including non-elective deferrals) to a section 457(b) deferred compensation plan.
H	Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan.
J	Nontaxable sick pay (information only, not included in boxes 1, 3, or 5).
K	Twenty percent excise tax on excess golden parachute payments.
L	Substantiated employee business expense reimbursements (nontaxable).
M	Uncollected social security or RRTA tax on taxable cost of group-term life insurance over $50,000 (former employees only).
N	Uncollected Medicare tax on taxable cost of group-term life insurance over $50,000 (former employees only).
P	Excludable moving expense reimbursements paid directly to a member of the U.S. Armed Forces (not included in boxes 1, 3, or 5).
Q	Nontaxable combat pay.
R	Employer contributions to your Archer MSA. Report on Form 8853, Archer MSAs, and Long-Term Care Insurance Contracts.
S	Employee salary reduction contributions under section 408(p) SIMPLE (not included in box 1).
T	Adoption benefits (not included in box 1). You MUST complete Form 8839, Qualified Adoption Expenses, to compute any taxable and nontaxable amounts.
V	Income from exercise of non-statutory stock option(s) (included in boxes 1, 3 (up to social security wage base) and 5).
W	Employer contributions to your Health Savings Account. Report on Form 8889, Health Savings Accounts (HSAs).
Y	Deferrals under a section 409A nonqualified deferred compensation plan.
Z	Income under a nonqualified deferred compensation plan that fails to satisfy section 409A. This amount is also included in box 1. It is subject to an additional 20% tax plus
AA	Designated Roth contributions under a section 401(k) plan.
BB	Designated Roth contributions under a section 403(b) plan.
DD	Cost of employer-sponsored health coverage.
EE	Designated Roth contributions under a governmental section 457(b) plan.
FF	Permitted benefits under a qualified small employer health reimbursement arrangement.
GG	Income from qualified equity under section 83(i) elections as of the close of the calendar year.
HH	Aggregate deferrals under section 83(i) elections as of the close of the calendar year.

3. **Check the 2025 limits and rates.**
   Verify that the OASDI limit, HI limit, and other figures are correct on the Control Options screen:

A. Select **Control File > Control Options**.
B. Verify these fields ONLY:
   - **OASDI EMPLOYEE %** field should display **.0620**
   - **OASDI EMPLOYER %** field should display **.0620**
   - **OASDI LIMIT** field should display **10,918.20**
   - **HI EMPLOYEE %** field should display **.0145**
   - **HI EMPLOYER %** field should display **.0145**
   - **HI LIMIT** field should display **9,999,999.99**

   Important: If these fields are incorrect, contact PUBLIQ Software.

4. **Verify the Corporation/State Identification data.**
   To check the information on the Corporation/State Identification screen:

A. Select **Control File > Corp/State Identification**.
B. In the **Corporation ID** field, enter the Corporation ID.
C. Select **Find**.
D. Verify the information.
E. Select **Next**.
F. Verify the State name, State ID and 941 report data are correct.
   The W2-Pru Code field should display **001**.
G. If necessary, make corrections and select **Save > Ok**.
H. Scroll to the next screen.
   If any employees have taxes deducted for other states, another Corporation-State

Identification screen should display with data from the other state.

I. Check the data. If necessary, make corrections and select **Save**, then **Ok**.

J. Repeat steps H and I, verifying the data on each Corporation/State Identification view until no more data displays.

5. **Finish the last payroll, including all reports.**
Complete the last payroll of the year.

6. **Report fringe benefits, if applicable.**
If you need to report fringe benefits or group life insurance over $50,000 paid by the employer or have third-party sick pay, wait to run monthly and quarterly reports after all prewrittens are finished. See the **Report Fringe Benefits instructions**.

7. **Update information for deceased or terminated employees.**
If you had deceased employees in this calendar year, change the **Status** field on the Employee Personnel Record screen to **Deceased**. For each terminated employee, enter the **termination date**.

8. **Check the Personnel Record for employees in a pension plan.**
Confirm that employees in a pension plan have the **Pension** field checked.

9. **Back up Payroll data to the Server.**

Note: You must be signed on as the console user to access File Utilities.

To back up to the Server:
A. Select **Utilities > File Utilities**.
B. Enter your **User Password** at the prompt.
C. Select **Login**.
D. Select **Backup**.

Warning: Do not select Clear. Selecting Clear could cause the system to delete all files.

E. Select the **All Files** check box.
F. Select **Select**.
G. Type **BACKUP**.
H. Select **Start**.
I. Uncheck **Copy Backup(s) to Client** and select **Ok**.
A log displays indicating the files and number of records backed up. If a warning displays indicating you are about to back up an empty file, select **Yes** to continue. When **Select** displays again, the backup is complete.
J. Select **X** to close the program.
K. Confirm the backup to the server was successful:
   1. On the Server, right-click the **Windows** icon on the Windows taskbar and select **File Explorer**.
   2. Browse to the **QS1** folder **> SDP** folder **> BACKUP** folder **> PQTP**.
   3. Double-click the **PQTP** folder to view the contents.
   4. Verify the files display and the Last Modified date is the current date.

10. **Balance reports and verify all earnings.**
    Run your usual balancing reports for the year. At a *minimum*, run the **Yearly Earnings** and **Wage Summary** reports.

    To run the Yearly Earnings Report:

    A. Select **Standard Reports > Wage Reporting > Yearly Earnings Report**.
    B. Enter TAX YEAR **2025** and select **Next**.
    C. Complete the Print Options screen. Make sure the **TOTALS ONLY** checkbox is **cleared**.
    D. Select **Finish**.
    E. When the *REPORT COMPLETED* message displays, select **OK**.
    F. After the report prints, verify all earnings are correct, including FICA, Federal, and State wages.
       If they are correct, run the Wage Summary report.

       If they are INCORRECT, run Maintenance Processing.

    To perform Maintenance Processing:
    A. From the Menu Bar, select **Utilities > Special Processing > Maintenance Processing**.
    B. Make a backup prior to completing the process:
       a. Select **BackUp**.
       b. Follow the process to back up all files.
       c. After backing up files, close the File Utilities screen. You are returned to the Maintenance Processing screen.
    C. View the following Recalculation Options:
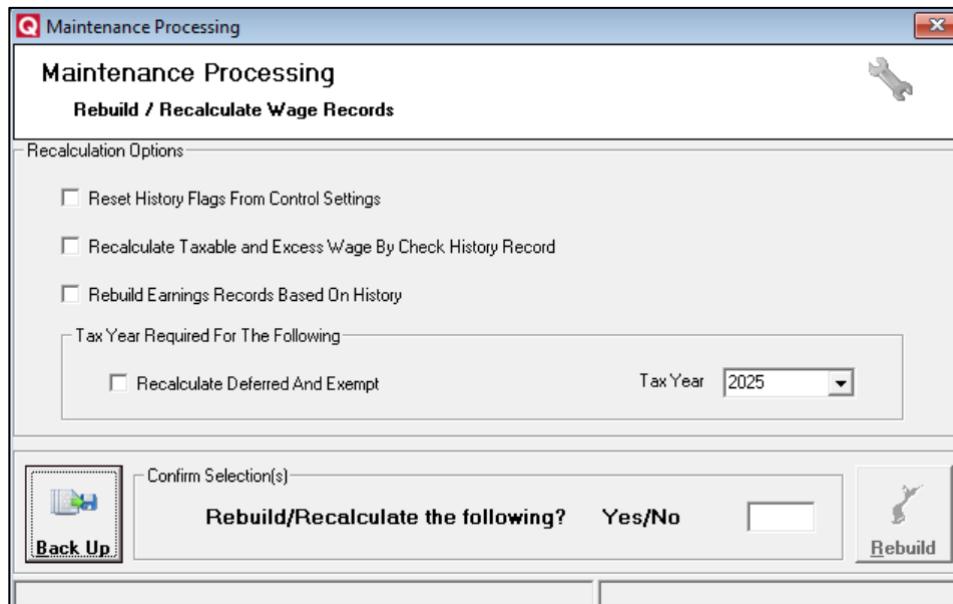
    D. Select the boxes for the appropriate options. See the table that follows for an explanation of each option.

Field Label	Explanation
Reset History Flags From Control Settings	Used to make sure the history records have the correct flags associated with the deductions and pay types set up in the control file.
Recalculate Taxable and Excess Wage By Check History Record	Used to recalculate FICA and Unemployment wages and excess on each check history record.
Rebuild Earnings Records Based On History	Used to recalculate earnings based on history when the Employee YTD Deduction screen amount does not match the YTD on the Employee Deduction screen.
Recalculate Deferred And Exempt	Used to correct entries on the Yearly Earnings report for deferred and exempt deductions.

E. Select the appropriate Tax Year.
F. Type **YES** next to **Rebuild/Recalculate the following?**
G. Select **Rebuild**.
   When *PROCESS COMPLETE* displays at the bottom of the screen, you are done.
H. Select **X** to return to the main Payroll menu.
I. Re-print the **Yearly Earnings Report**.
   Make sure the earnings and all deductions (especially deferred and exempt deductions) are correct before proceeding. If they are not, call PUBLIQ Software.

To run the Wage Summary Report:

A. Select **Standard Reports > Wage Reporting** > **Wage Summary**.
B. Enter a date range of **010125-123125** and make sure all other selects are "ALL."
C. Select **Next**.
   Complete the Sort Options if different from that displayed.
D. Select **Finish**.
E. Select **OK** when the *REPORT COMPLETED* message displays.
F. Verify all earnings are correct and agree with the Yearly Earnings Report, including FICA, Federal and State Wages. If they are **INCORRECT**, call PUBLIQ Software.

   If both reports are correct and agree, continue with these instructions.

11. **Back up the Payroll files to the Client.**
   After running the final backup of the current year's Payroll data (whether in this step or a previous step), copy the SDP folder from the client to removable media (tape, CD-R, DVD-R, etc.) for offsite storage.

   If you have not made any changes to your system since the last backup, you may skip this step.

   Note: This backup will overwrite any existing backups. If you want to keep a copy of a prior backup, save it to a different location before doing this backup.

You must be signed on as the Console user to access the File Utilities.

To back up to Client:
A. Select **Utilities > File Utilities**.
B. Enter your User Password and select Login.
C. Select **Backup**.
D. Select the **All Files** checkbox.
E. Select the **Select** button.
F. Type **BACKUP** in the Confirm Selection question box.
G. Select **Start**.
H. Verify **Copy Backup(s) to Client?** is checked and select **Ok**.
I. Wait until **Select** becomes available. Select **X** return to the main screen.

> **Important**: If a warning displays indicating you are about to back up an empty file, select **Yes** to continue with the backup process.

J. On the Server, right-click the **Windows** icon on the Windows taskbar and select **File Explorer**.
K. Browse to the **QS1** folder **> SDP** folder **> BACKUP** folder **> PQTP**.
L. Double-click the **PQTP** folder to view the contents.
M. Verify the files display and the Last Modified date is the current date.
N. After running the final backup of the current year Payroll data, copy the **SDP** folder from the client to removable media (tape, CD-R, DVD-R, etc.) for offsite storage.

12. **Test the W2s.**
Do a trial run of the W2s. To avoid wasting W2 forms, do not print on W2s until this test is complete.

To test W2s:
A. Select **Enhanced Reports > Wage Reporting > W2-S**. The W-2 Report screen displays.

B. Complete the screen as follows:
- Verify the **TAX YEAR** is **2025**.
- **STARTING CONTROL NUMBER** defaults to 0. If you want the first W2 to start with 1, enter a 1 in this field.
- Be sure **RESTART SOC-SEC NBR** and **PRINT ONLY SOC-SEC NBR** are blank.
- **W2 FORMS**: Select the copy to print.
  - To print Copy A (for the Social Security Administration), select **Copy A.**

Field Name	Default Value	Current Value
TAX YEAR	2025	
STARTING CONTROL NUMBER	0	
RESTART SOC-SEC NBR		
PRINT ONLY SOC-SEC NBR		
W2 FORMS	Copy A (for SSA)	

- If creating a file to send electronically to the Social Security Administration, you don't need to print copy A. Select **Copy B, C, and 2 Combined** to print copy B for the employee and copy C for state or local tax entity, or your file.

C. Select **Next**. Sort Options display.
   The system uses the sort options to print W-2s in order by department and then in alphabetical order within each department.

D. Select **Next** to accept the defaults. Print Options display.

E. Complete the screen as follows:
   - Verify the **BUILD FILE** checkbox is cleared.
   - Skip **CORPORATION SELECT**.
   - Verify the **PRINT W-2 FORMS** box is selected.
   - Verify the **PRINT REPORT FROM FILE** box is cleared.
   - Load the printer with plain paper (not W-2 forms) and be sure the printer is ready to print.

F. Select **Print**.
   After the forms print, *JOB COMPLETED* displays.

G. Select **Continue**.

H. Check the W2s. Don't go to the next step until the W-2 forms are correct.

Note: You should balance the Form W3 with the reports you printed previously in Step 12. If you created prewrittens, verify the fringe benefit totals on the W3 for boxes 12 and 14 to match the payroll register you created for the prewrittens.

Important: If your office is not ready to print and post W2s at this time, skip Steps 13-16 and continue with Step 17. **Steps 17-19 must be completed prior to processing your first payroll of the new year**.

13. **Print W2s.**
    If the test W2 forms printed in Step 12 are correct, print W2s. DO NOT do this step until the test W-2s are accurate.

    If you are **not** creating a file to send to the Social Security Administration, select **Copy A** to run Form A, then load Form B in the printer and select **Copy B, C, and 2 Combined**, then load Form C in the printer and select **Copy B, C, and 2 Combined** again.

    To print W2s:
    Repeat Step 12, using W2 forms instead of plain paper. To print laser forms and NOT create a W2 file, be sure to print all three W2 copies. If you are creating a file, print only copies B and C.

Note: If you do not want to build a file, proceed to step 15.

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14. **Build the W2 file and print the report.**

    To build the file:
    A. Select **Enhanced Reports > Wage Reporting > W2-S**.

B. Complete the Select Options as described in step 12.
C. Select **Next**.
D. Complete the Sort Options described in step 12.
E. Select **Next**.
F. Complete the Print Options screen as follows:

- Select the **BUILD FILE** box.
- Clear the **PRINT W-2 FORMS** box.
- Select the **PRINT REPORT FROM FILE** box.
- Make sure all contact information is complete.
- In the **SELECT A DRIVE LETTER** field, decide where to create your file.
  If you want to create a file, enter **C** in this field.
- In the **KIND OF EMPLOYER** field, select the employer type. Valid options are **F-Federal Government**, **S-State and Local Government Employer, T-Tax Exempt Employer**, **Y-State and Local Tax Exempt Employer** or **N-None Apply**.
- In the **Reporting State** field, select the appropriate abbreviation.
  EX: SC for South Carolina

G. Select **Print**.
H. When JOB COMPLETED displays, select **Continue**. The report prints.
I. Verify the file and all optional diskettes have been created and are correct.

The Social Security Administration provides a program called AccuWage where you can test the file you create. See https://www.ssa.gov/employer/accuwage/ for more information.

The AccuWage Downloadable is no longer available due to the download compatibility issues many users experience. We recommend using the AccuWage Online application to test your wage files for compatibility with EFW2/EFW2C specifications before submitting to SSA. Go to https://www.ssa.gov/bso/bsowelcome.htm to get started using the AccuWage Online application. Please plan your Tax Year 2024 business accordingly.

15. **Run 941s/OARs.**

The 941 report is the wage report for the IRS. The OAR is the wage report for the state.

Important: The sum of all your 941 reports **MUST** match the W3 values in Boxes 2, 3, 5, and 7. Take your previous quarterly 941 reports and add them to the 4th quarter report to calculate the totals to compare to the W3. If they do NOT match, rerun the previous quarters' 941 reports to determine if they are different from those filed. If you find one that is different, you will need to file an amended 941 return. If the numbers still do NOT match, contact PUBLIQ Software. Be sure to let the support personnel know if your office paid poll workers in 2025.

To run the 941 Report:
A. Select **Enhanced Reports > Wage Reporting > 941 S**.
B. Select **4** in the **QUARTER** field.
C. Complete the fields and select **Next** at the end of each completed page.
D. The Payroll system launches Adobe Reader, showing the 941 form.
E. If necessary, change the number in **Box 1** to reflect the actual number of employees paid.
F. Verify the numbers on the form are correct. Incorrect numbers on this report reflect incorrect data and/or errors made in previous steps. If numbers on the form are incorrect, correct the numbers in Payroll and begin this step again.
G. After the form is verified correct, select the **Save** icon on the toolbar and save a copy of this report. The report can now be printed and sent to the IRS.
H. Close the 941 report.

Note: If you receive any errors opening the 941 report or trying to save information, contact PUBLIQ Software.

To run the OAR Unemployment Report:
A. Select **Standard Reports > Wage Reporting > OAR Unemployment Report**.
B. Select **ALL** in the Quarter field.
C. Complete the fields and select **Next**.
D. Complete the check boxes according to what information the report should display.
- To print the Quarterly List, select the **Quarterly List** checkbox.
- To use OAR format instead of 941 format, select the **OAR Format** checkbox.
- To create an OAR diskette or CD, make sure **OAR Format** is CLEARED.

E. Select **Finish**. The OAR report prints. If OAR Format was not checked, the OAR Build Diskette screen displays.

F. Complete the fields and select **Continue**.
The report prints and the file is created.

16. **Post W2s.**
   A. Run through the W2 process again with the **BUILD FILE** box cleared.
   B. Select **Post**.
   C. Select **Yes** to confirm changes are not allowed after posting.
   D. Select **OK** at the verification that the W2s have been posted.
   E. If you created a file on your local computer, use the file you created to electronically upload your W2 information to the Social Security Administration.
   F. Verify that the totals from the report match the totals from each of the W2 type forms printed.
   Important: W2s must be posted **before** the first payroll in February.

17. **Enter the year 2026 limits and rates in the Control File.**
   A. Select **Control File > Control Options**.
   B. Update the screen with the numbers highlighted below. Change **only** those items highlighted here.

	OASDI	HI	Quarter End Dates
Employee %	0.0620	0.0145	1st Quarter 03/31/26
Employer %	0.0620	0.0145	2nd Quarter 06/30/26
Limit	11,439	9,999,999.99	3rd Quarter 09/30/26
			4th Quarter 12/31/26

   C. Select **Save > Ok**.

   Important: Don't change the Check ID or last payroll date.

18. **Perform the Year-End Processing procedures.**
   Reset deductions and leave accruals as well as purge old Payroll data as necessary using the Year-End Processing feature.

   The options in Year-End Processing provide a way to clear and reset certain payroll information at the end of the year.

   Important: Only create a backup ONCE before beginning the year-end processes. If you do a backup prior to each process, you will just keep overwriting the initial backup.

   See the instructions that follow for the backup process.

To create a backup:
   A. Select **Backup**.
   B. Enter your user password.
   C. Select **Login**.
   D. Select **Backup**.
   E. Select **All Files**.
   F. Select **Select**.
   G. Type **YES** to confirm.
   H. Select **Start**.
   I. Select **Ok** at the options screen.
   J. Select the **X** to return to the Year End Processing screen.

Important: If you reset leave on a calendar year basis, follow the instructions below.

Reset Employee YTD Leave Information

Note: If Leave Accruals do not reset as of January 1, skip this step.

Before doing the first payroll of the new calendar year, use this process to reset the year-to-date leave taken and accrued numbers.

Important: Because this procedure resets and clears year-to-date figures from the employee records, make sure you have a good backup of your data prior to starting this procedure.

Contact PUBLIQ Software if you have any questions about this procedure BEFORE starting.

   A. From the Menu Bar, select **Utilities > Leave Maintenance**.
   B. Select **Reset Employee Leave**.
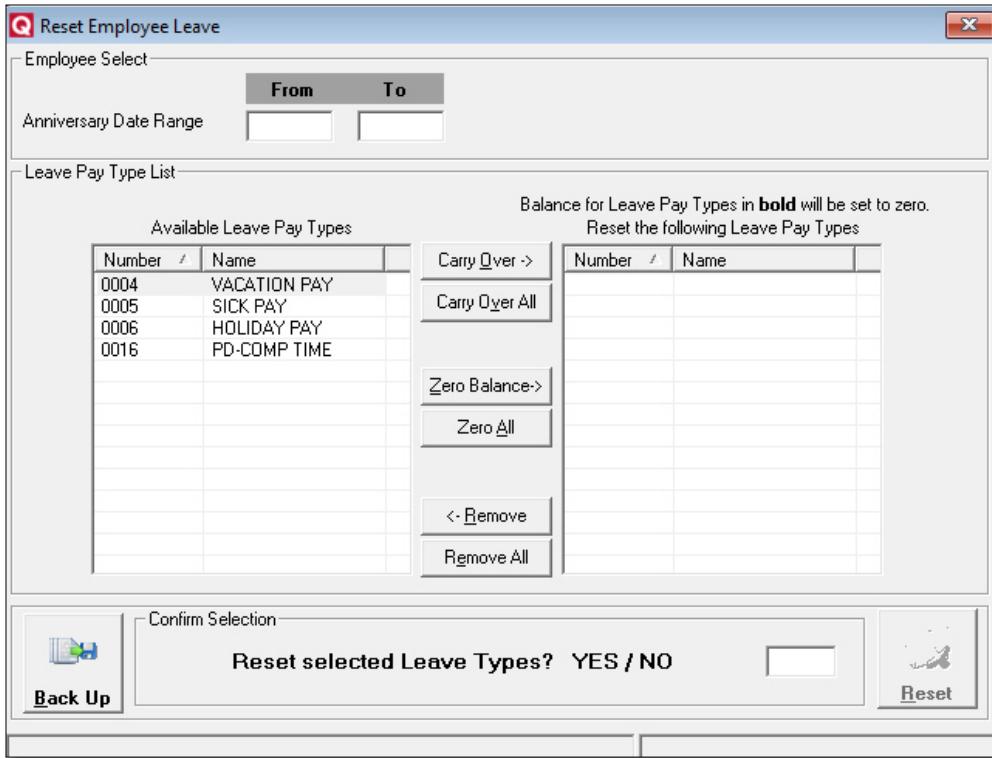
C. Highlight the leave types to clear/reset under the **Available Leave Pay Types** column.

Note: Hold the Ctrl key to highlight multiple leave types. However, only select pay types that you want to either Carry Over or Zero Balance in the same group; don't mix leave types to be carried over with those to zero.

D. Select the appropriate buttons to carry over or clear the balance of each pay type:
   - **Carry Over ->**: Carry over balances for the leave type to the next year.
   - **Carry Over All**: Select and carry over balances for all leave types.
   - **Zero Balance ->**: Clear the balance of the pay type and reset it to zero for the next year. Note that leave types to be cleared are indicated in **bold**.
   - **Zero All**: Select and reset all leave types to zero.
E. Repeat Step D until all leave types that need an action are selected.
F. Verify your selections in the Reset the following Leave Pay Types column.
G. Next to **Reset the Selected Leave Pay Type(s)? Yes/No**, type **YES**.
H. Select **Reset**. The message displays: *YTD Amounts have been reset*.
I. Select **OK**.

Reset Employee YTD Deductions
After printing W2s and running all year-end reports, use this process to reset the deduction records and "zero out" the deductions before doing the first payroll of the new calendar year.

Important: Because this procedure resets year-to-date figures from the employee records, make sure you have a good backup of your data prior to starting this procedure.

Contact PUBLIQ Software if you have any questions about this procedure BEFORE starting.

   A. From the Menu Bar, select **Utilities > Special Processing**.
   B. Select **Year End Processing**. Reset Employee YTD Deductions is the first screen to display.
   C. Highlight the deductions to clear/reset under the Available Deductions column.

   Note: Hold the Ctrl key to highlight multiple leave types.

   D. Select **Add->**.
   E. Verify your selections in the **Use the Following Deductions** column.
   F. Next to **Reset the Selected Deduction(s)? Yes/No**, enter **YES**.
   G. Select **Reset**. The message displays: *YTD Amounts have been reset to zero.*
   H. Select **OK**.

Purge Payroll History - OPTIONAL
Use this process to remove payroll records for prior years. The program requires you to keep four years of information. However, you may purge or remove additional years to free up space in your system.

If you choose not to do this step, select **X**.

   Important: Because this procedure deletes records from the earnings, history, and employee files, make sure you have a good backup of your data prior to starting this procedure.

Contact PUBLIQ Software if you have any questions about this procedure BEFORE starting.

   A. From the Menu Bar, select **Utilities > Special Processing > Year End Processing**.
   B. Select the **Purge Payroll History** tab.
   C. Select the year(s) you want to purge.
       Only years in *green* can be purged.
   D. Next to **Purge the Selected Year(s)? Yes/No**, type **YES**.
   E. Select **Purge**. The message displays: Purge Payroll History Completed.
   F. Select **OK**.
   G. Select **X** to return to the main Payroll menu.

19. **If applicable, run QSU before running the first payroll of 2026.**

These steps will be performed on the server. You must have internet access on the server to use the QSU process. If you do NOT have internet access on your server, contact PUBLIQ Software to make arrangements to receive the new tax files.

A. Go to the server and connect to the Internet.
B. Go to support.publiqsoftware.com.
C. Select **Support,** then **Customer Login**.
D. Enter your **Customer ID** (the first 4 characters of your system ID number) and **Password** (your five-digit zip code).
E. Select **Login**. The Governmental Support page displays.
F. Select **Downloads** under PUBLIQ Support Tools.
G. Select **Sorted By System Type**.
H. Select **GVFIN**.
I. Select **2026 Tax Table.**
J. Select **Download** (near the bottom with the blue arrow).
K. On the File Download screen, select **Save**. Select **Desktop** as the Save As location.
L. Select **Save** then **OK**. If a Download Complete message displays, select **Close**.
M. On your desktop, select **QS1 Service Update**.
N. If a security warning displays, select **Run**.
O. Select **Setup > OK**.
   Installation in Progress displays. Wait while the update installs.
P. When *Installation Complete* displays, select **OK**. You can delete the QS1 Service Update icon from your desktop once this process is complete.
Q. Have all clients log off their systems and then log back on to receive the update from the server.

You are now finished with the instructions.