Year-End Checklist 2026

Affogato HR Consulting



Affogato HR Consulting partners with our clients to implement practical, appropriate and compliant solutions to HR questions.

The following tasks are recommended for most California employers to assist with year-end compliance and prepare for the new year. Your Affogato HR Consultant can answer your questions and help you determine if there are additional requirements for your location or industry.

NEW FOR 2027

- ☐ Review Employee Handbook for 2027 compliance. There are only a few handbook updates from 2026 to 2027, so this is a good time to bring an older handbook current.
- ☐ Continue to monitor requirements for using Artificial Intelligence in employment decision-making. Specific areas include hiring, discipline and layoffs.

General Compliance

- ☐ If you have more than 5 employees, ensure that all supervisors and employees have received harassment prevention training.
- ☐ Update your Federal and State compliance posters.
- ☐ Update your California wage order (if applicable).
- ☐ Post city and county posters, such as city minimum wage information.
- ☐ Update required new hire compliance brochures and flyers, including Survivors Right to Time Off Notice
- ☐ Use the most recent Wage Theft Notice form for all non-exempt employees.
- ☐ Review and update termination materials.
- ☐ Distribute and post updated holiday schedule. If necessary, enter holiday schedule in payroll or timekeeping system.
- ☐ Review I-9s for current employees to track expiration date of certain documents. See Handbook for Employers for details.
- ☐ Purge I-9 forms for certain former employees.
- ☐ By February 1, provide the Know Your Rights notice to California employees
- ☐ Check your employees' home and work addresses to review applicable local ordinances such as minimum wage, sick leave, and family leave.
- ☐ Create, maintain, and enforce an Artificial Intelligence Acceptable Use policy.

Payroll

- ☐ Remind employees to submit year-end expense reports and report address changes to ensure W-2s are sent to the correct address.
- ☐ Ensure all terminated employees are reported in the payroll system.
- ☐ Inform employees how and when 2026 W-2s will be available (by US Mail, email, payroll system).
- ☐ Verify 2027 payroll schedule with payroll provider and announce to employees.
- ☐ Create a process to record any missed meal period and rest period premium pay is recorded on the wage statement in the same pay period.
- ☐ Consider an internal audit of time records and payroll records to ensure accuracy and compliance.

Year-End Checklist 2026

Affogato

Compensation

- ☐ Check for January 1, 2027 state and local minimum wage increases and make any necessary adjustments. California minimum wage will be $17.40/hour, higher for certain fast-food and health care workers. If adjustments are made, ensure they are clearly documented in employee personnel files and wage notices.
- ☐ Check for January 1, 2027 minimum exempt salary increases and make adjustments as needed. California minimum exempt salary is $72,384 in 2027.
    - Computer software professionals have a higher minimum salary requirement of $127,108.34 per year (or $10,592.37 per month or $61.03 per hour)
    - The minimum hourly pay for licensed physicians and surgeons is $111.14.
- ☐ Update internal compensation ranges and review anyone paid below the minimum or above the maximum.
- ☐ Send out year-end notices for stock options and employee stock purchase plan (if applicable).
- ☐ Update annual bonus and sales compensation plans and obtain signatures (as appropriate).
- ☐ Update offer letter templates to remove loan repayment provisions ("Stay or Pay" prohibited by CA AB 692).
- ☐ If you have 15 or more employees, ensure your job posting template includes the pay scale (the salary or hourly wage range you reasonably expect to pay for the position).
- ☐ If you have 100 or more employees, report pay data to the California Civil Rights Department by May 12, 2027.
- ☐ If you have 100 or more employees (or 50+ if you are a federal government contractor), watch for updated EEO reporting requirements and timeline.
- ☐ Ensure that payroll system separates out any non-taxable overtime and/or tips.

Benefits

- ☐ Review local paid sick leave requirements. If you use a lump-sum method, reset sick leave balances according to your policy.
- ☐ Ensure employees have not exceeded the 2026 401(k) and health savings account (HSA) limits; refund any excess deferrals.
- ☐ Confirm 401(k) and HSA limits for 2027 and communicate to employees.
- ☐ Ensure 401(k) annual cap is lifted for the first payroll in January.
- ☐ Ensure 401(k) catch-up and "super catch-up" limits are reset for participants ages 50 and older.
- ☐ Remind employees of FSA claim deadlines.
- ☐ Calculate and report Group Term Life Insurance (GTLI) and domestic partner imputed income for 2026, unless this was reported throughout the calendar year.
- ☐ If you have 50 or more full-time equivalent employees, ensure that you are prepared for ACA reporting deadlines, which are generally March 3 and March 31.
- ☐ Revise communications such as offer letter, benefits summary, recruiting website and Intranet with new benefits information (if applicable).

Safety

- ☐ Review OSHA documents and complete forms if necessary.
- ☐ Post OSHA 300A in the workplace from February 1, 2027 through April 30, 2027.
- ☐ Review OSHA electronic reporting requirements and submit OSHA 300a electronically if required.
- ☐ Review your Workplace Violence Prevention Plan as part of your existing Injury and Illness Prevention Plan.

The above/attached information is not legal advice. It should not be considered a legal opinion as to which laws apply or as to how any law applies to a particular situation. Companies or individuals should seek advice of counsel with regards to their particular situation.