RED WING SOFTWARE

The 3 Biggest Payroll Errors You Can Easily Avoid

Not making timely payroll tax deposits or missing filing deadlines for payroll tax returns.

Stiff penalties can be incurred by missing a tax filing deadline for payroll tax returns, or not making a timely payroll tax deposit. Some payroll services provide services that ensure the tax filing is done for you. If you are using an installed payroll system, you will need to manage the filing and tax deposits yourself. Some systems allow you to set up reminders for yourself in the system, or you can simply use your own calendar. Whatever system you use, be sure it is used consistently so you get in the habit of prompt tax deposits and filing returns.

Employee vs. 1099 Contractor

Classifying and paying a person as a 1099 contractor when they really are an employee may lead to penalties, and it will also cause you to file incorrect payroll tax reports. Take the time to determine whether the person is a 1099 contractor or an employee at the start, and you can avoid these penalties.

Losing all of your data.

Many businesses think a complete loss of data cannot happen to them. This is untrue. A loss of data can happen to any business. That's why it's crucial to do a backup of data often, and verify that the backup is good. Most payroll systems offer a built-in data backup function, making the process easier than ever. Take advantage of this and get in the habit of making sure it is done correctly. A loss of data can be devastating, and the time spent to ensure your backup is good, is time well spent.

These three payroll errors can be easily avoided by setting up processes and getting in the habit of following them. Such simple steps can help a business avoid big mistakes. Correcting mistakes afterward is much more costly and time-consuming to fix than taking the time to do it right.

CenterPoint Payroll has built-in tools to make simplify payroll processing. Sign up for a free demo to see whether CenterPoint Payroll could help you manage payroll and avoid payroll errors.

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