

Indonesia Year-End Checklist

Year-End Checklist

1. Pre-payroll Compliance







2. During Payroll Compliance







Why a Year-End Checklist Matters

The year-end payroll process is a critical milestone for any organization, ensuring compliance, accuracy, and a smooth transition into the new year. Without a structured approach, it's easy to miss key tasks, risk errors, or face compliance issues.

A year-end payroll checklist serves as your guide to:

1. **Ensure Accuracy:** Avoid costly mistakes in employee records, payments, and tax filings.
2. **Maintain Compliance:** Meet local, state, and federal regulations with confidence.
3. **Streamline Processes:** Simplify reporting, reconciliation, and next-year preparation.
4. **Build Trust:** Deliver accurate and timely payroll and tax statements to employees.

This checklist isn't just a list — it's your roadmap to closing the year on a strong, organized, and stress-free note.

1. Pre-payroll Compliance

- Ensure Company's financial information such as NIB, NPWP, address are in place.
- Ensure all employees PTKP status, NPWP, NIK, and residential status are updated.
- Ensure the date of joining and leaving for the employees are correctly captured.
- Classify the Benefits-in-kind (BIK) provided to employees as per PMK 66/2023.

2. During Payroll Compliance

- Reconcile the tax computation and filings from January to November with December payroll.
- Review BIKs to assess eligibility for tax exemptions.
- Tax allowance for gross-up pay elements should be accurate.
- Ensure correct calculation of final tax liability based on yearly taxable income as per PPh21 regulation.
- If final tax calculations result in refund, ensure to refund the taxes to employees else recover the balance taxes with December payroll.
- Ensure the operational cost are calculated appropriately for mid-year joiners and leavers.
- Confirm all exemptions such as PTKP, Operational cost, SS and ZAKAT contributions are applied in taxable income
- Previous employment income, tax to be considered for applicable employees.

3. Post-payroll Compliance

- Ensure personal and professional information is captured in “e-BUPOT upload file”.
- Confirm the income is classified appropriately in “e-BUPOT upload file”.
- Ensure December tax payment is done prior to 10th of January.
- Submit the year-end reporting online through the e-BUPOT.
- Distribute 1721-A1 to the employees that are generated from e-Bupot no later than 31st January.