

Bahrain Year-End Checklist



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1. Pre-payroll Compliance

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2. During Payroll Compliance

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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 all employee information is accurate, including personal details, salary changes, and benefits.
- Verify that all employment status such as new hires, terminations, and promotions are accurately captured.
- Verify that all allowances, including housing and transportation, are correctly provided.
- Ensure the accuracy of recorded benefits, such as bonuses, increments, and rewards.

2. During Payroll Compliance

- Ensure annual gross salary, allowances, and other compensations reconcile with monthly records.
- Verify the accuracy of monthly Social Security contributions to the Social Insurance Organisation (SIO) for both employees and employers.
- Correct any underpayments or overpayments during the December payroll.
- Validate lump sum payments, such as End-of-Service benefits and bonuses, for employees who have resigned.
- Verify the deductions such as loan repayments are correctly captured.
- Ensure accurate accrual of unused leave balances.
- Ensure all salary payments have been paid in compliance with Wage Protection System (WPS) requirements.

3. Post-payroll Compliance

- Prepare and submit SIO contributions for December by 15th of January of the following year.
- If there is any excess/shortfall in SIO contributions, apply for refund or settle the balance as applicable via the SIO portal.
- Ensure all payroll records and SIO contributions filings are documented securely for future reference.
- Maintain report for End-of-Service gratuity payments and accruals.