

# 2026 Workforce Growth and Payroll Tax Risk

## 1. Before You Hire

- Confirm tax registrations for each employee's work state
- Identify any local payroll taxes for remote or hybrid staff
- Use an HR-Payroll intake checklist for all new hires
- Verify that withholding and onboarding forms are accurate

## 2. Managing a Multi-State Workforce

- Maintain a single record of employee work locations
- Track remote or hybrid changes that affect withholding
- Align HRIS and payroll vendor fields
- Review monthly exception reports for unusual tax activity

## 3. Payroll Controls That Scale With Growth

- Require approvals for new hires, rate changes, address updates, and bank updates
- Use three-way checks for gross pay, withholdings, and employer taxes
- Reconcile payroll tax filings to the general ledger quarterly
- Review off-cycle payments and terminations separately

## 4. Preparing for Benefit Plan Audit Requirements

- Monitor plan participation to decide if an audit may apply
- Maintain current plan documents and summary plan descriptions
- Reconcile contributions to payroll and trust statements
- Track eligibility, waiting periods, and enrollment confirmations

## 2026 Action Plan Summary



Align hiring with tax and registration requirements



Keep work-location data clean and consistent



Strengthen controls as headcount increases



Prepare benefit plan documentation in advance



Use a unified payroll calendar to stay on schedule



Maintain organized files to support filings and audits



## 5. Calendar and Filing Accuracy

- Use a shared payroll calendar with processing and approval dates
- Include all federal, state, and local deposit schedules
- Track quarterly and annual filing deadlines with assigned owners
- Maintain a log for resolving agency notices

## 6. Documentation To Maintain Year-Round

- State tax registrations and account confirmations
- Payroll tax returns and deposit confirmations
- Employee setup forms and payroll change approvals
- Benefit plan reconciliations and vendor invoices

## 7. Remote and Hybrid Work Considerations

- Define the primary work location for each employee
- Maintain a simple remote work policy with clear guidelines
- Confirm reimbursement rules for remote staff
- Track location changes for payroll and tax updates

## 8. Periodic Payroll Health Checks

- Monthly review of new hires, terminations, and outliers
- Quarterly reconciliation of payroll tax filings and the general ledger
- Semiannual verification of work locations and state registrations
- Annual review of benefit plan thresholds and audit readiness

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## Support for Your Growing Workforce

MGO helps organizations maintain payroll accuracy, prepare for benefit plan audit requirements, and navigate multi-state workforce complexity. A focused payroll compliance review or a benefit plan checkup can provide clarity and support informed decision-making as your team grows.

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