

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Annual Payroll Tax Compliance Engagement Letter

Dear [Client Contact Name],

This letter confirms the terms of our engagement to assist [Company Name] with annual payroll tax compliance services for the calendar year ending December 31, [Year].

Scope of Services

We will prepare the following federal and state payroll tax returns and forms based on information you provide:

- Form 940 (Employer's Annual Federal Unemployment Tax Return)
- Form 944 (if applicable) or Quarter 4 Form 941
- Forms W-2 and W-3 (Wage and Tax Statements)
- Annual State Unemployment Insurance (SUI) reconciliations
- Form 1099-NEC/1099-MISC filings (if requested)

Client Responsibilities

You are responsible for the following:

- Providing accurate and complete payroll records, including employee details and gross wages.
- Ensuring all tax deposits were made timely throughout the year.
- Final approval of all forms before they are filed with tax authorities.
- Maintaining records as required by law.

Professional Fees

Our fees for these services will be [Insert Fee Amount or Hourly Rate]. This fee does not include representation in the event of an audit or responses to notices regarding periods prior to this engagement.

Limitation of Liability

Our work is limited to the preparation of the forms listed above. We will not audit or verify the information you submit. You are responsible for any penalties or interest resulting from incomplete or late data provided to our firm.

Please sign and return a copy of this letter to indicate your acceptance of these terms.

Sincerely,

[Your Name/Firm Name]

[Your Title]

Accepted by:

Signature: _____

Date: _____