

How to Do Payroll in Connecticut

Use this downloadable checklist to help you stay on track!

✓	TASK
	Step 1: Set up your business as an employer. To register your business for withholding and unemployment taxes in Connecticut, you must have a Federal Employee Identification Number (FEIN). Although it's not required, we also encourage you to enroll in the Electronic Federal Tax Payment System (EFTPS), making it easy to pay your federal taxes online or over the phone. ☐ Applied for a Federal Employer Identification Number (FEIN) ☐ Enrolled for the Electronic Federal Tax Payment System (EFTPS)
	Step 2: Register with the state of Connecticut. At the state level, you need to register with the Connecticut Department of Revenue Services. To do so, you need to complete an application on myconneCT. Have your FEIN and business information including bank account and SSN of responsible owners ready.
	Step 3. Set up your payroll process. You'll need to decide how often you're planning to pay employees, if you need to track work hours, which payroll forms you need to collect and when, how you'll perform payroll calculations, and so forth. To do this, you have three options (check off which option you're electing to use for tracking purposes): ☐ Do payroll yourself ☐ Use Excel payroll templates ☐ Sign up for a payroll service
	Step 4: Collect employee payroll forms. The best time to collect payroll forms is during your new hire orientation. Required payroll forms for Connecticut employees will include: ☐ Federal Form W-4 ☐ Connecticut State Form CT-W4 ☐ I-9 ☐ Direct deposit authorization form

	Step 5: Collect, review, and approve time sheets. You'll need to collect timesheets for all hourly employees and non-exempt salaried workers. To do this, you have three options to use (check off which option you're electing to use for tracking purposes): ☐ A paper timesheet ☐ Free or low-cost time and attendance software ☐ A payroll service that has a time and attendance system
	Step 6: Calculate employee gross pay and taxes and pay employees. ☐ Calculate Gross Pay ☐ Calculate FICA, FUTA & Income Taxes to withhold/pay ☐ Perform any other payroll calculations, such as for expense reimbursement ☐ Calculate net payroll ☐ Decide to pay using check, paycard, or direct deposit
	Step 7: File payroll taxes with the federal and state governments. ☐ Pay federal taxes ☐ Pay Connecticut state taxes ☐ Pay Connecticut state taxes per schedule (Find dates here)
	Step 8: Document and store your payroll records. As with any business record, you want to make sure you have a copy for at least three years. IRA and 401(k) records should be maintained for four years.
	Step 9: Do year-end payroll tax reports. ☐ Distribute federal Forms W-2 forms (for employees) by Jan 31 ☐ File federal W-2 with IRS by Jan. 31; if you have <250 employees, you can file by Feb. 28 ☐ Distribute Connecticut state W-2 forms by Jan. 31 ☐ File Connecticut state W-3 forms with Connecticut Dept. of Revenue electronically by Jan 31 ☐ Distribute 1099 forms (for contractors) by Jan. 31 ☐ File 1099 form with IRS by March 1 if mailing or March 31 if submitting electronically