

# How to Do Payroll in Massachusetts

Use this downloadable checklist to help you stay on track!

✓	TASK
	<p><b>Step 1: Set up your business as an employer.</b>  <i>You will need the following:</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Employer Identification Number (EIN)</li> <li><input type="checkbox"/> <a href="#">Electronic Federal Tax Payment System (EFTPS)</a> account</li> </ul>
	<p><b>Step 2: Register with the state of Massachusetts.</b>  <i>To register online with the <a href="#">Department of Revenue</a> you will need the following information:</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> EIN (this number may be the same as your social security number if you are a sole proprietor)</li> <li><input type="checkbox"/> Your legal name</li> <li><input type="checkbox"/> The mailing address of your business</li> <li><input type="checkbox"/> The start date of your business</li> </ul>
	<p><b>Step 3. Set up your payroll process.</b>  <i>You'll need to decide on the following:</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Your pay period (Read: <a href="#">What Is A Pay Period? + Free Calendars</a>)</li> <li><input type="checkbox"/> If and how you'll track work hours (Read: <a href="#">5 Ways to Track Employee Hours</a>)</li> <li><input type="checkbox"/> Which payroll forms you need to collect (Read: <a href="#">11 Payroll Forms Employers Need</a>)</li> <li><input type="checkbox"/> How you'll calculate payroll (Read: <a href="#">Calculating Payroll for Employees</a>)</li> </ul> <p><i>Helpful links:</i></p> <ul style="list-style-type: none"> <li>• <a href="#">How to Do Payroll for Small Businesses</a></li> <li>• <a href="#">Free Payroll Templates</a></li> <li>• <a href="#">Best Payroll Services for Small Businesses</a></li> </ul>
	<p><b>Step 4: Collect employee payroll forms.</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> <a href="#">W-4</a></li> <li><input type="checkbox"/> <a href="#">I-9</a></li> <li><input type="checkbox"/> <a href="#">Direct deposit authorization form</a></li> <li><input type="checkbox"/> <a href="#">MA Form M-4</a></li> </ul> <p>(Read: <a href="#">11 Payroll Forms Employers Need</a>)</p>
	<p><b>Step 5: Collect, review, and approve time sheets.</b></p>

	<p>Collect timesheets for all hourly employees and <a href="#">non-exempt salaried workers</a>. (Check off which option you're electing to use for tracking purposes):</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> A <a href="#">paper time sheet</a></li> <li><input type="checkbox"/> Free or low-cost <a href="#">time and attendance software</a></li> <li><input type="checkbox"/> A payroll service that has a time and attendance system</li> </ul>
	<p><b>Step 6: Calculate payroll (including taxes) and pay employees.</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> You will need to calculate: <ul style="list-style-type: none"> <li><input type="checkbox"/> Payroll tax payments</li> <li><input type="checkbox"/> Employee paycheck amounts</li> <li><input type="checkbox"/> Paid time off balances</li> </ul> </li> <li><input type="checkbox"/> Pay employees (Read: <a href="#">Different Ways to Pay Employees</a>)</li> <li><input type="checkbox"/> Remit federal taxes through the <a href="#">EFTPS</a></li> </ul>
	<p><b>Step 7: File payroll taxes with the federal and state governments.</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> You can order tax forms from the IRS</li> <li><input type="checkbox"/> Report your taxes online through the <a href="#">MassTaxConnect website</a> by the specific deadlines based on filing frequency</li> </ul>
	<p><b>Step 8: Document and store your payroll records.</b></p> <p><i>Massachusetts mandates that you keep payroll records for three years. Your records should contain the following employee information:</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Name</li> <li><input type="checkbox"/> Address</li> <li><input type="checkbox"/> Job title</li> <li><input type="checkbox"/> Amount paid each payroll</li> <li><input type="checkbox"/> Daily/weekly hours worked</li> </ul>
	<p><b>Step 9: Do year-end payroll tax reports (due by January 31 of the following year)</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Federal <a href="#">W-2</a> (employees) and <a href="#">1099</a> (contractors)</li> <li><input type="checkbox"/> State <a href="#">W-2</a></li> </ul>