

How to Do Payroll in New York

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 New York, you must have a Federal Employee Identification Number (EIN). 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 (EIN) • Enrolled in the Electronic Federal Tax Payment System (EFTPS)
	Step 2: Register with the state of New York. In New York, you will need to register with the New York State government to process payroll and remit business taxes. Once complete, register for online services to make administration simpler. • Register with the New York State government • Register for online services
	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 New York employees will include: • Federal Form W-4 • Form IT-2104 • 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 payroll and pay employees. You can choose to pay employees in a variety of different ways (i.e., cash, check, direct deposit, pay cards). • Calculate Gross Pay • Calculate FICA, FUTA & Income Taxes to withhold/pay • Perform any other payroll calculations, i.e., for expense reimbursement
	Step 7: File payroll taxes with the federal government. The IRS has forms and instructions on filing federal taxes, including unemployment. You can also order official tax forms from the IRS. • Pay federal taxes - can be online using the EFTPS
	Step 8: File payroll taxes with the state of New York. For New York withholding taxes, you are required to remit every other week, monthly, or quarterly, depending on the amount you're withholding. These payment due dates vary depending on the filer type, but you may streamline your processes by filing with each payroll. • Pay state taxes - can be online with the New York Department of Taxation and Finance
	Step 9: 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. New York law requires companies to keep the following information for at least six years: • All check stubs and canceled checks • Cash receipts and disbursement records • Accounting records (e.g., payroll journal, general journal, and general ledger) • Copies of federal and state tax reports • Copies of payroll filings (W-2s and W-3s) • For each pay period: ○ The beginning and ending dates of each pay period

	○ Total amount and date paid for each pay period ○ The day in each week where the most employees worked and how many employees worked on that date ● For each worker, the: ○ Biographical information (first and last name, Social Security number) ○ Hire information (hire, rehire, and/or return to work dates) ○ Termination information (termination date and reason) ○ Amount paid to each employee for each pay period and quarterly ○ Date and amount of supplemental payments (e.g., bonuses, gifts, and/or commissions) ○ Work location
	Step 10: Do year-end payroll tax reports. Every employer, regardless of which state your business is in, will need to complete W-2s for all employees and 1099s for independent contractors. By law, you must provide all employees and contractors with their annual tax form no later than January 31 of the following year. ● Generated W-2s for all employees ● Distributed to employees ● Filed with appropriate government agencies ● Generated 1099s for all contractors ● Distributed to employees ● Filed with appropriate government agencies