

Payroll Compliance Checklist

Instructions: Tick each box once you have completed the task.

Category	Task
Employee Classification	☐ Classify workers correctly as either employees (W-2) or independent contractors (1099)
New Hire Reporting	☐ Report new hire to the appropriate state agency
Worker's Compensation Insurance	☐ Purchase worker's compensation insurance (if applicable)
Tax Withholding	☐ Calculate and withhold federal income tax
	☐ Calculate and withhold state and local tax (if applicable)
	☐ Withhold Social Security and Medicare taxes (FICA Taxes)
Employer Taxes	☐ Pay employer portion of Social Security and Medicare taxes
	☐ Pay federal unemployment tax (FUTA)
	☐ Pay state unemployment tax (SUTA)
Reporting and Filing	☐ File quarterly Form 941 (Employer's Quarterly Federal Tax Return)
	☐ File annual Form 940 (Employer's Annual Federal Unemployment Tax Return)
	☐ Issue W-2 forms to employees annually
	☐ File W-2 forms with the Social Security Administration
	☐ Issue 1099 Forms to independent contractors (if applicable)
Wage and Hour Laws	☐ Comply with minimum wage requirements
	☐ Set regular pay run schedules and pay employees on time
	☐ Pay overtime for eligible employees
	☐ Take note of tipped minimum wage and tip pooling laws (if applicable)

	☐ Maintain accurate time records
Payroll Garnishment Deductions	☐ Deduct court-ordered payroll garnishments from salary (if any)
Employee Benefits	☐ Administer any offered benefits (i.e. health insurance, retirement plans, etc.)
	☐ Ensure proper deductions for benefits
Record Keeping	☐ Maintain accurate payroll records for at least three years
	☐ Keep tax documents for at least four years