

# HOW TO START PROCESSING PAYROLL FOR YOUR NEW BUSINESS

## 8 STEPS TO SETUP PAYROLL

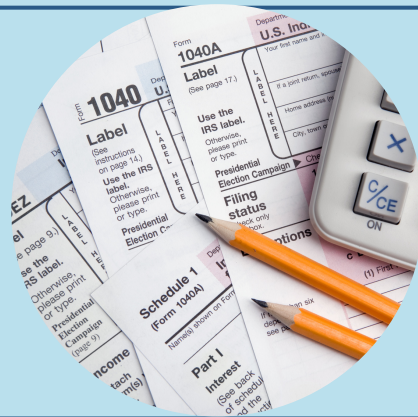


### 1) REGISTER FOR AN EIN #

In order to pay an employee, you will need to get a Federal EIN #. This number is associated with your business entity only and allows you to remit Federal tax payments on the businesses behalf. This is a Employer Identification Number.

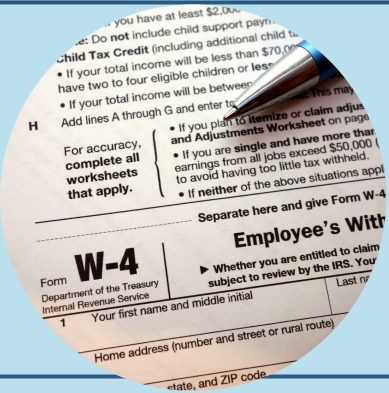
### 2) OPEN STATE/LOCAL BUSINESS/ UNEMPLOYMENT TAX ID'S

Most states require at minimum state tax to be withheld and in other cases state and local taxes as well as SDI. It's important to get registered with the correct withholding taxes to avoid penalty and interest.



### 3) BE SURE THAT YOUR EMPLOYEE'S FILL OUT A W-4 FORM IN ORDER TO TAX THEM CORRECTLY

W-4's must be completed by each employee to instruct the employer how much Federal tax to withhold from their paycheck. If you need help our website can guide you through the process!



### 4) DO YOU CLASSIFY YOUR WORKERS AS 1099'S/CONTRACTORS?

If you employ contractors, you can pay them through payroll as a 1099. No taxes would be withheld from their check as they're deemed self employed and handle taxes as a self-employed business. Where as a W-2 employee has taxes withheld by the employer. One main difference when classifying between a contractor and employee is that a 1099 invoices the company for their work, while an employee reports for their scheduled hours and receives wages with taxes withheld.



### 5) PICK YOUR PAY FREQUENCY

As the employer, you must determine the frequency in which your staff will be getting paid. The pay options are weekly, bi-weekly, semi-monthly, and monthly. In general, biweekly and weekly are the best options because they're the easiest to understand.



### 6) PICK YOUR CHECKDATE

The most popular pay day you may already know is Friday! But the company will need to determine this prior to processing payroll. You'll also need to pick your period end date for tracking purposes. Most employers hold back one week of pay.



### 7) CHOOSE HOW YOU WILL RECORD YOUR PAYROLL HOURS. THERE ARE OPTIONS!

You could track the employees hours in house or use a time clock service. With time clocks all of the manual calculating is unnecessary. The hours are uploaded right to PSS. Call us to get setup with time/internet clocks!



### 8) GET STARTED!

Once you've completed all the steps above, send us your documents so we can get your account setup for payroll! PSS makes the process seamless and efficient to have your payroll up and running ASAP. Call us today for more information or questions about getting set up for payroll!

