## **How to Do Payroll Checklist**

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| **Step** | **What To Do** | **Details** |
| **1** | Collect Employee Data  Link to more information on [New Hire Checklist](https://fitsmallbusiness.com/new-hire-checklist/) | **Gather:**  \_\_ employee name,  \_\_ address,  \_\_ zip code,  \_\_ tax withholdings (W-4),  \_\_ employment verification (I-9),  \_\_ pay rate, and  \_\_ employee’s employment status |
| **2** | Gather Hours Worked  Link to more information on [Timekeeping](https://fitsmallbusiness.com/best-time-and-attendance-software/) and [Break time laws](https://fitsmallbusiness.com/rest-lunch-break-laws/) | **Determine:**  \_\_ hours worked per pay period,  \_\_ paid and unpaid breaks,  \_\_ overtime |
| **3** | Calculate Gross Pay  Link to more information on [Overtime Rules](https://fitsmallbusiness.com/exempt-vs-non-exempt-employees/) | **Multiply:**  \_\_ pay rate  \_\_ by hours worked  *Overtime is paid at 1.5x hourly pay rate* |
| **4** | Process Deductions  Link to more information on [Payroll Taxes](https://fitsmallbusiness.com/employer-payroll-taxes/)  or [Employee Benefits](https://fitsmallbusiness.com/setting-up-employee-benefits/) | **Subtract:**  \_\_ employee deductions  \_\_ from gross pay |
| **5** | Provide Net Pay  Link to more information on [Paystubs](https://fitsmallbusiness.com/free-pay-stub-template/)  or [Business Checking Accounts](https://fitsmallbusiness.com/best-small-business-checking-account/) | **Pay employees with:**  \_\_ paper check or paystub,  \_\_ direct deposit, or  \_\_ pay card, and  \_\_ make sure to fund your payroll account! |
| **6** | Document Results  Link to more information on [Payroll Record Retention](https://fitsmallbusiness.com/payroll-records/) | **Keep:**  \_\_ timecards,  \_\_ pay stubs and  \_\_ any pay change information (raises or bonuses) |

