## **How to Do Payroll Checklist**

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| **Step** | **What To Do** | **Details** |
| **1** | Collect Employee DataLink 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 WorkedLink 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 PayLink 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 DeductionsLink 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 PayLink 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 ResultsLink to more information on [Payroll Record Retention](https://fitsmallbusiness.com/payroll-records/) | **Keep:**\_\_ timecards, \_\_ pay stubs and \_\_ any pay change information (raises or bonuses) |

