How to Do Payroll in Georgia

Use this downloadable checklist to help you stay on track!

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| ✔ | **TASK** |
|  | **Step 1: Set up your business as an employer.**  To register your business for withholding and unemployment taxes in Georgia, you must have a [Federal Employee Identification Number](https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online) (EIN). Although it’s not required, we also encourage you to enroll in the [E lectronic Federal Tax Payment System](https://www.eftps.gov/eftps/) (EFTPS), making it easy to pay your federal taxes online or over the phone.  Applied for a Federal Employer Identification Number (EIN)  Enrolled for the Electronic Federal Tax Payment System (EFTPS) |
|  | **Step 2: Register your business in Georgia.**  Any company that pays employees in Georgia must register with the [Georgia](https://sos.ga.gov/index.php/corporations) [Secretary of State](https://sos.ga.gov/index.php/corporations). The [Georgia Department of Revenue](https://dor.georgia.gov/taxes/register-new-business-georgia) provides a comprehensive guide to help you tick all the boxes of proper registration, including how to calculate and withhold payroll taxes.  Registered with the Georgia Secretary of State  Registered with the Georgia Department of Revenue |
|  | **Step 3. Set up your payroll process.**  You’ll need to decide [how often you’re planning to pay employees](https://fitsmallbusiness.com/pay-period/), 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](https://fitsmallbusiness.com/how-to-do-payroll/)  Use [Excel payroll templates](https://fitsmallbusiness.com/free-payroll-template/)  Sign up for a [payroll service](https://fitsmallbusiness.com/best-payroll-services/) |
|  | **Step 4: Collect employee payroll forms.**  The best time to collect payroll forms is during your new hire orientation. Required payroll forms for Georgia employees will include:  [W-4](https://www.irs.gov/pub/irs-pdf/fw4.pdf)  [I-9](https://www.uscis.gov/sites/default/files/document/forms/i-9-paper-version.pdf)  [Direct deposit Authorization Form](https://fitsmallbusiness.com/wp-content/uploads/2022/05/Direct-Deposit-Authorization-Form.pdf) |

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|  | [Georgia W-4 Form](https://dor.georgia.gov/form-g-4-employee-withholding) |
|  | **Step 5: Collect, review, and approve time sheets.**  You’ll need to collect timesheets for all hourly employees and [non-exempt salaried](https://fitsmallbusiness.com/exempt-vs-non-exempt-employees/) [workers](https://fitsmallbusiness.com/exempt-vs-non-exempt-employees/). To do this, you have three options to use (check off which option you’re electing to use for tracking purposes):  A [paper timesheet](https://fitsmallbusiness.com/timesheet-templates/)  Free or low-cost [time and attendance software](https://fitsmallbusiness.com/best-time-and-attendance-software/)  A payroll service that has a time and attendance system |
|  | **Step 6: Calculate payroll (including taxes) and pay employees.**  *You will need to calculate:*  Payroll tax payments  Employee paycheck amounts  Paid time off balances  You can choose to [pay employees in a number of different ways](https://fitsmallbusiness.com/different-ways-to-pay-employee/) (i.e., cash, check, direct deposit, pay cards.) Federal taxes should be remitted through the [EFTPS](https://www.eftps.gov/eftps/). |
|  | **Step 7: Pay federal and state payroll taxes.**  At each regular payroll run, you must pay federal and state taxes. The IRS provides instructions on paying federal taxes, and the Georgia Department of Revenue provides instructions on paying state taxes. |
|  | **Step 8: Save your payroll records.**  This step is often overlooked but is also one of the most important. It is vital that you keep detailed payroll records showing that you have regularly and correctly paid every employee, as well as state and federal taxes.  Federal law requires you to maintain these records for three to four years, and Georgia’s law aligns for all private employers. |
|  | **Step 9: Process annual payroll reports:**  Every employer, regardless of which state your business is in, will need to complete [W-2s](https://fitsmallbusiness.com/how-to-fill-out-w2-form/) for all employees and [1099s](https://fitsmallbusiness.com/form-1099-reporting/) 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 |

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|  | Generated 1099s for all contractors  Distributed to employees  Filed with appropriate government agencies |