How to Do Payroll in Indiana

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 Indiana, 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 [Electronic 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 with the State of Indiana.**  Register your business at [INTIME](https://intime.dor.in.gov/eServices/_/#2), the Indiana taxpayer information management engine. You’ll need your EIN, business name and address, and names of the officers in the business. Then [create a user account](https://intime.dor.in.gov/eServices/_/#2) to file your tax and other paperwork.  You also need to register as a new business on the [Uplink Employer Self Service](https://uplink.in.gov/ESS/ESSLogon.htm) [website](https://uplink.in.gov/ESS/ESSLogon.htm), so you’ll be able to pay state unemployment insurance taxes.  Registered with INTime  Registered business with Uplink Employer Self Service Website |
|  | **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 North Carolina employees will include:  [W-4](https://www.irs.gov/pub/irs-pdf/fw4.pdf) |

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|  | [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)  [WH-4 or WH4MIL](https://www.in.gov/dor/tax-forms/withholding-tax-forms/)  [WH-47](https://www.in.gov/dor/tax-forms/withholding-tax-forms/) (for employees that live in reciprocity states) |
|  | **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 [E FTPS](https://www.eftps.gov/eftps/). |
|  | **Step 7: File payroll taxes with the federal and Indiana state government.** Follow the IRS instructions for federal taxes, including unemployment.   * **Indiana Income Taxes:** Tax withholdings must be filed electronically according to schedule. If you have filed withholdings in the past, you need to continue to do so, even if you don’t owe anything. The state re-evaluates your withholdings annually and tells you what schedule to follow. New businesses follow the schedule set based on anticipated withholdings. |

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| **Monthly average tax withheld** | **Filing status** | **Must be Filed & Paid By** |
| **$83.33 or less** | Annual | 30 days after the end of the month |
| **$1,000 or less** | Monthly | 30 days after the end of the month |
| **Over $1,000** | Early filer | 20 days after the end of the month |

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|  | * **State Unemployment Taxes (SUTA):** You need to pay SUTA electronically through the [Uplink Employer Self Service website](https://uplink.in.gov/ESS/ESSLogon.htm). You can enter information manually or by CSV file. You need a CSV or ICESA file if you have over 50 employees. |
|  | **Step 8. Document and store your payroll records.**  Indiana requires you to keep records on employees for at least three years. Information should include contact details and other data as required by the Federal Labor Standards Act. Learn more in our [article on retaining payroll records](https://fitsmallbusiness.com/payroll-records/). |
|  | **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. You also need to submit the [Indiana WH3](https://www.in.gov/dor/business-tax/withholding-income-tax/wh-3w-2-withholding-tax-electronic-filing/) annual withholding form. 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  Generated 1099s for all contractors  Distributed to employees  Filed with appropriate government agencies  Generated Indiana WH3 for all employees  Distributed to employees  Filed with appropriate government agencies |

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| **For Wages Paid During** | **Calendar Quarter Ends** | **Must be Filed & Paid By** |
| **Jan, Feb, Mar** | March 31 | April 30 |
| **Apr, May, Jun** | June 30 | July 31 |
| **Jul, Aug, Sep** | September 30 | October 31 |
| **Oct, Nov, Dec** | December 31 | January 31 |