

# How to Do Payroll in Indiana

Use this downloadable checklist to help you stay on track!

✓	TASK
	<p><b>Step 1: Set up your business as an employer.</b></p> <p>To register your business for withholding and unemployment taxes in Indiana, you must have a <a href="#">Federal Employee Identification Number</a> (EIN). Although it's not required, we also encourage you to enroll in the <a href="#">Electronic Federal Tax Payment System</a> (EFTPS), making it easy to pay your federal taxes online or over the phone.</p> <ul style="list-style-type: none"><li><input type="checkbox"/> Applied for a Federal Employer Identification Number (EIN)</li><li><input type="checkbox"/> Enrolled for the Electronic Federal Tax Payment System (EFTPS)</li></ul>
	<p><b>Step 2: Register with the State of Indiana.</b></p> <p>Register your business at <a href="#">INTIME</a>, the Indiana taxpayer information management engine. You'll need your EIN, business name and address, and names of the officers in the business. Then <a href="#">create a user account</a> to file your tax and other paperwork.</p> <p>You also need to register as a new business on the <a href="#">Uplink Employer Self Service website</a>, so you'll be able to pay state unemployment insurance taxes.</p> <ul style="list-style-type: none"><li><input type="checkbox"/> Registered with INTime</li><li><input type="checkbox"/> Registered business with Uplink Employer Self Service Website</li></ul>
	<p><b>Step 3. Set up your payroll process.</b></p> <p>You'll need to decide <a href="#">how often you're planning to pay employees</a>, 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):</p> <ul style="list-style-type: none"><li><input type="checkbox"/> <a href="#">Do payroll yourself</a></li><li><input type="checkbox"/> Use <a href="#">Excel payroll templates</a></li><li><input type="checkbox"/> Sign up for a <a href="#">payroll service</a></li></ul>
	<p><b>Step 4: Collect employee payroll forms.</b></p> <p>The best time to collect payroll forms is during your new hire orientation. Required payroll forms for North Carolina employees will include:</p> <ul style="list-style-type: none"><li><input type="checkbox"/> <a href="#">W-4</a></li></ul>

- [I-9](#)
- [Direct Deposit Authorization Form](#)
- [WH-4 or WH4MIL](#)
- [WH-47](#) (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 workers](#). To do this, you have three options to use (check off which option you're electing to use for tracking purposes):

- A [paper timesheet](#)
- Free or low-cost [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](#) (i.e., cash, check, direct deposit, pay cards.) Federal taxes should be remitted through the [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.

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

- **State Unemployment Taxes (SUTA):** You need to pay SUTA electronically through the [Uplink Employer Self Service website](#). You can enter information manually or by CSV file. You need a CSV or ICESA file if you have over 50 employees.

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

**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](#).

**Step 9: Process annual payroll reports:**

Every employer, regardless of which state your business is in, will need to complete [W-2s](#) for all employees and [1099s](#) for independent contractors. You also need to submit the [Indiana WH3](#) 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