

# How to Do Payroll in Oklahoma

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 Oklahoma, 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 Oklahoma.</b></p> <p>If your business is new, you need to register with the <a href="#">Oklahoma Secretary of State</a>. Businesses must also be registered with the Oklahoma Tax Commission in person or on the <a href="#">website</a>—you'll have to set up a withholding account for income taxes through the You'll need to set up an account for employees' unemployment taxes through the <a href="#">Oklahoma Employment Security Commission</a> (OESC). You'll need workers' compensation insurance. If you do not have a private policy, you can contact CompSource Mutual at 405-232-7663 or <a href="#">the website</a>.</p> <p>Oklahoma provides a <a href="#">Start a Business guide</a> with information and links to help you move through the steps.</p> <ul style="list-style-type: none"><li><input type="checkbox"/> Register with the Oklahoma Secretary of State</li><li><input type="checkbox"/> Register with the Oklahoma Tax Commission &amp; set up a withholding account</li><li><input type="checkbox"/> Set up an unemployment tax account with the OESC</li><li><input type="checkbox"/> Purchase workers' comp Insurance</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></ul>

	<input type="checkbox"/> Sign up for a <a href="#">payroll service</a>				
	<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 Oklahoma employees will include:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> <a href="#">W-4</a></li> <li><input type="checkbox"/> <a href="#">I-9</a></li> <li><input type="checkbox"/> <a href="#">Direct deposit authorization form</a></li> <li><input type="checkbox"/> <a href="#">Oklahoma Form OR-W-4</a></li> </ul>				
	<p><b>Step 5: Collect, review, and approve time sheets.</b></p> <p>You'll need to collect timesheets for all hourly employees and <a href="#">non-exempt salaried workers</a>. To do this, you have three options to use (check off which option you're electing to use for tracking purposes):</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> A <a href="#">paper timesheet</a></li> <li><input type="checkbox"/> Free or low-cost <a href="#">time and attendance software</a></li> <li><input type="checkbox"/> A payroll service that has a time and attendance system</li> </ul>				
	<p><b>Step 6: Calculate employee gross pay and taxes and pay employees.</b></p> <p>Oklahoma's income tax is progressive, so the higher an employee's salary, the higher the tax burden. You'll need to use the appropriate <a href="#">withholding tables</a> to determine how much to withhold (marital status and income amounts determine this). Keep in mind that making these calculations by hand will be complex and may lead to costly mistakes. Payroll software can eliminate these mistakes.</p> <p>The vast majority of companies and employees use <a href="#">direct deposit</a>, but <a href="#">cash</a> (not the best way) and <a href="#">paper check</a> are also options. Make sure that you are paying your employees at least the Oklahoma minimum wage, which is currently \$7.25 an hour.</p>				
	<p><b>Step 7: File payroll taxes with the federal and state governments.</b></p> <p>To remit withholdings, follow the schedule below.</p> <table border="1" data-bbox="365 1591 1414 1780" style="width: 100%; background-color: #e1f5fe;"> <tr> <td style="text-align: center; vertical-align: top;"> <b>If your average monthly payroll is</b> </td> <td style="text-align: center; vertical-align: top;"> <b>You must pay</b> </td> <td style="text-align: center; vertical-align: top;"> <b>Must be Filed and Paid By</b> </td> <td style="text-align: center; vertical-align: top;"> <b>If your average monthly payroll is</b> </td> </tr> </table>	<b>If your average monthly payroll is</b>	<b>You must pay</b>	<b>Must be Filed and Paid By</b>	<b>If your average monthly payroll is</b>
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<\$500	Quarterly	April 20 (Q1), July 20 (Q2), Oct. 20 (Q3), Jan. 20 (Q4)	<\$500
\$500 to \$10,000	Monthly	20th of following month	\$500 to \$10,000
>\$10,000	Semiweekly	Follow the federal semiweekly schedule	>\$10,000

Pay Oklahoma unemployment taxes quarterly and file electronically via [EZ Tax Express](#). You can manually fill in the report or create a TXT document and upload it. Find the [instructions on the OESC website](#).

Oklahoma state UI tax reports are due by the following dates:

For Wages Paid During	Calendar Quarter Ends	Must be Filed and Paid By
Jan, Feb, Mar	March 31	April 30
Apr, May, Jun	June 30	July 31
Jul, Aug, Sep	Sept. 30	Oct. 31
Oct, Nov, Dec	Dec. 31	Jan. 31

- Pay federal taxes
- Pay [Oklahoma state taxes](#)

**Step 8: Document and store your payroll records.**

As with any business record, you want to make sure you have a copy for at least several years. Oklahoma is considered an Access State, which just means employers are required to provide employees with access to itemized pay statements. This doesn't have to be printed or distributed with paper checks but can also be populated electronically, via an HR or payroll portal or even email.

**Step 9: Do year-end payroll tax reports.**

These include the federal [Forms W-2](#) (for employees) and [1099](#) (for contractors). Employees and contractors must have these by Jan. 31 of the following year. You also

	<p>need to supply the state with your W-2/W-3 and 1099 via OKTAP. The W-2/W-3 are due Jan. 31, and 1099s are due March 31.</p>
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