

How to Do Payroll in West Virginia

Use this downloadable checklist to help you stay on track!

✓	TASK
	<p>Step 1: Set up your business as an employer.</p> <p>At the federal level, you need your Employer ID Number (EIN) and an account in the Electronic Federal Tax Payment System (EFTPS).</p> <ul style="list-style-type: none">• Applied for a Federal Employer Identification Number (EIN)• Enrolled for the Electronic Federal Tax Payment System (EFTPS)
	<p>Step 2: Register your business with the State of West Virginia.</p> <p>If your business is new, you need to register on the West Virginia Secretary of State's website. Any company that pays employees in West Virginia must also register with the West Virginia State Tax Department.</p> <ul style="list-style-type: none">• Register with the WV Secretary of State• Register with the WV State Tax Department
	<p>Step 3: Set up your payroll.</p> <p>Whether you're going to do payroll yourself or use a payroll software, you'll need to determine a payroll process that is compliant with West Virginia law and works for your business. This includes deciding when and how you'll pay employees, how you'll collect and submit payroll forms when necessary, how and when to verify employee time worked, etc.</p> <ul style="list-style-type: none">• Decide how you'll process payroll and make the correct calculations and payments: Do payroll yourself, Use Excel payroll templates, Sign up for a payroll service• Decide how often you'll pay employees and when you need to start the process• Choose the methods of payment you will use to remit payment
	<p>Step 4: Collect employee payroll forms.</p>

	<p>This is easiest if you do it during onboarding. Forms include:</p> <ul style="list-style-type: none"> • Federal Form W-4 • West Virginia State Form WV IT-104 • I-9 • Direct deposit authorization form
	<p>Step 5: Collect, review, and approve time sheets.</p> <p>Payroll begins several days before your due date when you get employee time sheets. Reviewing the time sheets from your nonexempt employees gives you time to speak with anyone who might have made mistakes. There are many ways to track employee time—some of which are free.</p> <ul style="list-style-type: none"> • A paper timesheet • Free or low-cost time and attendance software • A payroll service that has a time and attendance system
	<p>Step 6: Calculate employee gross pay and taxes.</p> <p>Calculating payroll by hand is not recommended. West Virginia has a progressive income tax, so it'll be more challenging than necessary to ensure your figures are accurate. You can opt to use Excel—we have a free Excel payroll template—or sign up for a payroll service.</p> <ul style="list-style-type: none"> • Calculate Gross Pay • Calculate FICA, FUTA, & Income Taxes to withhold/pay • Perform any other payroll calculations, i.e., for expense reimbursement • Calculate net payroll
	<p>Step 7: Pay employee wages, benefits, and taxes. Most companies today pay all employees through direct deposit. But cash (not the best way) and paper check are also options. You can pay your federal and West Virginia state taxes online. If you use a benefits provider, it should work with you to make deductions simple, automatic, and electronic.</p> <ul style="list-style-type: none"> • Pay employees each pay period • Pay federal taxes • Pay West Virginia state income taxes according to assigned schedule • Pay West Virginia state unemployment taxes • Pay federal unemployment taxes

Step 8. Document and store your payroll records. [West Virginia law](#) requires that employers keep payroll documents that include the name and address of each employee, rate of pay, hours of employment, payroll deductions, and amount paid for each pay period for at least two years. The Fair Labor Standards Act (FLSA) also requires businesses to [keep payroll records](#) for at least three years and payroll tax documents for four years. We recommend complying with the strictest rules for full compliance.

- Decide how you'll store payroll records (paper file system, electronic folders, software)

Step 9. File payroll taxes with the federal and state government. All West Virginia state taxes need to be paid to the applicable state agency on the schedule provided, usually quarterly, which you can do online at the [West Virginia State Tax Department](#) website.

- Report quarterly FICA taxes on [Form 941](#) or annually on [Form 944](#).
- Pay state taxes online

Step 10. Do year-end payroll tax reports & file. Send the federal Forms [W-2s](#) (for employees) and [1099s](#) (for contractors) by Jan. 31 following the year for which you're reporting. You'll also need to send copies to the IRS along with a summary form for each.

- Distribute federal [Forms W-2](#) forms (for employees) by Jan 31
- File federal W-2 with IRS by Jan. 31; if you have <250 employees, you can file by Feb. 28
- Distribute West Virginia state W-2 forms by Jan. 31
- File West Virginia state W-2 forms by Jan. 31, electronically if you have >25 employees
- File West Virginia year-end reconciliation [Form WV/IT-103](#) by Jan. 31
- Distribute [1099](#) forms (for contractors) by Jan. 31
- File 1099 form with IRS by March 1 if mailing or March 31 if submitting electronically
- File 1099s with the State of WV by Jan. 31 if they show withheld taxes