

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"><input type="checkbox"/> Applied for a Federal Employer Identification Number (EIN)<input type="checkbox"/> 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"><input type="checkbox"/> Register with the WV Secretary of State<input type="checkbox"/> Register with the WV State Tax Department
	<p>Step 3: Create your payroll process.</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, and more.</p> <ul style="list-style-type: none"><input type="checkbox"/> 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<input type="checkbox"/> Decide how often you'll pay employees and when you need to start the process<input type="checkbox"/> 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"> <input type="checkbox"/> Federal Form W-4 <input type="checkbox"/> West Virginia State Form WV IT-104 <input type="checkbox"/> I-9 <input type="checkbox"/> 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"> <input type="checkbox"/> A paper timesheet <input type="checkbox"/> Free or low-cost time and attendance software <input type="checkbox"/> 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"> <input type="checkbox"/> Calculate Gross Pay <input type="checkbox"/> Calculate FICA, FUTA, & Income Taxes to withhold/pay <input type="checkbox"/> Perform any other payroll calculations, i.e., for expense reimbursement <input type="checkbox"/> 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"> <input type="checkbox"/> Pay employees each pay period <input type="checkbox"/> Pay federal taxes <input type="checkbox"/> Pay West Virginia state income taxes according to assigned schedule <input type="checkbox"/> Pay West Virginia state unemployment taxes <input type="checkbox"/> Pay federal unemployment taxes
	<p>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.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Decide how you'll store payroll records (paper file system, electronic folders, software)
	<p>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.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Report quarterly FICA taxes on Form 941 or annually on Form 944. <input type="checkbox"/> Pay state taxes online
	<p>Step 10. Complete year-end payroll reports. 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.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Distribute federal Forms W-2 forms (for employees) by Jan 31 <input type="checkbox"/> File federal W-2 with IRS by Jan. 31; if you have <250 employees, you can file by Feb. 28 <input type="checkbox"/> Distribute West Virginia state W-2 forms by Jan. 31 <input type="checkbox"/> File West Virginia state W-2 forms by Jan. 31, electronically if you have >25 employees <input type="checkbox"/> File West Virginia year-end reconciliation Form WV/IT-103 by Jan. 31

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| | <ul style="list-style-type: none"><input type="checkbox"/> Distribute 1099 forms (for contractors) by Jan. 31<input type="checkbox"/> File 1099 form with IRS by March 1 if mailing or March 31 if submitting electronically<input type="checkbox"/> File 1099s with the State of WV by Jan. 31 if they show withheld taxes |
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