

How to Do Payroll in Iowa

Use this downloadable checklist to help you stay on track!

✓	TASK
	<p>Step 1: Set up your business as an employer.</p> <p>To register your business for withholding and unemployment taxes in Iowa, you must have a Federal Employee Identification Number (EIN). Although it's not required, we also encourage you to enroll in the Electronic Federal Tax Payment System (EFTPS), making it easy to pay your federal taxes online or over the phone.</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 with the state of Iowa.</p> <p>File your business with the Iowa Department of Revenue. You can do this online, but you'll need your FEIN and to register for an Iowa state employer ID number. Next, register on the eFile & Pay website. You'll also need an account on myIowaUI to pay SUTA.</p>
	<p>Step 3. Set up your payroll process.</p> <p>You'll need to decide how often you're planning to pay employees, 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"><input type="checkbox"/> Do payroll yourself<input type="checkbox"/> Use Excel payroll templates<input type="checkbox"/> Sign up for a payroll service

	<p>Step 4: Collect employee payroll forms.</p> <p>The best time to collect payroll forms is during your new hire orientation. Required payroll forms for Iowa employees will include:</p> <ul style="list-style-type: none"><input type="checkbox"/> Federal Form W-4<input type="checkbox"/> Iowa State Form IA W-4<input type="checkbox"/> Form IA 44-016 (For Illinois Residents that want to be exempt from Iowa Taxes).<input type="checkbox"/> I-9<input type="checkbox"/> Direct deposit authorization form
	<p>Step 5: Collect, review, and approve time sheets.</p> <p>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):</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 and pay employees.</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<input type="checkbox"/> Decide to pay using check, paycard, direct deposit
	<p>Step 7: File payroll taxes with the federal and state governments.</p> <p>Follow the IRS instructions for federal taxes, including unemployment.</p> <p>File Iowa taxes and unemployment insurance on the eFile & Pay site by 4 p.m. on the due date. For complete details, check the website.</p> <ul style="list-style-type: none"><input type="checkbox"/> Pay federal taxes<input type="checkbox"/> Pay Iowa 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 three years.

Step 9: Do year-end payroll tax reports.

- 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 Iowa state W-2 forms by Jan. 31
- File Iowa state W-2 forms with Iowa Dept. of Revenue electronically if you have >250 employees) by Jan 31
- File Iowa state W-2 forms with Iowa Dept. of Revenue via paper or electronically by Feb. 28 if you have <250 employees
- Distribute [1099](#) forms (for contractors) by Jan. 31
- File 1099 form with IRS by March 1 if mailing or March 31 if submitting electronically