

How to Do Payroll in Maine

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 Maine, 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 Maine.</p> <p>At the state level, you need to register with the Maine Department of Revenue. To do so, you need to complete the Maine Tax Application. You can fill out the application online at the Maine Department of Revenue's website. You'll also need to register for unemployment tax via the ReEmployMe website.</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 Maine employees will include:</p> <ul style="list-style-type: none"><input type="checkbox"/> Federal Form W-4<input type="checkbox"/> Maine State Form W-4ME<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>To remit withholdings, follow the schedule below.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Pay federal taxes <input type="checkbox"/> Pay Maine state taxes
	<p>Step 8: Document and store your payroll records.</p> <p>As with any business record, you want to make sure you have a copy for at least three years.</p>
	<p>Step 9: Do year-end payroll tax reports.</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 Maine state W-2 forms by Jan. 31 <input type="checkbox"/> File Maine state W-2 forms with Maine Dept. of Revenue electronically if you have >250 employees) by Jan 31 <input type="checkbox"/> File Maine state W-2 forms with Maine Dept. of Revenue via paper or electronically by Feb. 28 if you have <250 employees <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
--	---