

How to Do Payroll in Virginia

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 Virginia, 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 Virginia.</p> <p>You need to register with the Virginia Secretary of State and the Virginia Department of Revenue.</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 Virginia employees will include:</p> <ul style="list-style-type: none"><input type="checkbox"/> Federal Form W-4<input type="checkbox"/> Virginia Form VA-4<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
	<p>Step 7: Pay employee wages & benefits.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Calculate net payroll <input type="checkbox"/> Decide to pay using check, paycard, direct deposit
	<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. Take note that Virginia also requires that if a timesheet was altered, it must be signed and acknowledged by the employee.</p>
	<p>Step 9: File payroll taxes with the federal and state government.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Pay federal taxes—can be online using the EFTPS <input type="checkbox"/> Pay state taxes—can be online at the Virginia Department of Revenue website
	<p>Step 10: 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 Virginia state W-2 forms by Jan. 31 <input type="checkbox"/> File Virginia state W-2 forms with Virginia Dept. of Revenue electronically if you have >250 employees) by Jan 31

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| | <ul style="list-style-type: none"><input type="checkbox"/> File Virginia state W-2 forms with Virginia 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 |
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