

# How to Do Payroll in Wisconsin

Use this downloadable checklist to help you stay on track!

✓	TASK
	<p><b>Step 1: Set up your business as an employer.</b></p> <p>To register your business for withholding and unemployment taxes in Wisconsin, you must have a <a href="#">Federal Employee Identification Number</a> (EIN). Although it's not required, we also encourage you to enroll in the <a href="#">Electronic Federal Tax Payment System</a> (EFTPS), making it easy to pay your federal taxes online or over the phone.</p> <ul style="list-style-type: none"><li>• Applied for a Federal Employer Identification Number (EIN)</li><li>• Enrolled for the Electronic Federal Tax Payment System (EFTPS)</li></ul>
	<p><b>Step 2: Register your business with the State of Wisconsin.</b></p> <p>If your business is new, you need to register on the <a href="#">Wisconsin One Stop Business Portal</a> website. Any company that pays employees in Wisconsin must also register with the <a href="#">Wisconsin Department of Revenue</a>.</p> <ul style="list-style-type: none"><li>• Register with the Wisconsin One Stop Business Portal</li><li>• Register with the Wisconsin Department of Revenue</li></ul>
	<p><b>Step 3: Create your payroll process.</b></p> <p>If you have a new business, you will need to figure out your payroll process. But a business that is already established probably has a process that you inherit.</p> <p>You'll need to decide <a href="#">how often you're planning to pay employees</a>, 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"><li>• <a href="#">Do payroll yourself</a></li><li>• Use <a href="#">Excel payroll templates</a></li><li>• Sign up for a <a href="#">payroll service</a></li></ul>
	<p><b>Step 4: Collect employee payroll forms.</b></p> <p>When onboarding new employees, request the <a href="#">necessary payroll forms</a>, including those specific to Wisconsin. The best time to collect payroll forms is during your new hire orientation. Required payroll forms for employees will include:</p> <ul style="list-style-type: none"><li>• <a href="#">Federal Form W-4</a></li></ul>

	<ul style="list-style-type: none"> <li>• <a href="#">Form WT-4: Wisconsin Withholding Exemption Certification</a></li> <li>• <a href="#">I-9</a></li> <li>• <a href="#">Direct Deposit Authorization Form</a></li> </ul>
	<p><b>Step 5: Collect, review, and approve time sheets.</b></p> <p>You'll need to collect timesheets for all hourly employees and <a href="#">non-exempt salaried workers</a>. 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"> <li>• A <a href="#">paper timesheet</a></li> <li>• Free or low-cost <a href="#">time and attendance software</a></li> <li>• A payroll service that has a time and attendance system</li> </ul>
	<p><b>Step 6: Calculate payroll and taxes.</b></p> <p>Depending on your accounting preferences, <a href="#">use payroll software</a>, a calculator, or even <a href="#">Excel</a> to <a href="#">calculate payroll</a>.</p> <ul style="list-style-type: none"> <li>• Calculate Gross Pay</li> <li>• Calculate FICA, FUTA, &amp; Income Taxes to withhold/pay</li> <li>• Perform any other payroll calculations, i.e., for expense reimbursement</li> <li>• Calculate net payroll</li> <li>• Decide to pay using check, paycard, direct deposit</li> </ul>
	<p><b>Step 7: Pay employee wages, benefits, and taxes.</b></p> <p>The best way to pay your employees is through <a href="#">direct deposit</a>. But <a href="#">cash</a> and <a href="#">paper checks</a> are also options. Wisconsin does not have a state minimum wage, so the federal minimum wage of \$7.25 per hour applies.</p> <p>You can pay your federal and <a href="#">Wisconsin state taxes online</a>. 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"> <li>• Pay Federal Taxes</li> <li>• Pay Wisconsin State Taxes</li> </ul>
	<p><b>Step 8: Save your payroll records.</b></p> <p>Keeping your company business records is good practice. Wisconsin requires businesses to keep record of all hours worked and wages paid to each employee, including their name, address, and date of birth, for at least three years. This mirrors the Fair Labor Standards Act (FLSA) <a href="#">recordkeeping requirements</a>.</p> <p>You'll also need to maintain payroll tax records for four years, maximum.</p>
	<p><b>Step 9: File payroll taxes with the federal and state governments.</b> All Wisconsin state taxes need to be paid to the applicable state agency on the schedule provided, usually</p>

quarterly, which you can do online at the [Wisconsin Department of Revenue](#) website. To pay federal taxes, you can make those payments online using the [EFTPS](#) on one of the following two schedules:

- **Monthly:** When the IRS assigns you a monthly schedule, you need to deposit employment taxes on payments made during a calendar month by the 15th of the following month.
- **Semiweekly:** When the IRS assigns you a semiweekly schedule, you must deposit employment taxes for payments made on Wednesday, Thursday, and Friday by the following Wednesday, and for payments made Saturday, Sunday, Monday, and Tuesday, by the following Friday.

Please note that reporting schedules and depositing employment taxes are different. Regardless of the payment schedule you are on, you only report taxes quarterly on [Form 941](#) or annually on [Form 944](#).

**Step 10: Complete year-end payroll reports.** Send the federal Forms [W-2s](#) (for employees) and [1099s](#) (for contractors) by January 31st 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.

**Federal:**

- File & Distribute W-2's for all employees
- File & Distribute 1099's for all contractors

**State:**

- File Wisconsin state W-2 forms by January 31