# How to Do Payroll in Ohio

Use this downloadable checklist to help you stay on track!

| ✔ | **TASK** |
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|  | **Step 1: Set up your business as an employer.** To register your business for withholding and unemployment taxes in Ohio, you must have a [Federal Employee Identification Number](https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online) (EIN). Although it’s not required, we also encourage you to enroll in the [Electronic Federal Tax Payment System](https://www.eftps.gov/eftps/) (EFTPS), making it easy to pay your federal taxes online or over the phone.* Applied for a Federal Employer Identification Number (EIN)
* Enrolled in the Electronic Federal Tax Payment System (EFTPS)
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|  | **Step 2: Register with the state of Ohio.** In Ohio, you will need to register with the [Ohio Business Gateway](https://gateway.ohio.gov/) to create your account for filing and paying withholdings. You also need to register with the [Department of Job and Family Services](https://ohio.gov/government/state-agencies/department-of-job-and-family-services) and the [Employer Resource Information Center](https://jfs.ohio.gov/ouio/index.stm) to pay state unemployment taxes.* Register with the Ohio Business Gateway
* Register with the Department of Job and Family Services
* Register with the Employer Resource Information Center
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|  | **Step 3: Create your payroll process.** You’ll need to decide [how often you’re planning to pay employees](https://fitsmallbusiness.com/pay-period/), 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):* [Do payroll yourself](https://fitsmallbusiness.com/how-to-do-payroll/)
* Use [Excel payroll templates](https://fitsmallbusiness.com/free-payroll-template/)
* Sign up for a [payroll service](https://fitsmallbusiness.com/best-payroll-services/)
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|  | **Step 4: Collect employee payroll forms.** The best time to collect payroll forms is during your new hire orientation. Required payroll forms for Ohio employees will include:* Federal [Form W-4](https://www.irs.gov/pub/irs-pdf/fw4.pdf)
* Ohio [Form IT 4](https://tax.ohio.gov/static/forms/employer_withholding/generic/wth-it4-combined.pdf)
* [I-9](https://www.uscis.gov/sites/default/files/document/forms/i-9-paper-version.pdf)
* [Direct Deposit Authorization Form](https://fitsmallbusiness.com/wp-content/uploads/2022/11/Direct-Deposit-Authorization-Form.pdf)
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|  | **Step 5: Collect, review, and approve time sheets.** You’ll need to collect timesheets for all hourly employees and [non-exempt salaried workers](https://fitsmallbusiness.com/exempt-vs-non-exempt-employees/). To do this, you have three options to use (check off which option you’re electing to use for tracking purposes):* A [paper timesheet](https://fitsmallbusiness.com/timesheet-templates/)
* Free or low-cost [time and attendance software](https://fitsmallbusiness.com/best-time-and-attendance-software/)
* A payroll service that has a time and attendance system
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|  | **Step 6: Calculate payroll and pay employees.** You can choose to [pay employees in a variety of different ways](https://fitsmallbusiness.com/different-ways-to-pay-employee/) (i.e., cash, check, direct deposit, pay cards).* Calculate Gross Pay
* Calculate FICA, FUTA & Income Taxes to withhold/pay
* Perform any other payroll calculations, i.e., for expense reimbursement
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|  | **Step 7: File payroll taxes with the federal government.** The IRS has forms and instructions on filing federal taxes, including unemployment. You can also [order official tax forms from the IRS](https://www.irs.gov/businesses/online-ordering-for-information-returns-and-employer-returns). * Pay federal taxes - can be online using the [EFTPS](https://www.eftps.gov/)
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|  | **Step 8: File payroll taxes with the state of Ohio.** For Ohio withholding taxes, you’ll need to pay based on the combined withholdings, which could mean you file quarterly, monthly, weekly, or the day following your payroll run. All payments can be made online through the Ohio Business Gateway.* Pay state taxes - can be online with the [Ohio Business Gateway](https://gateway.ohio.gov/)
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|  | **Step 9: 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. Ohio law requires companies to keep the following information for at least five years:* All check stubs and canceled checks
* Cash receipts and disbursement records
* Accounting records (e.g., payroll journal, general journal, and general ledger)
* Copies of federal and state tax reports
* Copies of payroll filings (W-2s and W-3s)
* For each pay period:
	+ The beginning and ending dates of each pay period
	+ Total amount and date paid for each pay period
	+ The day in each week where the most employees worked and how many employees worked on that date
* For each worker, the:
	+ Biographical information (first and last name, Social Security number)
	+ Hire information (hire, rehire, and/or return to work dates)
	+ Termination information (termination date and reason)
	+ Amount paid to each employee for each pay period and quarterly
	+ Date and amount of supplemental payments (e.g., bonuses, gifts, and/or commissions)
	+ Work location
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|  | **Step 10: Complete year-end payroll tax reports.**Every employer, regardless of which state your business is in, will need to complete [W-2s](https://fitsmallbusiness.com/how-to-fill-out-w2-form/) for all employees and [1099s](https://fitsmallbusiness.com/form-1099-reporting/) for independent contractors. By law, you must provide all employees and contractors with their annual tax form no later than January 31 of the following year. You also need to submit the [IT3 Transmittal of Wage and Tax Statements](https://tax.ohio.gov/static/forms/employer_withholding/generic/wth-it3-fi.pdf), and, of course, any reconciliation of taxes, like the IT 942 (through the OBG).* Generated W-2s for all employees
	+ Distributed to employees
	+ Filed with appropriate government agencies
* Generated 1099s for all contractors
	+ Distributed to employees
	+ Filed with appropriate government agencies
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