
Farm Payroll

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Farm Payroll

- Employees vs. independent contractors
- Preparing for employees
- Paying employees
- Calculating payroll
- Paying payroll liability
- Reporting
- Benefits



Employees vs Independent Contractors

K-STATE
Research and Extension



Employee vs. Independent Contractor

- When determining if a worker is an employee or contractor, IRS looks at three areas
 - Behavioral Control
 - Financial Control
 - Type of relationship

K-STATE
Research and Extension



Employee vs. Independent Contractor

- Behavioral control
 - Who decides:
 - When & where to work?
 - What tools to use?
 - When to hire assistance?
 - Where to purchase supplies?
 - What sequence of work?
 - Degree of instruction

Employee vs. Independent Contractor

- Financial Control
 - Does the worker:
 - Have an investment in tools and equipment?
 - Pay unreimbursed expenses?
 - Have an opportunity for profit or loss?
 - Provide services to the market?
 - Is payment made piece work or at an hourly rate?

Employee vs. Independent Contractor

- Type of relationship
 - Is there a written contract?
 - Are benefits provided?
 - Insurance, Vacation, Sick days, Retirement
 - How long has the relationship existed?
 - Are the services provided a key activity in the business?



Employee vs. Independent Contractor

- If no written contract, at least discuss the arrangement!
- For more information:
<http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Independent-Contractor-Self-Employed-or-Employee>
- Submit Form SS-8 to allow IRS to determine
 - Response in approximately 6 months



Preparing for Employees



Preparing for Employees

- Apply for federal Employer Identification Number (EIN)
- Set up Electronic Federal Tax Payment System (EFTPS) account
- Set up Kansas withholding account
- Set up Kansas unemployment account (if applicable)



Federal Employer Identification Number (EIN)

- Business may already have an EIN
 - Partnership, LLC, Corporation
 - Previously hired employees
 - File Form 2290 (Heavy Highway Tax)
 - Separate sole-proprietor business
 - Only one EIN!
- Social Security Numbers cannot be used



Federal Employer Identification Number (EIN)

- Apply for EIN online or by phone
 - <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
 - (800) 829-4933
 - Will provide an EIN immediately
- Apply by Fax
 - Form SS-4
 - EIN Faxed back in 1-2 weeks
- Apply by Mail
 - Form SS-4
 - EIN mailed in 4-5 weeks





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Charities & Nonprofits

Tax Pros

File

Pay

Refunds

Credits & Deductions

Forms & Instructions

Home > File > Businesses and Self-Employed > Small Business and Self-Employed > Employer ID Numbers
> Apply for an Employer Identification Number EIN Online

Apply for an Employer Identification Number (EIN) Online

English | Español

Individuals

International Taxpayers

Businesses and Self-Employed

Small Business and Self-Employed

Employer ID Numbers

Business Taxes



Hours of Operation

Monday to Friday, 7 a.m. to 10 p.m. Eastern Standard Time.

Small Business/Self-Employed Topics

- [Businesses with Employees](#)

Related Topics

- [State and Federal Online Business Registration](#)
- [Online EIN Frequently Asked](#)

Step 1: Determine Your Eligibility

- You may apply for an EIN online if your principal business is located in the United States or U.S. Territories.
- The person applying online must have a valid Taxpayer Identification Number



Electronic Federal Tax Payment System

- Most employers must make deposits electronically thru EFTPS
 - Exception: **TOTAL** annual payroll tax liability less than \$2,500
- Automatically enrolled when requesting an EIN
- Apply online or by phone
 - www.eftps.gov
 - 800.555.3453
 - PIN required



WELCOME TO EFTPS®

New to our site?

The Electronic Federal Tax Payment System® tax payment service is provided free by the U.S. Department of the Treasury. After you've enrolled and received your credentials, you can pay any tax due to the Internal Revenue Service (IRS) using this system.

[MAKE A PAYMENT](#)[ENROLL](#)**You asked, we listened!**

The EFTPS® Web site was recently updated based on feedback from users like you. You can now:

- Receive your confirmation by email.
- Verify the bank account that will be used when making a payment
- Change the bank account used for a payment
- Self-select your PIN when creating an additional enrollment
- Terminate an enrollment you are no longer using

See [What's New](#) for complete details.

Please note: Your tax payment is due regardless of this Web site's availability. You can always make a tax payment by calling our voice response system at [1.800.555.3453](tel:1.800.555.3453). Follow the prompts to make your payment.



Kansas Department of Revenue

- Separate Kansas EIN
- Employers must make payments electronically
 - No exceptions, sort of...
- Apply online
 - www.ksrevenue.org
 - Click Sign Up in upper right corner
- Apply via mail, fax or in person
 - Business registration application (CR 16)
 - Electronic payments (EF 101)
 - Allow 5 weeks for processing

PERSONAL TAX

FORMS, REFUND STATUS, E-FILE, HOMESTEAD INFORMATION, TAXATION HOME PAGE

BUSINESS TAX

TAX TYPES, FORMS, FILING FREQUENCY, BUSINESS CLOSING, PENALTY AND INTEREST, TAXATION HOME PAGE

DIVISION OF VEHICLES

DRIVER'S LICENSE, SUSPENDED LICENSE, TITLES, COMMERCIAL VEHICLES

PROPERTY VALUATION

MEMOS, ABSTRACT / RATIO, AG USE, STATISTICS, PERSONAL PROPERTY, OIL AND GAS

ALCOHOLIC BEVERAGE CONTROL

LIQUOR LICENSING, FORMS, LAWS/POLICIES, FAQ'S, ENFORCEMENT, DRUG TAX

KANSAS LICENSE PLATES

— are getting a —

Makeover

OFFICE LOCATIONS

Alcoholic Beverage Control

Mills Building
109 SW 9th Street, Room 509
Topeka, KS 66612
785-296-7015

Taxpayer Assistance Center

Scott State Office Building
120 SE 10th Street
Topeka, KS 66612-1103
785-368-8222

KC Metropolitan Assistance Center

Rosana Square Shopping Center
7600 W 49th St, Suite 100
Overland Park, KS 66204
785-491-2200

Property Valuation

Zibell Building
300 SW 29th Street
Topeka, Ks. 66611
785-296-2365

Vehicles

Zibell Building
300 SW 29th Street
Topeka, Ks. 66611
785-296-3601

Wichita Assistance Center

1883 W 21st Street N
Wichita, KS 67203
785-326-2200



Kansas Unemployment

- Agricultural employers are liable for unemployment tax if:
 - They employ 10 or more workers in any portion of 20 different weeks in a calendar year
 - Payroll is \$20,000 or more in any calendar quarter
- Separate Kansas Unemployment ID
- Apply online at <https://www.kansasemployer.gov/uitax/account/Register.aspx>
- Or Complete Form K-CNS 010 & mail/fax

Federal Unemployment

- If applicable, no separate registration is required.



Miscellaneous Labor Law Topics



Minimum Wage, Overtime, Child Labor

- KS law applies if not covered by federal Fair Labor Standards Act (FLSA)
- FLSA applies if:
 - >\$500,000 gross revenue OR
 - Products are interstate commerce products
 - Includes most farm products
- Wage and Hour Division, Federal DOL
 - KC office 913-551-5721
 - National office 866-487-9243



Minimum Wage

- Kansas \$7.25/hr
- FLSA \$7.25/hr
 - <20 years old \$4.25/hr first 90 calendar days
- FLSA exempts certain farm employers
 - <500 man-days in all quarters of prior year
 - 1 man-day for every employee who worked at least 1 hour in a day
 - About 7 full time employees



Overtime

- Kansas
 - Overtime after 46 hours per week
 - Maximum of 24 hours per day
 - Not less than 1.5 time regular pay rate
- Fair Labor Standards Act
 - Overtime after 40 hours per week
 - Maximum of 24 hours per day
 - Not less than 1.5 times regular pay rate
 - Not required for Sundays, holidays, etc.
 - Exempts agricultural employees
 - Only on wages paid for labor incidental to the farm



Child Labor

- Employee of parents, any age
 - Work at any time
 - Any farm job
- Unrelated employees, 16 & up
 - Work at any time
 - Any farm job
- Unrelated employees, 14 – 15
 - Work outside school hours
 - Non-hazardous farm jobs



Child Labor

- Unrelated employees, 12 – 13
 - Work outside school hours
 - Non-hazardous jobs
 - With written parental consent
- Unrelated employees, 11 & under
 - Work outside school hours
 - Non-hazardous jobs
 - With written parental consent
 - Work on farms not subject to minimum wage



Child Labor

- Hazardous Farm Jobs
 - Operating a tractor over 20 HP
 - Connecting anything to or disconnecting anything from a tractor over 20 HP
 - Operating essentially all machinery & equipment
 - Working in a pen with a bull, cow with calf, or sow with suckling pigs
 - Handling or applying Category 1 chemicals
 - Handling dynamite
 - Etc...



Miscellaneous

- KS agricultural employers are exempt from Workers' Compensation Insurance
- Employers must display required posters and information
 - Available for free
 - <http://www.dol.ks.gov/laws/posters.aspx>
- Breaks, paid vacation, paid sick time are not required

Before Work Begins

Before Work Begins

- Verify employment eligibility
 - Have employee fill out Form I9
- Determine Federal withholding exemptions
 - Have employee fill out Form W4
- Optional: verify name matches SSN at www.socialsecurity.gov/employer/ssnv.htm or by calling 1-800-772-1213 (registration required)



Department of Homeland Security
U.S. Citizenship and Immigration Services

OMB No. 1615-0047; Expires 08/31/12
Form I-9, Employment Eligibility Verification

Read instructions carefully before completing this form. The instructions must be available during completion of this form.

ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work-authorized individuals. Employers CANNOT specify which document(s) they will accept from an employee. The refusal to hire an individual because the documents have a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Verification (To be completed and signed by employee at the time employment begins.)

Print Name: Last	First	Middle Initial	Maiden Name
Address (Street Name and Number)		Apt. #	Date of Birth (month/day/year)
City	State	Zip Code	Social Security #

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

- A citizen of the United States
- A noncitizen national of the United States (see instructions)
- A lawful permanent resident (Alien #)
- An alien authorized to work (Alien # or Admission #) until (expiration date, if applicable - month/day/year)

Employee's Signature _____ Date (month/day/year) _____

Preparer and/or Translator Certification (To be completed and signed if Section 1 is prepared by a person other than the employee.) I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Preparer's/Translator's Signature	Print Name
Address (Street Name and Number, City, State, Zip Code)	Date (month/day/year)

Section 2. Employer Review and Verification (To be completed and signed by employer. Examine one document from List A OR examine one document from List B and one from List C, as listed on the reverse of this form, and record the title, number, and expiration date, if any, of the document(s).)

List A	OR	List B	AND	List C
Document title:				
Issuing authority:				
Document #:				
Expiration Date (if any):				
Document #:				
Expiration Date (if any):				



Employee's Withholding Allowance Certificate

► Whether you're entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.

1 Your first name and middle initial		Last name		2 Your social security number	
Home address (number and street or rural route)				3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate.	
City or town, state, and ZIP code				Note: If married filing separately, check "Married, but withhold at higher Single rate."	
				4 If your last name differs from that shown on your social security card, check here. You must call 800-772-1213 for a replacement card. <input type="checkbox"/>	
5 Total number of allowances you're claiming (from the applicable worksheet on the following pages)				5	
6 Additional amount, if any, you want withheld from each paycheck				6 \$	
7 I claim exemption from withholding for 2018, and I certify that I meet both of the following conditions for exemption.					
<ul style="list-style-type: none"> • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability, and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. 					
If you meet both conditions, write "Exempt" here				7	

Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature
 (This form is not valid unless you sign it.) ►

8 Employer's name and address (Employer: Complete boxes 8 and 10 if sending to IRS and complete boxes 8, 9, and 10 if sending to State Directory of New Hires.)		9 First date of employment		10 Employer identification number (EIN)	
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Social Security

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[Verify SSNs](#)
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The Social Security Number Verification Service

[Login to SSNVS](#)

SSNVS Overview

There are two Internet verification options you can use to verify that your employee names and Social Security numbers (SSN) match Social Security's records. You can:

- Verify up to 10 names and SSNs (per screen) online and receive immediate results. This option is ideal to verify new hires.
- Upload overnight files of up to 250,000 names and SSNs and usually receive results the next government business day. This option is ideal if you want to verify an entire payroll database or if you hire a large number of workers at a time.

Business Services Online

By selecting this link, you can:

- Log In
- Register or;
- Complete Phone Registration



Business Services Online (BSO)

Hours of Operation
 Monday - Friday: 5 AM - 1 AM ET
 Saturday: 5 AM - 11 PM ET
 Sunday: 8 AM - 11:30 PM ET



Before Work Begins

- Determine Kansas withholding exemptions
 - Have employee fill out Form K-4
- Kansas new hire report within 20 days of hiring to Kansas Department of Labor
 - Online at www.kansasemployer.gov
 - Mail or fax



K-4

Kansas Employee's Withholding Allowance Certificate

(Rev. 9-12)

Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the Kansas Department of Revenue. Your employer may be required to send a copy of this form to the Department of Revenue.

1 Print your First Name and Middle Initial		Last Name		2 Social Security Number	
Mailing Address			3 Allowance Rate Mark the allowance rate selected in line A above. <input type="checkbox"/> Single <input type="checkbox"/> Joint		
City or Town, State and Zip Code					
4 Total number of allowances you are claiming (from line F above)				4	
5 Enter any additional amount you want withheld from each paycheck (this is optional)				5 \$	
6 I claim exemption from withholding. (You must meet the conditions explained in the "Exemption from withholding" instructions above.) If you meet the conditions above, write "Exempt" on this line..... Note: The Kansas Department of Revenue will receive your federal W-2 forms for all years claimed Exempt.				6	
Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief it is true, correct, and complete.					
SIGN HERE ►				DATE	
7 Employer's name and address				8 EIN (Employer ID Number)	



Paying Employees



Paying Employees

- Social Security and Medicare taxes
 - All cash wages are subject to Social Security and Medicare withholding if:
 - You pay cash wages to an employee of \$150 or more in a year
 - OR you pay all employees \$2,500 or more during the year
- Employers can elect to pay the employees share of Social Security and Medicare tax (no FICA withheld from paycheck)



Paying Employees

- Wages paid to children age 17 & under who are employed by **their parent** are not subject to Social Security or Medicare withholding
 - Employer must be a sole proprietor or a partnership owned wholly by the parents



Paying Employees

- Social Security
 - 2018 *employee* tax rate 6.2%
 - 2018 *employer* tax rate 6.2%
 - 2018 SS paid on all wages up to \$128,400
- Medicare
 - 2018 *employee* tax rate 1.45%
 - 2018 *employer* tax rate 1.45%
 - Paid on all wages, no limit on wages



Paying Employees

- Additional Medicare tax
 - 2018 *employee* tax rate 0.9%
 - No employer share
 - Paid only on wages above \$200,000
 - Not indexed for inflation



Paying Employees

- Commodity Wages
 - Payment made with grain, livestock, etc
 - Ideal for bonus payments
 - Not subject to withholding, SS, Medicare, or unemployment
 - MUST be handled correctly
 - Employee must have control
 - Reportable amount is the value at the time of transfer
 - Recordkeeping is important
 - Date of transfer, quantity, \$/unit, etc.
 - Reported on W2, Box 1 only



Paying Employees

- Federal Income Tax Withholding
 - Not optional
 - Unless employee has marked “Exempt” on their W-4
 - Form W-4 has changed dramatically with passage of TCJA
 - Prior versions “convert” exemptions to withholding allowances
 - Employers now need to know deductions, credit and other household income to determine withholding amounts



Form W-4 Employee's Withholding Allowance Certificate OMB No. 1545-0074

Department of the Treasury Internal Revenue Service

2019

▶ Give Form W-4 to your employer.
▶ Go to www.irs.gov/FormW4 for instructions and the latest information.
▶ The amount of, or exemption from, withholding is subject to review by the IRS.

1 Your first name and middle initial Last name

2 Your social security number

Home address (number and street or rural route) 3 Single or married filing separately Married filing jointly
 Head of household

City or town, state, and ZIP code 4 If your last name differs from that shown on your social security card, check here. You must call 800-772-1213 for a replacement card. ▶

Before you begin

• See the instructions for more information on how to complete this form.
• You also need to provide your employer with a copy of this form.
• If you have more than one job, you must complete this form for each job.

5 Enter the amount, if any, of income not subject to withholding, such as interest and dividends 5 \$

6 Enter the amount, if any, of itemized and other deductions 6 \$

7 Enter the amount, if any, of tax credits, such as the child tax credit 7 \$

8 Complete this line only if you have multiple jobs at the same time or file as married filing jointly and both you and your spouse work; otherwise, leave it blank. Enter the total pay of all lower paying jobs 8 \$

9 Additional amount, if any, you want withheld from each paycheck 9 \$

10 I claim exemption from withholding for 2019, and I certify that I meet **both** of the following conditions for exemption.
• Last year I had a refund of **all** federal income tax withheld because I had **no** tax liability, **and**
• This year I expect a refund of **all** federal income tax withheld because I expect to have **no** tax liability.
If you meet both conditions, write "Exempt" here ▶ 10

Income not subject to withholding such as interest, rental income, farm income, etc they want tax withheld



Form **W-4** **Employee's Withholding Allowance Certificate** OMB No. 1545-0074
 ▶ Give Form W-4 to your employer.
 ▶ Go to www.irs.gov/FormW4 for instructions and the latest information.
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2019

Department of the Treasury
Internal Revenue Service

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Before you begin:

- See the instructions at www.irs.gov/FormW4 before completing this form. If you have a simple tax situation, you may be able to use the brief instructions on the back of this form.
- You also can use the calculator at www.irs.gov/W4App to complete your Form W-4.
- If you hold more than one job at a time (or are married filing jointly and both you and your spouse have jobs), complete lines 5, 6, and 7 **only** for the highest paying job in the household.

5 Enter the amount, if any, of nonwage income not subject to withholding, such as interest and dividends 5 \$

6 Enter the amount, if any, of itemized and other deductions 6 \$

7 Enter the amount, if any, of tax credits, such as the child tax credit 7 \$

8 Complete this line only if you have multiple jobs at the same time or file as married filing jointly and both you and your spouse work; otherwise, leave it blank. Enter the total pay of all lower paying jobs 8 \$

9 Additional amount, if any, you want withheld from each paycheck 9 \$

10 I claim exemption from withholding for 2019, and I certify that I meet **both** of the following conditions for exemption:
 • Last year I had a right to a refund of **all** federal income tax withheld because I had **no** tax liability, **and**
 • This year I expect a refund of **all** federal income tax withheld because I expect to have **no** tax liability.
 If you meet both conditions, write "Exempt" here ▶ 10

Itemized deduction in excess of standard deduction, other above-the-line deductions (worksheet available)



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 ▶ Give Form W-4 to your employer.
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 ▶ The amount of, or exemption from, withholding is subject to review by the IRS.

2019

Department of the Treasury
Internal Revenue Service

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 Head of household

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- You also can use the calculator at www.irs.gov/W4App to complete your Form W-4.
- If you hold more than one job at a time (or are married filing jointly and both you and your spouse have jobs), complete lines 5, 6, and 7 **only** for the highest paying job in the household.

5 Enter the amount, if any, of nonwage income not subject to withholding, such as interest and dividends 5 \$

6 Enter the amount, if any, of itemized and other deductions 6 \$

7 Enter the amount, if any, of tax credits, such as the child tax credit 7 \$

8 Complete this line only if you have multiple jobs at the same time or file as married filing jointly and both you and your spouse work; otherwise, leave it blank. Enter the total pay of all lower paying jobs 8 \$

9 Additional amount, if any, you want withheld from each paycheck 9 \$

10 I claim exemption from withholding for 2019, and I certify that I meet **both** of the following conditions for exemption:
 • Last year I had a right to a refund of **all** federal income tax withheld because I had **no** tax liability, **and**
 • This year I expect a refund of **all** federal income tax withheld because I expect to have **no** tax liability.
 If you meet both conditions, write "Exempt" here ▶ 10

Total of all credits including child tax credit, earned income credit, dependent care credit, etc (worksheet available)



Form **W-4** **Employee's Withholding Allowance Certificate** OMB No. 1545-0074
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 Department of the Treasury Internal Revenue Service

1 Your first name and middle initial Last name 2 Your social security number

Home address (number and street or rural route) 3 Single or married filing separately Married filing jointly
 Head of household

City or town, state, and ZIP code 4 If your last name differs from that shown on your social security card, check here. You must call 800-772-1213 for a replacement card.

Before you begin:

- See the instructions at www.irs.gov/FormW4 before completing this form. If you have a simple tax situation, you may be able to use the brief instructions on the back of this form.
- You also can use the calculator at www.irs.gov/W4App to complete your Form W-4.
- If you are married filing jointly and both you and your spouse have jobs, you must enter the total pay from both jobs on line 8, even if you are the highest paying job in the household.

Taxable amount of spouses wages or second job

5 Enter the amount, if any, of unearned income not subject to withholding, such as interest and dividends 5 \$

6 Enter the amount, if any, of itemized and other deductions 6 \$

7 Enter the amount, if any, of tax credits, such as the child tax credit 7 \$

8 Complete this line only if you have multiple jobs at the same time or file as married filing jointly and both you and your spouse work; otherwise, leave it blank. Enter the total pay of all lower paying jobs 8 \$

9 Additional amount, if any, you want withheld from each paycheck 9 \$

10 I claim exemption from withholding for 2019, and I certify that I meet both of the following conditions for exemption.
 • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability, and
 • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability.
 If you meet both conditions, write "Exempt" here 10



Form **W-4** **Employee's Withholding Allowance Certificate** OMB No. 1545-0074
 2019
 Department of the Treasury Internal Revenue Service

1 Your first name and middle initial Last name 2 Your social security number

Home address (number and street or rural route) 3 Single or married filing separately Married filing jointly
 Head of household

City or town, state, and ZIP code 4 If your last name differs from that shown on your social security card, check here. You must call 800-772-1213 for a replacement card.

Before you begin:

- See the instructions at www.irs.gov/FormW4 before completing this form. If you have a simple tax situation, you may be able to use the brief instructions on the back of this form.
- You also can use the calculator at www.irs.gov/W4App to complete your Form W-4.
- If you are married filing jointly and both you and your spouse have jobs, you must enter the total pay from both jobs on line 8, even if you are the highest paying job in the household.

Additional amounts to withhold. Instead of completing lines 5-8 employees can use IRS's calculator to determine line 9 amount

5 Enter the amount, if any, of unearned income not subject to withholding, such as interest and dividends 5 \$

6 Enter the amount, if any, of itemized and other deductions 6 \$

7 Enter the amount, if any, of tax credits, such as the child tax credit 7 \$

8 Complete this line only if you have multiple jobs at the same time or file as married filing jointly and both you and your spouse work; otherwise, leave it blank. Enter the total pay of all lower paying jobs 8 \$

9 Additional amount, if any, you want withheld from each paycheck 9 \$

10 I claim exemption from withholding for 2019, and I certify that I meet both of the following conditions for exemption.
 • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability, and
 • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability.
 If you meet both conditions, write "Exempt" here 10



Paying Employees

- Federal Income Tax Withholding

1. Divide amounts on lines 5-8 by number of pay periods per year
2. Add step 1 amounts for lines 5 and 8 to current wage amount
3. Subtract step 1 results for line 6 from step 2 result
4. Look up withholding amount for step 3 amount
5. Subtract step 1 amount for line 7 from step 4
6. Look up withholding amount for step 1 line 8
7. Subtract step 6 from step 5
8. Add line 9 amount to step 7 amount



Chris is paid \$42,900 annually
 Monthly payroll (\$3,575 per pay period)

Form W-4 Employee's Withholding Allowance Certificate OMB No. 1545-0074

▶ Give Form W-4 to your employer.
 ▶ Go to www.irs.gov/FormW4 for instructions and the latest information.
 ▶ The amount of, or exemption from, withholding is subject to review by the IRS.

2019

1 Your first name and middle initial Chris P	Last name Bacon	2 Your social security number 123-45-6789
Home address (number and street or rural route) 1234 Fake Street		3 <input type="checkbox"/> Single or married filing separately <input checked="" type="checkbox"/> Married filing jointly <input type="checkbox"/> Head of household
City or town, state, and ZIP code Manhattan, KS 66502		4 If your last name differs from that shown on your social security card, check here. You must call 800-772-1213 for a replacement card. ▶ <input type="checkbox"/>

Before you begin:

- See the instructions at www.irs.gov/FormW4 before completing this form. If you have a simple tax situation, you may be able to use the brief instructions on the back of this form.
- You also can use the calculator at www.irs.gov/W4App to complete your Form W-4.
- If you hold more than one job at a time (or are married filing jointly and both you and your spouse have jobs), complete lines 5, 6, and 7 **only** for the highest paying job in the household.

5 Enter the amount, if any, of nonwage income not subject to withholding, such as interest and dividends	5	\$	925.00
6 Enter the amount, if any, of itemized and other deductions	6	\$	1,925.00
7 Enter the amount, if any, of tax credits, such as the child tax credit	7	\$	500.00
8 Complete this line <i>only</i> if you have multiple jobs at the same time or file as married filing jointly and both you and your spouse work; otherwise, leave it blank. Enter the total pay of all lower paying jobs	8	\$	25,000.00
9 Additional amount, if any, you want withheld from each paycheck	9	\$	0.00



Paying Employees

• Federal Income Tax Withholding - Example

1. Divide amounts on lines 5-8 by number of pay periods per year
 Line 5 = $925/12 = 77$
 Line 6 = $1,925/12 = 160$
 Line 7 = $500/12 = 42$
 Line 8 = $25,000/12 = 2,083$
2. Add step 1 amounts for lines 5 and 8 to current wage amount
 = $3,575 + 77 + 2,083 = 5,735$
3. Subtract step 1 results for line 6 from step 2 result
 = $5,735 - 160 = 5,575$



Paying Employees

• Federal Income Tax Withholding - Example

4. Look up withholding amount for step 3 amount (5,575)

Wage Bracket Method Tables for Income Tax Withholding
MARRIED Persons—MONTHLY Payroll Period
 (For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$3,710	\$3,750	\$300	\$259	\$217	\$176	\$138	\$104	\$69	\$35	\$0	\$0	\$0
3,750	3,790	305	264	222	181	142	108	73	39	4	0	0
3,790	3,830	310	268	227	185	146	112	77	43	8	0	0
3,830	3,870	315	273	232	190	150	116	81	47	12	0	0
3,870	3,910	320	278	237	195	154	120	85	51	16	0	0
3,910	3,950	325	283	242	200	158	124	89	55	20	0	0
3,950	3,990	330	288	247	205	162	128	93	59	24	0	0
3,990	4,030	335	293	252	210	166	132	97	63	28	0	0
4,030	4,070	340	298	257	215	170	136	101	67	32	0	0
4,070	4,110	345	303	262	220	174	140	105	71	36	0	0
4,110	4,150	350	308	267	225	178	144	109	75	40	0	0
4,150	4,190	355	313	272	230	182	148	113	79	44	0	0
4,190	4,230	360	318	277	235	186	152	117	83	48	0	0
4,230	4,270	365	323	282	240	190	156	121	87	52	0	0
4,270	4,310	370	328	287	245	194	160	125	91	56	0	0
4,310	4,350	375	333	292	250	198	164	129	95	60	0	0
4,350	4,390	380	338	297	255	202	168	133	99	64	0	0
4,390	4,430	385	343	302	260	206	172	137	103	68	0	0
4,430	4,470	390	348	307	265	210	176	141	107	72	0	0
4,470	4,510	395	353	312	270	214	180	145	111	76	0	0
4,510	4,550	400	358	317	275	218	184	149	115	80	0	0
4,550	4,590	405	363	322	280	222	188	153	119	84	0	0
4,590	4,630	410	368	327	285	226	192	157	123	88	0	0
4,630	4,670	415	373	332	290	230	196	161	127	92	0	0
4,670	4,710	420	378	337	295	234	200	165	131	96	0	0
4,710	4,750	425	383	342	300	238	204	169	135	100	0	0
4,750	4,790	430	388	347	305	242	208	173	139	104	0	0
4,790	4,830	435	393	352	310	246	212	177	143	108	0	0
4,830	4,870	440	398	357	315	250	216	181	147	112	0	0
4,870	4,910	445	403	362	320	254	220	185	151	116	0	0
4,910	4,950	450	408	367	325	258	224	189	155	120	0	0
4,950	4,990	455	413	372	330	262	228	193	159	124	0	0
4,990	5,030	460	418	377	335	266	232	197	163	128	0	0
5,030	5,070	465	423	382	340	270	236	201	167	132	0	0
5,070	5,110	470	428	387	345	274	240	205	171	136	0	0
5,110	5,150	475	433	392	350	278	244	209	175	140	0	0
5,150	5,190	480	438	397	355	282	248	213	179	144	0	0
5,190	5,230	485	443	402	360	286	252	217	183	148	0	0
5,230	5,270	490	448	407	365	290	256	221	187	152	0	0
5,270	5,310	495	453	412	370	294	260	225	191	156	0	0
5,310	5,350	500	458	417	375	298	264	229	195	160	0	0
5,350	5,390	505	463	422	380	302	268	233	199	164	0	0
5,390	5,430	510	468	427	385	306	272	237	203	168	0	0
5,430	5,470	515	473	432	390	310	276	241	207	172	0	0
5,470	5,510	520	478	437	395	314	280	245	211	176	0	0
5,510	5,550	525	483	442	400	318	284	249	215	180	0	0
5,550	5,590	530	488	447	405	322	288	253	219	184	0	0
5,590	5,630	535	493	452	410	326	292	257	223	188	0	0
5,630	5,670	540	498	457	415	330	296	261	227	192	0	0
5,670	5,710	545	503	462	420	334	300	265	231	196	0	0
5,710	5,750	550	508	467	425	338	304	269	235	200	0	0



Paying Employees

- Federal Income Tax Withholding - Example

5. Subtract step 1 amount for line 7 from step 4
 $= 397 - 42 = 355$

6. Look up withholding amount for step 1 line 8 (2,083)

Wage Bracket Method Tables for Income Tax Withholding

MARRIED Persons—MONTHLY Payroll Period
 (For Wages Paid through December 31, 2018)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
\$ 0	\$950	0	0	0	0	0	0	0	0	0	0	0
950	990	1	0	0	0	0	0	0	0	0	0	0
990	1,030	5	0	0	0	0	0	0	0	0	0	0
1,030	1,070	9	0	0	0	0	0	0	0	0	0	0
1,070	1,110	13	0	0	0	0	0	0	0	0	0	0
1,110	1,150	17	0	0	0	0	0	0	0	0	0	0
1,150	1,190	21	0	0	0	0	0	0	0	0	0	0
1,190	1,230	25	0	0	0	0	0	0	0	0	0	0
1,230	1,270	29	0	0	0	0	0	0	0	0	0	0
1,270	1,310	33	0	0	0	0	0	0	0	0	0	0
1,310	1,350	37	0	0	0	0	0	0	0	0	0	0
1,350	1,390	41	0	0	0	0	0	0	0	0	0	0
1,390	1,430	45	0	0	0	0	0	0	0	0	0	0
1,430	1,470	49	0	0	0	0	0	0	0	0	0	0
1,470	1,510	53	0	0	0	0	0	0	0	0	0	0
1,510	1,550	57	0	0	0	0	0	0	0	0	0	0
1,550	1,590	61	0	0	0	0	0	0	0	0	0	0
1,590	1,630	65	0	0	0	0	0	0	0	0	0	0
1,630	1,670	69	0	0	0	0	0	0	0	0	0	0
1,670	1,710	73	0	0	0	0	0	0	0	0	0	0
1,710	1,750	77	0	0	0	0	0	0	0	0	0	0
1,750	1,790	81	0	0	0	0	0	0	0	0	0	0
1,790	1,830	85	0	0	0	0	0	0	0	0	0	0
1,830	1,870	89	0	0	0	0	0	0	0	0	0	0
1,870	1,910	93	0	0	0	0	0	0	0	0	0	0
1,910	1,950	97	0	0	0	0	0	0	0	0	0	0
1,950	1,990	101	0	0	0	0	0	0	0	0	0	0
1,990	2,030	105	0	0	0	0	0	0	0	0	0	0
2,030	2,070	109	0	0	0	0	0	0	0	0	0	0
2,070	2,110	113	0	0	0	0	0	0	0	0	0	0
2,110	2,150	117	0	0	0	0	0	0	0	0	0	0
2,150	2,190	121	0	0	0	0	0	0	0	0	0	0
2,190	2,230	125	0	0	0	0	0	0	0	0	0	0
2,230	2,270	129	0	0	0	0	0	0	0	0	0	0
2,270	2,310	133	0	0	0	0	0	0	0	0	0	0



Paying Employees

- Federal Income Tax Withholding - Example

7. Subtract step 6 from step 5
 $= 355 - 9 = 346$

8. Add line 9 amount to step 7 amount
 $= 346 + 0 = 346$



Paying Employees

- Federal Income Tax Withholding
 - If no entries on lines 5 through 9, assume zeros and withhold using 2 allowances for single and 3 for married or HOH



Paying Payroll Liability



Paying Payroll Liability - Federal

- Payments made via EFTPS
 - Phone 1-800-555-3453
 - Online www.eftps.gov
- Payment frequency
 - Annual <\$ 2,500 liability
 - Due Jan 25th of the year following
 - Monthly ≤\$ 50,000 liability
 - Due 15th of the month following
 - Semiweekly >\$ 50,000 liability
 - Wed-Fri payday due the following Wed
 - Sat-Tue payday due the following Fri



Paying Payroll Liability - Kansas

- Payments must be made electronically
 - Phone 1-877-600-5640
 - Online www.webtax.org
- Payment frequency
 - Annual <\$ 200 liability
 - Due Jan 25th of the year following
 - Quarterly \$ 200-1,200 liability
 - Due 25th of the month following end of quarter
 - Monthly \$ 1,200-8,000 liability
 - Due 15th of the next month
 - Semimonthly \$ 8,000-45,000 liability
 - Due 25th of current month/10th of next month



Reporting



Reporting

- Federal – Annual
 - W2 Wage and Tax Statement
 - W3 Transmittal of Wage and Tax Statements
 - 943 Employer’s Annual Federal Tax Return for Agricultural Employees
 - 940 Employer's Annual Federal Unemployment (FUTA) Tax Return (if applicable)



Reporting

- Kansas – Quarterly
 - K-CNS 100 Quarterly Wage Report & Unemployment Tax Return (if applicable)
 - Online or by mail
- Kansas – Annual
 - KW3 Kansas Annual Withholding Tax Return
 - W2 Wage and Tax Statement
 - Online only



Benefits



Benefits

- Non-taxable to employees
 - Occasional meals if:
 - Provided for convenience of employer
 - Provided at the workplace
 - 50% deductible to employer (0% in 2019)
 - Housing if:
 - Furnished on your business premises
 - Furnished for your convenience
 - Furnished as a condition of employment
 - Employer provided health insurance
 - Employer provided cell phones



Benefits

- Retirement
 - Payroll Deduction IRA
 - Simple set up & maintenance
 - Employee contribution only
 - Maximum contribution \$5,500 (\$6,500 if > age 49)
 - Simplified Employee Pension (SEP)
 - Employer contribution only
 - Maximum contribution of 25% of salary or \$55,000
 - Contribution rate can vary year-to-year
 - Must be provided to all eligible employees including owner



Benefits

- Retirement

- Savings Incentive Match Plan for Employees (SIMPLE)

- Employer either match up to 3% or contribute 2% of employee compensation
 - Employee <50 can elect to defer up to \$12,500
 - Employee >49 can elect to defer up to \$15,500
 - Must be provided to all employees with compensation \$5,000 or more



Benefits

- Retirement

- 401(k)

- Employer can contribute up to 25% of employee compensation
 - Employee <50 can elect to defer up to \$18,500
 - Employee >49 can elect to defer up to \$24,500
 - Maximum combined contribution of \$55,000
 - Must be provided to all employees over 21 who worked more than 1,000 hours in the previous year



Questions?

K-STATE
Research and Extension

