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We are hiring an employee,  
now what?

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## A Guide on Ag Payroll in KS

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We are hiring an employee,  
now what?

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- 1) Items Prior To & During Hiring
  - 2) Calculating a Paycheck
  - 3) Payroll Reporting & Deposits**
  - 4) Fringe Benefits



## Tax Forms and Publications



- IRS:
  - <http://www.irs.gov/formspubs/>
    - Select form number or topical index
  
- Kansas:
  - Department of Revenue (KDOR)
    - <http://www.ksrevenue.org/forms-btreg.htm>
  - Department of Labor (KDOL)
    - [www.dol.ks.gov](http://www.dol.ks.gov)

1

## Wage Liabilities



- Note: Liability created when wage paid, not when work done!
  - Example: work physically done in April, but not paid for until May. Liability for that paycheck is correlated with May and deposits should be made by May's due date.

5

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# Deposits & Reporting Throughout the Year

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- ❑ Federal Withholdings
  - ❑ Kansas Withholdings
  - ❑ Kansas Unemployment



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## Federal Payroll Liab. Deposits- What to Deposit



- Components
  - ❑ Federal income tax withheld from wages
  - ❑ Social Security & Medicare tax withheld from wages
  - ❑ Employer match of Social Security & Medicare tax
- Add these listed liabilities together for each employee for the appropriate time frame (annual, monthly, semi-monthly), and make one deposit.

## Federal Payroll Liab. Deposits- When



### 1) Annual:

- If total annual liability less than \$2,500, then one deposit can be made by January 31 of the following year with the 943 form.

### 2) Semi-Weekly:

- Only if total annual liability greater than \$50,000. Does not apply to most ag employers

### 3) Monthly

- If total annual liability greater than \$2,500, then deposits must be made monthly.
- Monthly deposits are due by the 15<sup>th</sup> of the following month.
- Example: Federal liability for all paychecks paid in the month of May are due June 15<sup>th</sup>.

5.1.2

*Resource:* IRS publication 51 (Circular A), Ag Employer's Tax Guide

## Federal Payroll Liab. Deposits- Where



### 3 options:

#### 1) Local Bank:

- Use pre-printed form 8109 (be sure to mark 943)

#### 2) Online

- EFTPS (*Electronic Federal Tax Payment System*)
- [www.eftps.gov](http://www.eftps.gov)

#### 3) By Mail

5.1.3

*Resource:* IRS publication 51 (Circular A), Ag Employer's Tax Guide

# Kansas Withholding Deposits- What & Where to Deposit



- **What:**
  - Kansas income tax withheld from all employee wages during the applicable period
  - Form KW-5
  
- **Where:**
  - a check should be mailed with a KW-5 form to the Kansas Department of Revenue

5.2

*Resource:* Kansas Withholding Tax Guide

# Kansas Withholding Deposits- When



- When Kansas Deposits are due depends on your prior year withholding liability
- If more than \$8,000 annual withholding liability, agriculture employers will probably be semi-monthly depositors

MONTHLY - M		QUARTERLY - Q		ANNUAL - A	
ANNUAL WITHHOLDING \$1,200.01 TO \$8,000.00		ANNUAL WITHHOLDING \$200.01 TO \$1,200.00		ANNUAL WITHHOLDING \$0.00 TO \$200.00	
REPORTING PERIOD	DUE DATE	REPORTING PERIOD	DUE DATE	REPORTING PERIOD	DUE DATE
Jan	<b>Feb-15</b>	Jan, Feb, Mar	<b>Apr-25</b>	Jan-Dec	<b>Jan-25</b>
Feb	<b>Mar-15</b>	Apr, May, Jun	<b>July-25</b>		
Mar	<b>Apr-15</b>	Jul, Aug, Sep	<b>Oct-25</b>		
Apr	<b>May-15</b>	Oct, Nov, Dec	<b>Jan-25</b>		
May	<b>Jun-15</b>				
Jun	<b>Jul-15</b>				
Jul	<b>Aug-15</b>				
Aug	<b>Sep-15</b>				
Sep	<b>Oct-15</b>				
Oct	<b>Nov-15</b>				
Nov	<b>Dec-15</b>				
Dec	<b>Jan-15</b>				

5.2.2

*Resource:* Kansas Withholding Tax Guide

# Kansas Unemployment



- Due on the first \$8,000 of wages paid to each employee during the year
- New employer rate is 4%

Quarter	Due Date
January - March	April 31 <sup>st</sup>
April - June	July 31 <sup>st</sup>
July - September	October 31 <sup>st</sup>
October - December	January 31 <sup>st</sup>

# Annual Reporting

- IRS Forms W-2, W-3, & 943
- Federal Unemployment
- Kansas Form KW-3
- OSHA Form 300A



# Annual Reporting



- IRS form W-2 6.1
    - Copies go to employee, IRS, and KS Dept. of Rev.
  - IRS form W-3 6.2
    - Used to transmit W-2's to IRS
  - IRS form 943 6.3
    - Used to reconcile deposits to liability on an annual basis
  - Federal Unemployment 6.4
  - KS form KW-3 6.5
    - Used to reconcile deposits to liability on an annual basis
  - OSHA Form 300A 6.6
    - Only if have more than 10 employees
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