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





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





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 <u>cannot</u> be used



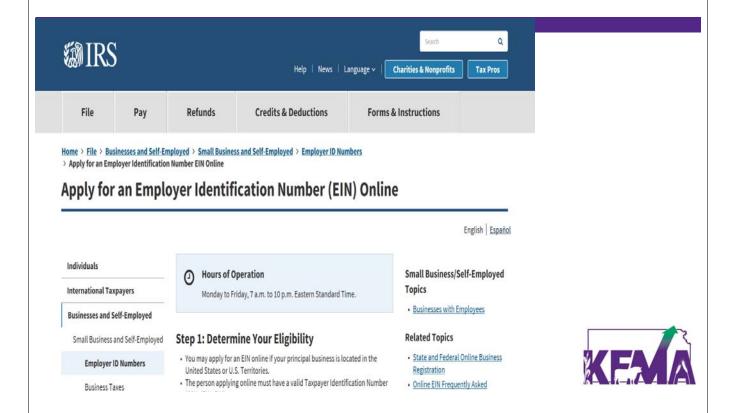


Federal Employer Identification Number (EIN)

- 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





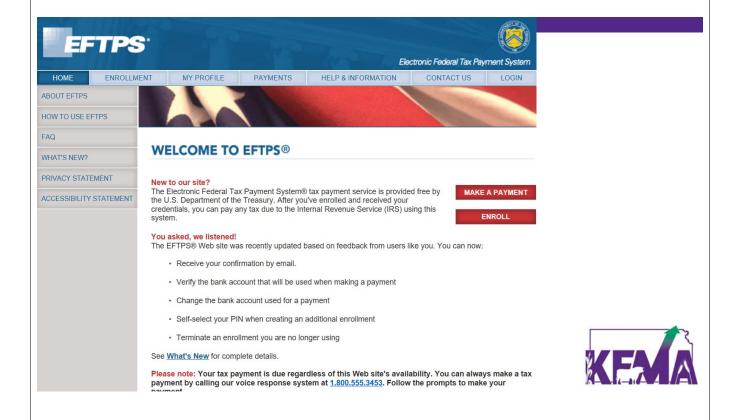


Electronic Federal Tax Payment System

- 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







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









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 office913-551-5721National office866-487-9243





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 19
- Determine Federal withholding exemptions
 - -Have employee fill out Form W4
- Optional: verify name matches SSN at <u>www.socialsecurity.gov/employer/ssnv.htm</u> or by calling 1-800-772-1213 (registration required)





				OMB No. 1615-0	047; Expires 08/31/12
Department of Homeland Security	v				Employmen
U.S. Citizenship and Immigration S				Eligibilit	y Verification
Read instructions carefully before	completing this form. Th	e instructions must be	available during	completion of this f	orm.
ANTI-DISCRIMINATION NO specify which document(s) the future expiration date may als	y will accept from an em	ployee. The refusal	vork-authorized to hire an indiv	l individuals. Em idual because the	ployers CANNOT documents have
Section 1. Employee Informati	on and Verification (To	be completed and sig	ned by employee	at the time employ	ment 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 pr imprisonment and/or fines for use of false documents in conn completion of this form.	false statements or	A noncitize A lawful p An alien as	ermanent resident (A uthorized to work (A	nited States (see instruction #) Llien # or Admission #) able - month/dqv/year)	
Employee's Signature		Date (month/de		aose - montre adjugeta j	
Preparer and/or Translator Co penalty of perjury, that I have assisted in					vee.) I attest, under
Preparer's/Translator's Signatu		Print Name			
Address (Street Name and Nu	mber, City, State, Zip Code)	'		Date (month/day/year)	
Section 2. Employer Review as examine one document from List expiration date, if any, of the doc	t B and one from List C, a	mpleted and signed b s listed on the reverse	y employer. Exa of this form, an	mine one documen d record the title, i	t from List A OR number, and
List A	OR	List B	AND		List C
Document title:					
Issuing authority:					
Document #.					
Expiration Date (if any):					
Document #:					
Exmination Data (if anni):					



Form W-4 OMB No. 1545-0074 **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. 2018 Your first name and middle initial Home address (number and street or rural route) 3 Single Married Married, but withhold at higher Single rate. Note: If married filing separately, check "Married, but withhold at higher Single rate." 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. 5 Total number of allowances you're claiming (from the applicable worksheet on the following pages) . . . 7 I claim exemption from withholding for 2018, 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 ▶ 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. (This form is not valid unless you sign it.) ▶ 10 Employer identification number (EIN) 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 Form W-4 (2018)

Cat. No. 10220Q



For Privacy Act and Paperwork Reduction Act Notice, see page 4.

results. This option is ideal to verify new hires.

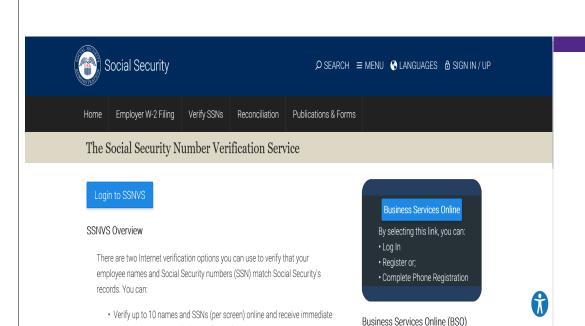
time.

· 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





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

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 Mark the					e Rate allowance rate selected in line A above.				
City or Town, State and Zip Code				☐ Single ☐ Joint					
4	4 Total number of allowances you are claiming (from line F above)								
5	Enter any additional amount you want withheld from each paych	eck (this is optional)				5	\$		
6	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								
	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 EII	N (En	nployer ID Number)		









- 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)





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





- 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





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





- 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





- 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	Employe	e's Withholdi	ng Allowance Certificat	te	OMB No. 1545-0074
101111		► Go to www		4 to your employer.		2019
	ent of the Treasury Revenue Service			withholding is subject to review by the		
1	Your first nam	ne and middle initial	Last name		2 Your social	security number
	Home address	s (number and street or rural	route)	3 Single or married filing separa	ately Ma	arried filing jointly
	City or town,	state, and ZIP code		4 If your last name differs from the check here. You must call 800-7		
Befor	re you b			1		
		ncome not su	bject to	npleting this form. If you have a	simple tax s	situation, you may
	able to u	ithholding su	ich as	m		
	Ju also q	· ·		to complete your Form W-4.		bassa tabah
	nolete lin	nterest, renta	•	ied filing jointly and both you in the household.	and your sp	oouse nave jobs),
	fa	arm income, (etc they			
5	Enter to dividen	ant tax withh	eld	bject to withholding, such as h	nterest and	5 \$
6	Enter the a	mount, if any, of itemiz	ed and other dedu	ctions		6 \$
7	Enter the a	mount, if any, of tax cre	edits, such as the o	child tax credit		7 \$
8		ou and your spouse w		he same time or file as married we it blank. Enter the total pay		8 \$
9	Additional	amount, if any, you war	nt withheld from ea	ach paycheck		9 \$
10	Last year I This year I	for exemption. I had a right to a refund o	f all federal income deral income tax wit	I certify that I meet both of the tax withheld because I had no tax hheld because I expect to have no	liability, and	





_	W-4	Employe	Employee's Withholding Allowance Certificate					
Departm	ent of the Trea	sury The amount o	w.irs.gov/FormW4 for i	-4 to your employer. instructions and the latest information withholding is subject to review by the		2019		
1	Your first	name and middle initial	Last name		2 Your social	security number		
	Home ad	dress (number and street or rura	l route)	3 Single or married filing separated Head of household	ately Ma	arried filing jointly		
	r social security card, placement card. ►							
Befor	re you b	egin:						
				mpleting this form. If you have a	a simple tax s	situation, you may		
		se the brief instructions or			\sim			
				to complete your Form W-4. ried filing jointly and both you	and wave or	anna hava iaha)		
		es 5, 6, and 7 only for the			and your sp	Jouse Have Jobs),		
		DO						
5	Enter the		vage income not su	ubject to withholding, such as i	nterest and	5 \$		
	dividen							
6	Enter th	e amount, if any, of itemiz	zed and other dedu	ctions		6 \$		
7	Enter th	Itemized dedu	iotion in	hild tax credit		7 \$		
•	0				eu			
8	Comple and bo	excess of star	ndard	e same time or file as married ve it blank. Enter the total pay				
	paying	deduction, oth	ner above-			8 \$		
9	Additio			ch paycheck		9 \$		
		(worksheet av	(cilchlo)					
10	conditi		raliable)	certify that I meet both of th	e following			
	oomann	mo for onomption	of all federal income	tax withheld because I had no tax	liability, and			
				hheld because I expect to have no				
	if you n	neet both conditions, write	"Exempt" here .		10			





Departm	Form W-4 Employee's Withholding Allowance Certificate ► 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 mid	ddle initial	Last name			2 Your social	security number
	Home address (numbe		route)		ngle or married filing separa ad of household	ately Ma	arried filing jointly
	City or town, state, and	ZIP code		4 If you	last name differs from that here. You must call 800-7		
Befo	re you begin:	Total of	all credits				
	ee the instructions	includin	g child tax		s form. If you have a	simple tax	situation, you may
	able to use the brie ou also can use the	credit. e	arned incor	ne	e your Form W-4.	\mathbf{x}	
• If	you hold more the	credit, d	lependent c	are	pintly and both you ehold.	and your s	pouse have jobs),
5	Enter the amount dividends	credit, e availabl	etc (workshe e)	et	thholding, such as in	nterest and	5 \$
6	Enter the amount,	if any, of itemiz	ed and other deduct	ions .			6 \$
7	Enter the amount,	if any, of tax cr	edits, such as the ch	ild tax cr	edit	(7 \$
8					me or file as married in Enter the total pay		8 \$
9	Additional amount	, if any, you wa	nt withheld from eacl	h payche	ck		9 \$
10	 conditions for exer Last year I had a ri This year I expect 	mption. ight to a refund o a refund of all fe	of all federal income ta	x withheld	at I meet both of the discause I had no tax use I expect to have no	liability, and	





V	W-4 Employee's Withholding Allowance Certificate			te	OMB No. 1545-0074		
Departmen	nt of the Treasury	► 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 nam	e and middle initial	Last name		2 Your social	security number	
	Home address	(number and street or rural	route)	3 Single or married filing separa Head of household	ately Ma	arried filing jointly	
	City or town, s	tate, and ZIP code		4 If your last name differs from the check here. You must call 800-7			
	e you begin			pleting this form. If you have a	simple tax s	situation, you may	
Taxa	ble am	ount of	ne back of this form v.irs.gov/W4App to	n. complete your Form W-4.	8		
spou	ses wa	ages or	time (or are marrie	ed filing jointly and both you	and your sp	pouse have jobs),	
seco	nd job			ject to withholding, such as in	ntorget and		
Ŭ	dividends				· · · ·	5 \$	
6	Enter the ar	mount, if any, of itemiz	ed and other deducti	ions		6 \$	
7	Enter the ar	mount, if any, of tax cre	edits, such as the chi	ild 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						
9	Additional amount, if any, you want withheld from each paycheck						
	 conditions f Last year I This year I 	or exemption. had a right to a refund o	of all federal income tax deral income tax withh	certify that I meet both of the x withheld because I had no tax seld because I expect to have no	liability, and		





·	W-	4 Employee's V	Vithholding A	Allowance Certificat	te	OMB No. 1545-0074		
Departm	ent of the	► Go to www.irs.gov		2019				
1	Your f	irst name and middle initial Last na	ame		2 Your social security number			
Home address (number and street or rural route) 3 Single or married, filing separately Married filing Head of household								
City or town, state, and ZIP code 4 If your last name differs from that shown on your social secur check here. You must call 800-772-1213 for a replacement cal								
		begin:						
be a	able to	instructions at www.irs.gov/FormW use the brief instructions on the ba	ick of this form.		simple tax s	situation, you may		
		can use the calculator at www.irs.						
con	you nplete	Additional amounts	to th	filing jointly and both you e household.	and your sp	oouse have jobs),		
5		withhold. Instead of	of jed	et to withholding, such as in	nterest and			
	divid	completing lines 5-	8			5 \$		
6	Ente	employees can use	: IRS's	<u> </u>		6 \$		
7	Ente	calculator to determ	nine 🏻	tax credit		7 \$		
8		line 9 amount		ame time or file as married t				
		ng jobs			of all lower	8 \$		
9	Addi	tional amount, if any, you want with	held from each p	aycheck	(9 \$		
10								





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)

_	W-4	Employe	OMB No. 1545-0074						
Departm	ent of the Treasury Revenue Service	► Give Form W-4 to your employer. ► Go to www.irs.gov/FormW4 for instructions and the latest information. ► The amount of, or exemption form, withholding is subject to review by the IRS.							
1		e and middle initial	Last name			al security number			
Chris f			Bacon			3-45-67			
1234 F	ake Street	(number and street or rural	route)	3 Single or married filing separ Head of household	ately M	arried fi	ling jointly		
Manha	City or town, state, and ZIP code 4 If your last name differs from that shown on you check here. You must call 800-772-1213 for a re								
Befor	re you begin	:							
• Yo	able to use thou also can u you hold m	ne brief instructions on use the calculator at wi	the back of this for ww.irs.gov/W4App to a time (or are marr	to complete your Form W-4. ied filing jointly and both you	8				
5	Enter the a dividends	mount, if any, of nonw	vage income not su	bject to withholding, such as i	nterest and	5 \$	925.00		
6	Enter the ar	mount, if any, of itemiz	ed and other deduc	etions		6 \$	1,925.00		
7	Enter the ar	mount, if any, of tax cre	edits, such as the c	hild tax credit		7 \$	500.00		
8		ou and your spouse w		ne same time or file as married ve it blank. Enter the total pay		8 \$	25,000.00		
9	Additional a	mount, if any, you wa	nt withheld from eac	ch paycheck		9 \$	0.00		





- Federal Income Tax Withholding Example
 - 1. Divide amounts on lines 5-8 by number of pay periods per year

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

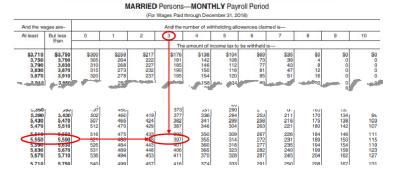




Paying Employees

- Federal Income Tax Withholding Example
 - 4. Look up withholding amount for step 3 amount (5,575)

Wage Bracket Method Tables for Income Tax Withholding

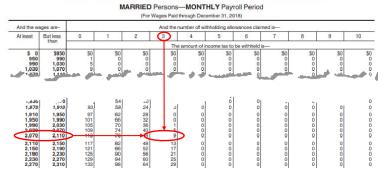






- Federal Income Tax Withholding Example
 - 5. Subtract step 1 amount for line 7 from step 4 = 397 42 = 355
 - 6. Look up withholding amount for step 1 line 8 (2,083)

Wage Bracket Method Tables for Income Tax Withholding







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

$$= 346 + 0 = 346$$





- 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?



