

Information for New Employers in CT

Each employer is required to do the following:

1 Register with the IRS

❑ **Form SS-4**, Application for Employer Identification Number (EIN), must be completed and submitted to the IRS. See "How to Get an EIN".

2 Register with Connecticut

❑ **Form REG-1** (Business Taxes Registration Application) Connecticut employer registration for Income Tax withholding, sales and use taxes, cigarette dealer's license, room occupancy tax, corporation and unrelated business taxes, admissions and dues tax, and various surcharges.

3 Obtain Mandatory Insurance Coverage for Employees

- ❑ **Unemployment Tax** Employers who only employ their spouse and/or children under 21 years old are EXEMPT from unemployment tax.
- ❑ **Disability Insurance** policies are required for non family employees. Employer's spouse and children are EXEMPT.
- ❑ **Workmen's Compensation** insurance is required for all employees NO EXCEPTIONS.

4 Requirements when Hiring Employees

- ❑ **Form I-9** must be completed by each employer and employee to determine if the employee is eligible to be hired.
- ❑ **Form W-4** must be completed by each employee to determine the marital status and exemptions claimed. Employee is allowed to claim a different marital status for purposes of withholding only. If employee claims more than 10 exemptions, this information must be reported to the IRS.

❑ **Report Hires and Rehires** Employers must report all new hires to CT within 20 days of the start date. CT-W4 can be faxed to CT at 800-816-1108 thereby fulfilling the reporting requirement. If you use a payroll processing company such as Paychex, they will report your new hires to CT.

5 Withholding + Paying Taxes

❑ Once wages are being paid, employers are required to withhold from their employees' paychecks various taxes and pay them to the IRS and to CT periodically. The employers are also required to file, quarterly and annual reports with the IRS and CT. In addition, the employers are subject to various taxes on those wages which must be paid to the IRS and CT. Taxes withheld from employees are treated differently from taxes owed on income. **There are severe penalties for not paying them on time** and the liability survives bankruptcy. Therefore, employers should make sure that the payroll taxes are set aside for payment.

6 Payroll Processing

❑ Because of the complexity and potential penalties involved with processing payrolls, we highly recommend that employers use a payroll processing company such as ADP, Paychex or another to process payroll. We do not provide this service. Over the years we have established an excellent working relationship with Paychex and we recommend them. One advantage for you is if you need service, we can contact our Paychex representative for help. Please call us for the name and phone number of our rep.

Final word: If the above seems daunting, call us and we can help you with filling out the forms.