

Info for New Employers in HI

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 Hawaii

❑ **Registration Form BB-1** must be completed and mailed to HI.

3 Obtain Mandatory Insurance Coverage for Employees

❑ **Disability Insurance TDI** is required. Non corporate employers who only employ their spouse, their parents, and their under 21 year old children are EXEMPT.

❑ **Workmen’s Compensation** insurance is required to be obtained by each employer.

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 New Hires** Employers must report all new hires to HI within 20 days of the start date. W-4s can be faxed to 808-692-7001. If you use a payroll pro-

cessing company such as Paychex, they will report your new hires to HI.

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 HI periodically. The employers are also required to file, quarterly and annual reports with the IRS and HI. In addition, the employers are subject to various taxes on those wages which must be paid to the IRS and HI. 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.