

# Info for New Employers in NJ

## 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 New Jersey

**NJ-REG** Business Registration form for covers all taxes and related liabilities to which a new business may be subject.

### 3 Obtain Mandatory Insurance Coverage for Employees

**Unemployment Tax** is required for non family employees. Employer’s spouse and children under 18 years old are EXEMPT.

**Disability Insurance** is required for non family employees. Employer’s spouse and children are EXEMPT.

**Workers’ Compensation** is required for all employees. Sole proprietors, partners and bona fide owners of 20% of the voting stock may waive in writing all the benefits provided by workers’ compensation to parents, spouse and children. For more information, call Workers’ Compensation Board at **207-287-3751**.

### 4 Requirements when Hiring Employees

**Form I-9** must be completed by each employer and employee to determine employee’s eligibility 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 and Rehires** Employers must report all new hires to NJ within 20 days of the employees first day on the job. W-4 or State of New Jersey New Hire Reporting Form can be faxed to NJ at **800-304-4901**. Be sure that form W-4 shows the employer information. If you use a payroll processing company such as Paychex, they will report your new or rehires to NJ.

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

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