

Employee Withholding Taxes

- 1.) Federal law requires that you with-hold Federal Income Tax from your employees wages, and that Social Security payments also be withheld.
- 2.) For all new employees, you will need to obtain an employer identification number from the IRS. Use IRS Form SS-4, available at: <http://www.irs.gov/businesses/small/article/0,,id=100688,00.html>, or See Tab 2 – Page 1 for instructions on how to access this.
- 3.) When the Federal Employer Identification number is assigned, you must request and employer identification number from the State Retirement System. This number can be obtained by contacting the:
Wyoming Retirement System
1st Floor East, Herschler Building
Cheyenne, WY 82002
(307) 777-7691
- 4.) When an employee is hired you must have him/her complete an IRS form W-4, “Employee’s Withholding Allowance Certificate.” This form allows you to calculate the correct withholding amount. Be sure to look at the employee’s Social Security card, so you get the correct number. You should copy this card and retain it in your file.
- 5.) Withhold from the employee’s pay the correct amount each pay period. If you use the Quick Books Accounting System, this figure will be automatically calculated for each employee.
- 6.) Each quarter you must file form 941E “Quarterly Return Withheld Federal Income Tax.” The method of payment of withheld taxes varies depending upon the dollar amount withheld. Quick Books can compile this report.
- 7.) You must provide a W-2 form to each employee by January 31, for the previous year. Be sure to include on the W-2 form both the IRS Employer Identification number and the Employer Identification number provided by the Wyoming Retirement System.

The IRS website form selection area is available at <http://www.irs.gov/formspubs/lists/0,,id=97817,00.html>, or See Tab 2 – Page 1 for instructions on how to access this.