
Payroll Processing for Townships

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Introduction

- Session is designed to help elected officials understand and administer payroll
 - Overview of payroll tax and withholding filing and payment requirements
 - Software Options
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Agenda

- Payroll basics-review of accounting concepts
 - Social Security-who is covered and why
 - Tax payments
 - Required tax forms
 - Pre-Employment
 - Quarterly
 - Annual
 - Software Options
-

Accounting Concepts

- Gross Pay is the amount that is due to be paid to the individual employee. This can be expressed as an annual, quarterly, or monthly salary, or hourly wages.
 - Gross Pay is then reduced for required Federal and State income taxes, and Social Security and Medicare taxes (if applicable).
-

Other Withholdings

- Can include voluntary and mandatory pension withholdings, deferred compensation, insurance co-pays, etc.
 - Net pay= Gross pay - the aforementioned withholdings.
-

Example of Net Pay

Clerk: Sherry Myway

Gross Pay: \$ 10,000

Deductions:

SS Tax (\$0)

Med Tax (\$0)

F.I.T W/H (\$ 325)

S.I.T W/H (\$ 230)

457 Deduction (\$ 1000)

Net Pay \$ 8,445

Accounting for payroll

- Gross Pay should be posted to salary and wage expenditure accounts
 - Withholdings are “IOU’s” and should be posted to liability accounts
 - Net pay as a reduction of cash
-

Payroll should be charged to line items in accordance with the State Uniform Chart of Accounts

- http://www.michigan.gov/documents/uniformchart_24524_7.PDF
 - Or call the department at 517-373-3221.
-

State Uniform Chart of Accounts

- The Michigan chart of accounts uses 9 digits with an option for an additional three numbers for “sub accounts”:
 - The first three digits indicate the Fund number.
 - The next three indicate the department (no departments for balance sheet accounts or revenues).
 - The last three digits are line items.
-

Chart of Account Examples

101-000-001	General Fund Cash	
206-000-001	Fire Fund Cash	
101-253-706	Treasurer's Salary	
206-336-706	Fire Fund Salaries	
101-253-715	Treasurer's Payroll Taxes	
101-298-715	Unallocated Payroll Taxes	

		Clerk:	Supervisor:
		Sherry Myway	Patrick Pushover
Gross Pay	101-215-701	10,000.00	-
Gross Pay	101-171-701		12,000.00
457 Plan ded.	101-000-231	1,000.00	1,200.00
Med. W/H	101-000-229.001	-	174.00
S.S. W/H	101-000-229.002	-	-
FIT W.H.	101-000-229.003	325.00	-
S.I.T. W/H	101-000-228	230.00	300.00
Net Pay	101-000-101	8,445.00	10,326.00

Federal and State Payments

- EFTPS
 - Payment with Form 941
 - Michigan Treasury Online: 5080 (monthly and quarterly) or 5081 (annual) Sales, Use and Withholdings (MICHIGAN)
-

Federal Tax Payments

- On a quarterly basis with IRS Form 941, if the total amount of these taxes is under \$2,500 for the quarter.
 - EFTPS-Generally all employers are required to pay taxes electronically – unless they meet the exception above. Enroll on line at www.eftps.gov or by phone 1-800-555-4477
-

Federal Tax Payments (continued)

- Rules for this are outlined on Pages 25-30 of IRS Circular E and are complex. We recommend that you make your deposit on the same day you issue payroll checks to avoid late penalties and interest.
-



Logoff
https://



Electronic Federal Tax Payment System

HOME

ENROLLMENT

MY PROFILE

PAYMENTS

HELP & INFORMATION

CONTACT US

LOGIN

LOGIN

Login

In order to make, view or cancel a Payment, you must first login.

Please enter your Employer Identification Number (EIN) or your Social Security Number (SSN), PIN, and Internet password in the fields below. If you do not have a PIN, please [enroll](#) first.

EIN (for Business)

 -

or

SSN (for Individual)

 - -

PIN

Internet Password

[Need a Password](#)

[CANCEL](#)

[LOGIN](#) ►

WARNING!

You are using an Official United States Government System, which may be used only for authorized purposes. Unauthorized modification of any information stored on this system may result in criminal prosecution. The Government may monitor and audit the usage of this system, and all persons are hereby notified that the use of this system constitutes consent to such monitoring and auditing. Unauthorized attempts to upload information and/or change information on this web site are strictly prohibited and are subject to prosecution under the Computer Fraud and Abuse Act of 1986 and Title 18 U.S.C. Sec. 1001 and 1030.

Make sure the security lock is closed  on your browser.

State Tax Payments

- Purpose: Serves as transmittal for taxes due. Generally for Townships this is limited to Michigan Income Tax withheld from employee pay checks.
 - Filing requirements: Determined by the State of Michigan based on their estimate of your annual taxes collected. This information is initially gathered from the registration forms (MI 518) and is updated by actual experience with the Township.
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State Tax Payments

- Update: Starting in 2015, all taxpayers will be required to file a return regardless of whether tax is due
 - How to pay: can be made electronically through the “Michigan Treasury Online” system, through Treasury approved software, or paper filed-but you must download the forms from the State’s web site, no paper forms will be mailed.
-

Reset Form

Michigan Department of Treasury
5080 (07-14)

This form cannot be used
as an amended return;
see the *Amended
Monthly/Quarterly Return
(Form 5092)*.

2015 Sales, Use and Withholding Taxes Monthly/Quarterly Return

Issued under authority of Public Acts 167 of 1933 and 94 of 1937, as amended.

Taxpayer's Business Name	Business Account Number (FEIN or TR Number)	Return Period Ending (MM-YYYY)
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PART 1: SALES AND USE TAX

	Sales		Use: Sales and Rentals	
1. Gross sales, rentals and services.....	1a.		1b.	
2. Total sales and/or use tax. Multiply taxable sales, rentals and services by 6% (0.06)	2a.		2b.	
3. Total pre-paid tax from Form 5083, 5085 or 5086 (e-file only).....	3a.	XXXXXXXXXX	3b.	XXXXXXXXXX
4. Remaining amount of sales and use tax eligible for discount. Subtract line 3 from line 2.....	4a.		4b.	
5. Total of allowable discounts. Multiply line 4 by your applicable discount rate.....	5a.		5b.	
6. Total sales and use tax due. Subtract line 5 from line 4.....	6a.		6b.	

PART 2: USE TAX ON ITEMS PURCHASED FOR BUSINESS OR PERSONAL USE

7. Total amount of use tax from purchases and withdrawals from inventory. Multiply taxable amount by 6% (0.06)	7.	
---	----	--

PART 3: WITHHOLDING TAX

8. Total amount of Michigan income tax withheld	8.	
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PART 4: TOTAL TAX/PAYMENT DUE

9. Amount of sales, use and withholding tax due. Add lines 6a, 6b, 7, and 8. If amount is negative, this is the amount available for future tax periods (skip lines 10-14).....	9.	
10. Overpayment from prior return period or amount previously paid for this return period.....	10.	
11. Amount of tax due. Subtract line 10 from line 9.....	11.	

Michigan Treasury Online

- Registration needed to access the free “Michigan Treasury Online” system.
 - Create Account
 - Create a Business Relationship
 - <https://mto.treasury.michigan.gov>
-

Michigan Treasury Online

Welcome to Michigan Treasury Online (MTO)

MTO is a convenient, secure way to file, pay, and manage your business tax account online.

Log In (Existing MTO User)

* Required

* Username

[Forgot Username?](#)

* Password

[Forgot Password?](#)

LOG IN

Create User Profile (New To MTO)

Sign up to file, pay, and manage your business tax account online.

Visit help center link on the top right bar for FAQs and tutorials outlining how to register and navigate MTO.

CREATE USER PROFILE



Michigan Treasury Online



Michigan Treasury Online Home

Select a business card to perform transactions on behalf of the selected business. To establish access rights to a business not listed, select "Create a New Business Relationship". If you would like to file now without creating a business relationship, click the "Fast File Now" button.

Your Businesses

[⚡ FAST FILE NOW](#)

CREATE A NEW BUSINESS
RELATIONSHIP

INC

FEIN

6

Access Rights

Manage Business

 Edit

Remove 

Michigan Treasury Online



[Redacted] NC

[Redacted] INC

Business Information

Available Actions

Legal Address

Flint, MI 48503-5362

FEIN

86

Access Rights

Manage Business

Registered Tax Types

Sales Tax, Withholding Tax

Next Return Filing Due Date

February 20, 2016

Last SUW Payment

N/A

Last Return Filed

N/A

▶ **File and Pay SUW**

▶ **Other Pay Options**

▶ **Manage Business**



▶ **Letters and Licenses**

File and Pay a Tax Return

The returns that are required to be filed by this business are displayed here. Only one tax return for each registered sales, use & withholding tax type is required based on the businesses filing frequency.

You may make multiple payments within the filing period by using the "Other Pay Options" menu.

Required Tax Returns

Tax Type	Period	Due Date	
SW	Monthly - Jan 2016	02/20/2016 	FILE RETURN
SW	Monthly - Feb 2016	03/20/2016 	FILE RETURN
SW	Monthly - March 2016	04/20/2016	FILE RETURN
SW	Monthly - April 2016	05/20/2016	FILE RETURN
SW	Monthly - May 2016	06/20/2016	FILE RETURN
SW	Monthly - June 2016	07/20/2016	FILE RETURN
SW	Monthly - July 2016	08/20/2016	FILE RETURN
SW	Monthly - Aug 2016	09/20/2016	FILE RETURN
SW	Monthly - Sep 2016	10/20/2016	FILE RETURN
SW	Monthly - Oct 2016	11/20/2016	FILE RETURN

Available Actions

▼ File and Pay SUW

[File and Pay a Tax Return](#)

[Amend and Pay Processed Returns](#)

[View and Print Filed Returns](#)

► Other Pay Options

2016 Sales, Use and Withholding Taxes Monthly/Quarterly Return

Selected Taxes

* Required

Check the box(es) for the taxes you are filing today. By checking a box you are specifying the tax you are filing and you will only be presented with information for that tax.

Sales Tax Withholding Tax

Warning

If you do not check a box for a tax you are obligated to file, you have not fulfilled your obligation and you may be subject to a computed assessment, or other action by the Department, for failure to file or pay a tax.

[Click here for instructions to complete the electronic filing of this form using MTO.](#)

Use Tax on Items Purchased for Business or Personal Use

1. Total Purchases and Withdrawals **i**

\$

2. Use Liability

\$

Withholding Tax

1. Total Amount of Michigan Income Tax Withheld **i**

\$

Summary

1. Amount of Sales, Use and Withholding Tax Due

\$

2. Total Prior Payment **i**

\$

3. Amount of Tax Due

\$

4. Penalty Paid With This Return [Calculate Penalty](#)

\$

5. Interest Paid With This Return [Calculate Interest](#)

\$

6. Payment Due

\$

* I declare under penalty of perjury that this return is true and complete to the best of my knowledge.

Michigan Tax Due Dates

- Most Townships will be on a quarterly or monthly payment system. Payments and return filings are due as follows:

Monthly Filers – 20th day of the following month.

Example: October Michigan Income Tax is due
November 20th.

Quarterly Filers – 20th day of the month following close of a calendar quarter.

- NOTE-must file returns even if no tax due.
-

Why are some of the employees
covered by Social
Security/Medicare, and others are
not?

Answer

- Prior to March 31, 1986, Township's participation in the "Social Security System" was voluntary.
 - These voluntary arrangements were covered by agreements known as "218 Agreements".
 - Federal law made Medicare Tax coverage mandatory for all employees hired after 3-31-86.
-

Social Security Coverage

- Budget Act of 1990 required Social Security and Medicare coverage of all township employees with exceptions:
 - Exception #1 - Employees covered by public retirement system (PRS) may be excluded from the social security portion (6.2%) if they are "covered" by a "public retirement system".
 - Exception #2 – Payments to “election workers” not exceeding \$1,600 per calendar year are exempt from Social Security and Medicare taxes.
-

Social Security Coverage (continued)

To qualify for the “PRS” exception:

- Defined benefit plan-employees must end up with an accrued benefit comparable to the basic benefit they would have had under social security- Per IRS Revenue Procedure 91-40, the benefits must be at least 1.5% of average compensation received in the last three years of employment multiplied by the number of years of service.
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Social Security Coverage (continued)

- A defined contribution plan (such as a 457 plan). If an allocation of at least 7.5 percent of the employee's compensation is made to their account.
 - Contributions by employee and employer count toward this calculation.
 - Note: Exception for Election Workers previously noted apply, even if covered by a 218 agreement, effective 1-1-2003 (modification 975)
-

FICA Tax Rates

- FICA=Social Security PLUS Medicare Taxes
 - Both Funded By Employer and Employee “Contributions”
 - Social Security for 2015/16=6.2% Employer and Employee (12.4%) wages up to \$118,500
 - Medicare for 2015/16=1.45% Employer and Employee (2.9%) on all taxable wages.
 - Extra Medicare Taxes for 2015-high earners pay additional .9%(no employer match) on wages over \$200,000)
-

Payroll Tax Forms

- Pre Employment
 - Quarterly Filings
 - Annual Filings
-

PRE-EMPLOYMENT

- IRS Form W-4
 - Michigan Form W-4
 - Homeland Security Form I-9
 - State Of Michigan New Hire Form
 - SSA 1945
-

IRS Form W-4

- Purpose: To document employee's selected number of federal withholding allowances. All taxpayer's are entitled to a certain number of "allowances" which reduce the federal income tax withheld from employee's pay.
 - Federal income tax deductions for personal and dependants exemptions
 - Large itemized deductions.
-

Filing Requirements

- This form is generally not filed with the IRS (unless requested by the IRS). It should be retained with the employee's payroll or personnel records. All employees should be given the opportunity to review their withholding allowances annually.
-

If neither of the above situations applies, stop here and enter the number from line 1 on line 2 of Form 1040 below.

Separate here and give Form W-4 to your employer. Keep the top part for your records.

Form **W-4**
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate

OMB No. 1545-0074

2015

▶ Whether you are 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.

1 Your first name and middle initial		Last name		2 Your social security number	
Home address (number and street or rural route)			3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.		
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 1-800-772-1213 for a replacement card. ▶ <input type="checkbox"/>		
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)				5	
6 Additional amount, if any, you want withheld from each paycheck				6 \$	
7 I claim exemption from withholding for 2015, and I certify that I meet both of the following conditions for exemption. <ul style="list-style-type: none"> • 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 ▶					

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.

Employee's signature

(This form is not valid unless you sign it.) ▶

Date ▶

8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		9 Office code (optional)	10 Employer identification number (EIN)
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Michigan W-4

Purpose

- Same as IRS W-4. Important to Note: Since Michigan Income Tax does not allow for itemized deductions, and is a flat rate (not graduated), employees should generally only claim exemptions for their exact number of dependency exemptions.
 - Filing Requirements-See IRS W-4
-

MI-W4

EMPLOYEE'S MICHIGAN WITHHOLDING EXEMPTION CERTIFICATE STATE OF MICHIGAN - DEPARTMENT OF TREASURY

(Rev. 8-08)

This certificate is for Michigan income tax withholding purposes only. You must file a revised form within 10 days if your exemptions decrease or your residency status changes from nonresident to resident. Read instructions below before completing this form.

Issued under P.A. 281 of 1967.

▶ 3. Type or Print Your First Name, Middle Initial and Last Name			▶ 1. Social Security Number	▶ 2. Date of Birth
Home Address (No., Street, P.O. Box or Rural Route)			4. Driver License Number	
City or Town	State	ZIP Code	▶ 5. Are you a new employee? <input type="checkbox"/> Yes If Yes, enter date of hire <input type="checkbox"/> No	
6. Enter the number of personal and dependent exemptions you are claiming			▶ 6.	
7. Additional amount you want deducted from each pay (if employer agrees)			7. \$.00
8. I claim exemption from withholding because (does not apply to nonresident members of flow-through entities - see instructions):				
a. <input type="checkbox"/> A Michigan income tax liability is not expected this year.				
b. <input type="checkbox"/> Wages are exempt from withholding. Explain: _____				
c. <input type="checkbox"/> Permanent home (domicile) is located in the following Renaissance Zone: _____				
EMPLOYEE: If you fail or refuse to file this form, your employer must withhold Michigan income tax from your wages without allowance for any exemptions. Keep a copy of this form for your records.			<i>Under penalty of perjury, I certify that the number of withholding exemptions claimed on this certificate does not exceed the number to which I am entitled. If claiming exemption from withholding, I certify that I anticipate that I will not incur a Michigan income tax liability for this year.</i>	
INSTRUCTIONS TO EMPLOYER: Employers must report all new hires to the State of Michigan. Keep a copy of this certificate with your records. If the employee claims 10 or more personal and dependent exemptions or claims a status exempting the employee from withholding, you must file their original MI-W4 form with the Michigan Department of Treasury. Mail to: New Hire Operations Center, P.O. Box 85010; Lansing, MI 48908-5010.			9. Employee's Signature	
			▶ Date	
			Employer: Complete lines 10 and 11 before sending to the Michigan Department of Treasury.	
			10. Employer's Name, Address, Phone No. and Name of Contact Person	
			▶ 11. Federal Employer Identification Number	

Homeland Security I-9

Purpose:

- Documents pre-employment efforts by employers required by the Federal government relative to legal immigration status.

Filing Requirements:

- Not filed, should be retained for all employees hired after 11-6-1986 for potential inspection by the Bureau of Immigration. All new employees should be subject to this review.
 - “Fillable” forms on line at <http://www.uscis.gov/files/form/i-9.pdf>
 - Current form expires 8/31/16
-



Employment Eligibility Verification

Department of Homeland Security
U.S. Citizenship and Immigration Services

USCIS
Form I-9
OMB No. 1615-0047
Expires 03/31/2016

▶ **START HERE.** Read instructions carefully before completing this form. The instructions must be available during completion of this form.

ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work-authorized individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Attestation *(Employees must complete and sign Section 1 of Form I-9 no later than the first day of employment, but not before accepting a job offer.)*

Last Name (Family Name)		First Name (Given Name)		Middle Initial	Other Names Used (if any)	
Address (Street Number and Name)			Apt. Number	City or Town		State ▼
Date of Birth (mm/dd/yyyy)	U.S. Social Security Number [][]-[][]-[][][]	E-mail Address		Telephone Number		

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

- A citizen of the United States
- A noncitizen national of the United States *(See instructions)*
- A lawful permanent resident (Alien Registration Number/USCIS Number): _____
- An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy) _____. Some aliens may write "N/A" in this field. *(See instructions)*

For aliens authorized to work, provide your Alien Registration Number/USCIS Number OR Form I-94 Admission Number:

1. Alien Registration Number/USCIS Number: _____

OR

2. Form I-94 Admission Number: _____

If you obtained your admission number from CBP in connection with your arrival in the United States, include the following:

Foreign Passport Number: _____

Country of Issuance: _____ ▼

Some aliens may write "N/A" on the Foreign Passport Number and Country of Issuance fields. *(See instructions)*

Signature of Employee:	Date (mm/dd/yyyy):
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Preparer and/or Translator Certification *(To be completed and signed if Section 1 is prepared by a person other than the employee.)*

I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Signature of Preparer or Translator:		Date (mm/dd/yyyy):	
Last Name (Family Name)		First Name (Given Name)	
Address (Street Number and Name)		City or Town	State ▼
		Zip Code	



Employer Completes Next Page



Section 2. Employer or Authorized Representative Review and Verification

(Employers or their authorized representative must complete and sign Section 2 within 3 business days of the employee's first day of employment. You must physically examine one document from List A OR examine a combination of one document from List B and one document from List C as listed on the "Lists of Acceptable Documents" on the next page of this form. For each document you review, record the following information: document title, issuing authority, document number, and expiration date, if any.)

Employee Last Name, First Name and Middle Initial from Section 1:

List A Identity and Employment Authorization	OR	List B Identity	AND	List C Employment Authorization
Document Title:		Document Title:		Document Title:
Issuing Authority:		Issuing Authority:		Issuing Authority:
Document Number:		Document Number:		Document Number:
Expiration Date (if any)(mm/dd/yyyy):		Expiration Date (if any)(mm/dd/yyyy):		Expiration Date (if any)(mm/dd/yyyy):
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date (if any)(mm/dd/yyyy):				
Document Title:				
Issuing Authority:				
Document Number:				
Expiration Date (if any)(mm/dd/yyyy):				

3-D Barcode
Do Not Write in This Space

Certification

I attest, under penalty of perjury, that (1) I have examined the document(s) presented by the above-named employee, (2) the above-listed document(s) appear to be genuine and to relate to the employee named, and (3) to the best of my knowledge the employee is authorized to work in the United States.

The employee's first day of employment (mm/dd/yyyy): _____ *(See instructions for exemptions.)*

Signature of Employer or Authorized Representative		Date (mm/dd/yyyy)	Title of Employer or Authorized Representative		
Last Name (Family Name)		First Name (Given Name)	Employer's Business or Organization Name		
Employer's Business or Organization Address (Street Number and Name)			City or Town	State ▼	Zip Code

Section 3. Reverification and Rehires *(To be completed and signed by employer or authorized representative.)*

A. New Name (if applicable) Last Name (Family Name) First Name (Given Name) Middle Initial B. Date of Rehire (if applicable) (mm/dd/yyyy):

C. If employee's previous grant of employment authorization has expired, provide the information for the document from List A or List C the employee presented that establishes current employment authorization in the space provided below.

Document Title:	Document Number:	Expiration Date (if any)(mm/dd/yyyy):
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I attest, under penalty of perjury, that to the best of my knowledge, this employee is authorized to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative:	Date (mm/dd/yyyy):	Print Name of Employer or Authorized Representative:
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E-Verify

- Established by US Department of Homeland Security for employers to voluntarily augment the efforts with I-9 to ensure employees are eligible to work
 - Enrollment is free, and simple: <https://e-verify.uscis.gov/esp/vislogin.aspx?JS=YES>
-

State of Michigan New Hire Form

Purpose

- Assist in locating recipients of public assistance and unemployment benefits who fail to report earnings and parents who owe child support

 - Can file on line at
<http://mi-newhire.com/MI-newhire/instruct.aspx>
-

Filing Requirements

- The information must be sent to the State within 20 days of an employee's date of hire. The information must be reported for all township employees hired, rehired or returning to work after any break in employment. The number of hours worked or compensation received does not affect this requirement.
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How to get forms

- The “State of Michigan New Hire Reporting Form” ***Mail reports to:***
Michigan New Hires Operation Center
P.O. Box 85010
Lansing, MI 48908-5010
 - ***Fax reports to:***
(877) 318-1659
-

SSA 1945

- Required for all new hires not covered by Social Security, after January 1, 2005
 - Employee must sign a statement that they are aware that they are not covered by Social Security
 - Employer must forward statement to pension plan administrator
 - Available at <http://www.socialsecurity.gov/form1945>
-

Statement Concerning Your Employment in a Job Not Covered by Social Security

Employee Name Employee ID #

Employer Name Employer ID#

Your earnings from this job are not covered under Social Security. When you retire, or if you become disabled, you may receive a pension based on earnings from this job. If you do, and you are also entitled to a benefit from Social Security based on either your own work or the work of your husband or wife, or former husband or wife, your pension may affect the amount of the Social Security benefit you receive. Your Medicare benefits, however, will not be affected. Under the Social Security law, there are two ways your Social Security benefit amount may be affected.

Windfall Elimination Provision

Under the Windfall Elimination Provision, your Social Security retirement or disability benefit is figured using a modified formula when you are also entitled to a pension from a job where you did not pay Social Security tax. As a result, you will receive a lower Social Security benefit than if you were not entitled to a pension from this job. For example, if you are age 62 in 2005, the maximum monthly reduction in your Social Security benefit as a result of this provision is \$313.50. This amount is updated annually. This provision reduces, but does not totally eliminate, your Social Security benefit. For additional information, please refer to the Social Security publication

Quarterly Filings

- UA 1028 (Must be reported online)
- US 941

Question: Any “taxable employers” for Unemployment?

UA 1028

- Purpose: To report to the UA employees worked in each month of the calendar quarter and the total "non exempt" payroll for the quarter.
- Due quarterly by the 25th day following close of a calendar quarter:

April 25th

July 25th

October 25th

January 25th

Employees not reported:

1. Elected officials.
 2. Members of legislative bodies.
 3. Those serving with local units of government on a temporary basis in case of fire, storms, snow, earthquakes, floods or similar emergencies.
 4. Those who serve in posts, under the laws of Michigan, that are designated as major non-tenured policymaking or advisory positions or in policymaking or advisory posts.
-

Employer's Quarterly Wage/Tax Report

YOU MUST FILE THIS REPORT EVEN IF YOU ARE UNABLE TO PAY OR HAVE NO PAYROLL FOR THE QUARTER.

For details about completing this report see the instructions page. Only amounts over \$5 may be subject to active collection.

Employer Type: Contributing (Complete Sections 1, 2, 3 & 4) Reimbursing (Complete Sections 1, 2 & 4)

Check this box if this is an **Amended** report. Indicate quarter and year _____

If **Amended**, select one of the following reasons: Not liable Miscalculated wages

Used wrong taxable wage limit Other _____

SECTION 1

UIA Employer Account No: _____

FEIN: _____

Quarter Ending Date (mm/dd/yyyy): _____

Provide the **number** of all **full-time** employees and **part-time** employees who worked during or received pay for the pay period which includes the 12th of the

1 st Month	2 nd Month	3 rd Month

SECTION 2

LIST SSN IN ASCENDING ORDER

Family Owned Enter "F"	Delete "X"	Social Security No.	Employee Last Name	Employee First Name	Employee Middle Initial	Gross Wages Paid This Quarter	
Total Gross Wages (Page 1):							\$ 0.00

If more lines are needed to enter employee information, continue to Section 2 on back of form. When finished entering employees, continue to Section 3 for Contributing Employers or Section 4 for Reimbursing Employers.

On Line Filing Requirements-UIA 1028

- https://miwam.unemployment.state.mi.us/mip/webdoc/_/#1
 - All Employers regardless of size will be required to file UIA 1028 on line.
 - Phase in of on line filing requirements:
 - 25 Employees or more-First Quarter 2013
 - 6-24 Employees-First Quarter 2014
 - 1-5-First Quarter 2015
 - EVERYONE SHOULD BE DOING NOW!
-



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UIA Listens! We have made some minor navigation changes based on your feedback.

[Click here to learn more](#)

Online Services for EMPLOYERS

- [Register A Business](#)
- [Sign Up for Employer Online Services](#)
- [Lost/Never Received Authorization Code](#)
- [Forgot your Password? Forgot your Username?](#)

Online Services for CLAIMANTS

- [File a New Claim](#)
- [Find a Saved Claim](#)
- [Sign Up for Claimant Online Services](#)
- [Having trouble logging in? \(Forgot password?\)](#)

Other Online Services

- [Report Fraud](#)

Log In To MiWAM

Please provide the username and password for your web account with the Unemployment Insurance Agency

Username

Required

Password

Required

Sign In



Michigan Unemployment Insurance Agency

Department of Talent and Economic Development | Talent Investment Agency



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Navigation

[Home - My Accounts](#)

Account: 000

User Information: You are signed in as

UI TAX

Federal Employer ID **-***
 Contributing 000
 My Balance \$0.00
 Pending Pymts+Rpts \$0.00
 Payment Source

NAMES AND ADDRESSES

DBA Name
 Mailing Address [Add](#)

I WANT TO...

- [View My Profile](#)
- [View My Accounts](#)
- [Set Mail Preference](#)
- [Register Location Account](#)
- [Use Voluntary Payment Worksheet](#)
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[QUARTERS](#)

[ACTIVITIES⁰](#)

[NOTICES¹²](#)

[REPORTS/PAYMENTS HISTORY](#)

[ACCOUNT SERVICES](#)

[LETTERS¹¹](#)

ATTENTION NEEDED³

[SEARCH](#)

PERIODS REQUIRING ATTENTION

[Filter](#)

Period	Return Status	Tax	Penalty	Interest	Credits	Balance	Messages
30-Jun-2016	File Now	0.00	0.00	0.00	0.00	0.00	File Return
31-Mar-2016	File Now	0.00	0.00	0.00	0.00	0.00	File Return
31-Dec-2015	File Now	0.00	0.00	0.00	0.00	0.00	File Return

3 Rows

Taxable Wage Limit: \$9,500.00

Gross Wages: \$0.00

Excess Wages: \$0.00

Out of State Wages:  \$0.00

Taxable Wages: **\$0.00**


Calculated Tax Rate:  0.50%

Calculated Tax Due (Rounded):  \$0.00


Obligation Assessment and Other Rate Factors:  0.75%

OA and Other Factors Tax Due:  \$0.00

Total Tax Due: **\$0.00**

Apportionment Election 

Audited Report







Is this the Final Report for this business?  Yes No

Provide the number of all **full-time** employees and **part-time workers** who worked during or received pay for the pay period which includes the 12th of the month:

October	November	December
0	0	0

Note: When initially filing, the Wage Detail section is pre-populated with up to 250 employee records. Additional records may be added manually or through the 'Import' functionality.

WAGE DETAIL

					Out of State Wages	Visa Wages	Filter
	SSN	Last Name	First Name	Middle Init.	Wages	Family Emj	In Error
 	***_**_				0.00	<input type="checkbox"/>	<input type="checkbox"/>
 	***_**_				0.00	<input type="checkbox"/>	<input type="checkbox"/>
 	***_**_				0.00	<input type="checkbox"/>	<input type="checkbox"/>

IRS Form 941

- Purpose: This form is completed by the Township and is used by the IRS to determine:
 - All federal tax deposits were made in a timely and accurate fashion.
 - Method to gather information on amounts paid to employees subject to federal income tax, Medicare tax, and Social Security withholding.
-

Filing Requirements-Form 941

- The IRS 941 is a quarterly "settlement" with the IRS for taxes withheld and the Township's matching payroll taxes payable for "Medicare" and Social Security taxes, due:

<u>Tax Period</u>	<u>Due Date</u>
First Quarter - (3/31)	April 30
Second Quarter - (6/30)	July 31
Third Quarter - (9/30)	October 31
Fourth Quarter - (12/31)	January 31

Note on Filing 941's:

- Due dates referred above are filing date not payment due dates. Taxes (both withholding and Township matching) must be paid within time prescribed by IRS in order to avoid penalties.
 - For reference please see pages 29-30 of Circular E, Employer's Tax Guide, published by the IRS.
 - Larger Townships (annual liability \$50,000) have to file schedule B, along with form 941
-

Employer identification number (EIN) -

Name (not your trade name)

Trade name (if any)

Address
Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

Report for this Quarter of 2015
(Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Instructions and prior year forms are available at www.irs.gov/form941.

Read the separate instructions before you complete Form 941. Type or print within the boxes.

Part 1: Answer these questions for this quarter.

1	Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), or Dec. 12 (Quarter 4)	1	<input type="text" value="2"/>
2	Wages, tips, and other compensation	2	<input type="text" value="19800"/>
3	Federal income tax withheld from wages, tips, and other compensation	3	<input type="text" value="325"/>
4	If no wages, tips, and other compensation are subject to social security or Medicare tax	<input type="checkbox"/> Check and go to line 6.	
	Column 1		Column 2
5a	Taxable social security wages	<input type="text" value=""/>	<input type="text" value=""/>
5b	Taxable social security tips	<input type="text" value=""/>	<input type="text" value=""/>
5c	Taxable Medicare wages & tips	<input type="text" value="12000"/>	<input type="text" value="348"/>
5d	Taxable wages & tips subject to Additional Medicare Tax withholding	<input type="text" value=""/>	<input type="text" value=""/>
5e	Add Column 2 from lines 5a, 5b, 5c, and 5d		<input type="text" value="348"/>
5f	Section 3121(q) Notice and Demand—Tax due on unreported tips (see instructions)		<input type="text" value=""/>
6	Total taxes before adjustments. Add lines 3, 5e, and 5f	6	<input type="text" value="673"/>
7	Current quarter's adjustment for fractions of cents	7	<input type="text" value=""/>
8	Current quarter's adjustment for sick pay	8	<input type="text" value=""/>
9	Current quarter's adjustments for tips and group-term life insurance	9	<input type="text" value=""/>
10	Total taxes after adjustments. Combine lines 6 through 9	10	<input type="text" value="673"/>
11	Total deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (PR), 944-X, 944-X (PR), or 944-X (SP) filed in the current quarter	11	<input type="text" value=""/>
12	Balance due. If line 10 is more than line 11, enter the difference and see instructions	12	<input type="text" value="673"/>

Annual Filings

- IRS/SSA Form W2/W3
 - Michigan Annual Return for Sales, Use, and Withholding Taxes
-

IRS Form W-2 and W-3

Purpose: To transmit annual calendar information to employees and governmental agencies which shows gross income and withholdings. Governmental copies of the W-2's are distributed as follows:

Copy A – U.S. Social Security Administration.

Copy 1 or 2 - State of Michigan Department of Treasury (along with form 5081).

Other copies for the employees and the Township's records.

Filing Requirements-W2/W3

- Form W-2 - employee copies - Due 1-31
- Copies to Social Security Administration - Due February 28
- Copies to State of Michigan (along with annual Sales, Use, Withholdings) - Due February 28

Suggestion - If you manually prepare W-2's, consider filing on line on Social Security Web site <http://www.ssa.gov/employer/#a0=0>

22222

Void

a Employee's social security number
777-77-7777

For Official Use Only ▶
OMB No. 1545-0008

b Employer identification number (EIN)

38-1111111

1 Wages, tips, other compensation

9000.00

2 Federal income tax withheld

325.00

c Employer's name, address, and ZIP code

Cherry Lane Township

123 Main Street

Cherry Lane, MI 48111

3 Social security wages

0.00

4 Social security tax withheld

0.00

5 Medicare wages and tips

0.00

6 Medicare tax withheld

0.00

7 Social security tips

0.00

8 Allocated tips

0.00

d Control number

9

10 Dependent care benefits

0.00

e Employee's first name and initial

Sherry

Last name

Myway

Suff.

11 Nonqualified plans

0.00

12a See instructions for box 12

G

1000.00

126 Main Street

Cherry Lane, MI 48111

13 Statutory employee Retirement plan Third-party sick pay

14 Other

12b
C
o
d
e

12c
C
o
d
e

12d
C
o
d
e

f Employee's address and ZIP code

15 State

Employer's state ID number

MI

38-1111111

16 State wages, tips, etc.

9000.00

17 State income tax

230.00

18 Local wages, tips, etc.

0.00

19 Local income tax

0.00

20 Locality name

22222

Void

a Employee's social security number
888-88-8888

For Official Use Only ▶
OMB No. 1545-0008

b Employer identification number (EIN)

38-1111111

1 Wages, tips, other compensation

10800.00

2 Federal income tax withheld

0.00

c Employer's name, address, and ZIP code

Cherry Lane Township

123 Main Street

Cherry Lane, MI 48111

3 Social security wages

0.00

4 Social security tax withheld

0.00

5 Medicare wages and tips

12000.00

6 Medicare tax withheld

174.00

7 Social security tips

0.00

8 Allocated tips

0.00

d Control number

9

10 Dependent care benefits

0.00

e Employee's first name and initial

Patrick

Last name

Pushover

Suff.

11 Nonqualified plans

0.00

12a See instructions for box 12

G

1200.00

PO Box P

Cherry Lane, MI 48111

13 Statutory employee Retirement plan Third-party sick pay

14 Other

12b

12c

12d

f Employee's address and ZIP code

15 State

Employer's state ID number

MI

38-1111111

16 State wages, tips, etc.

10800.00

17 State income tax

300.00

18 Local wages, tips, etc.

0.00

19 Local income tax

0.00

20 Locality name

33333

a Control number

For Official Use Only ▶

OMB No. 1545-0008

Kind of Employer (Check one)

941-SS Military 943 944
Hshld. emp. Medicare govt. emp.

Kind of Employer (Check one)

None apply 501c non-govt.
State/local non-501c State/local 501c Federal govt.

Third-party sick pay (Check if applicable)

Total number of Forms W-2

2

d Establishment number

1 Wages, tips, other compensation

19800.00

2 Income tax withheld

325.00

Employer identification number (EIN)

38-1111111

3 Social security wages

0.00

4 Social security tax withheld

0.00

Employer's name

Cherry Lane Township

5 Medicare wages and tips

12000.00

6 Medicare tax withheld

174.00

123 Main Street

7 Social security tips

0.00

8 [Redacted]

Cherry Lane, MI 48111

9 [Redacted]

0.00

10 [Redacted]

Employer's address and ZIP code

11 Nonqualified plans

0.00

12a Deferred compensation

2200.00

Other EIN used this year

13 For third-party sick pay use only

12b [Redacted]

Employer's territorial ID number

14 Income tax withheld by payer of third-party sick pay

18 Check the appropriate box

Type of Form ▶

W-2AS

W-2CM

W-2GU

W-2VI

2015 Sales, Use and Withholding Taxes Annual Return

Issued under authority of Public Act 167 of 1933 and 94 of 1937, as amended.

File this return by February 28, 2016.

Do not use this form to replace a monthly/quarterly return.

Taxpayer's Business Name	Business Account Number (FEIN or TR Number)
--------------------------	---

PART 1: SALES AND USE TAX SECTION

		A. Sales Tax	B. Use Tax: Sales & Rentals
1. Total gross sales for tax year being reported.....	1.		
2. Rentals of tangible property and accommodations	2.	XXXXXXXXXX	
3. Telecommunication services.....	3.	XXXXXXXXXX	
4. Add lines 1, 2 and 3.....	4.		

5. ALLOWABLE DEDUCTIONS

		A. Sales Tax	B. Use Tax
a. Resale exemption.....	5a.		
b. Industrial processing exemption.....	5b.		
c. Agricultural production exemption	5c.		
d. Interstate commerce exemption	5d.		
e. Exempt services	5e.		
f. Bad debt	5f.		
g. Food for human/home consumption.....	5g.		
h. Government exemption	5h.		
i. Michigan motor fuel tax	5i.		
j. Direct payment exemption.....	5j.		
k. Other exemptions (see instructions).....	5k.		
l. Tax included in gross sales.....	5l.		XXXXXXXXXX
m. Total allowable deductions. Add lines 5a - 5l.....	5m.		
6. Taxable balance. Subtract line 5m from line 4.....	6.		
7. Gross tax due. Multiply line 6 by 6% (0.06).....	7.		
8. Tax collected in excess of line 7	8.		

11. Total tax due. Subtract line 10 from line 9	11.		
12. Tax payments and credits in current year (after discounts).....	12.		

PART 2: USE TAX ON ITEMS PURCHASED FOR BUSINESS OR PERSONAL USE

13. Total amount of taxable purchases and withdrawals from inventory for tax year being reported.....	13.		
14. Multiply line 13 by 6% (0.06)	14.		
15. Total use tax payments paid for tax year being reported.....	15.		

PART 3: WITHHOLDING TAX

16. Gross Michigan payroll, pension and other taxable compensation received for the year	16.		
17. Total number of W-2 and 1099 forms	17.		
18. Total Michigan income tax withheld per W-2 and 1099 forms	18.		
19. Total Michigan income tax withholding paid during current tax year	19.		

PART 4: SUMMARY

20. Total sales, use and withholding taxes due. Add lines 11A, 11B, 14, and 18	20.		
21. Total sales, use and withholding taxes paid. Add lines 12A, 12B, 15, and 19.....	21.		
22. If line 21 is greater than line 20, enter the difference here. If not, skip to line 25	22.		
23. Amount of line 22 to be credited forward. Treasury will notify you when your credit forward is verified and available	23.		
24. REFUND. Subtract line 23 from line 22.....	24.		
25. If line 21 is less than 20, enter balance due	25.		
26. Total penalty due for late filing of return (see instructions)	26.		
27. Interest due (see instructions)	27.		
28. TOTAL PAYMENT DUE. Add lines 25, 26 and 27	28.		

PART 5: SIGNATURE (You are required to complete all information requested below.)

Taxpayer Certification. I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.		Preparer Certification. I declare under penalty of perjury that this return is based on all information of which I have any knowledge.	
<input type="checkbox"/> By checking this box, I authorize Treasury to discuss my return with my preparer.		Preparer's Signature 	
Signature of Taxpayer or Official Representative (must be Owner, Officer, Member, Manager, or Partner)		Preparer's Business Address	
Print Taxpayer or Official Representative's Name	Date		
Title	Telephone Number	Preparer's Identification Number	Preparer's Telephone Number

Michigan Annual S.U.W. 5081

- Purpose: Serves as transmittal for Michigan copies of form W-2, shows total withheld per W-2's and total paid and reconciles any differences.
 - Filing requirements-Annual-due 2-28.
 - Department will no longer mail paper forms, see previous slide about MTO
-

Other Requirements-W-2 Reporting – Affordable Care Act

- IF your Township pays for health insurance, the act requires you to distribute a summary of benefits and coverage to participants and the obligation to report the cost of an employee's health coverage on the 2015 Forms W-2 issued in January 2016.
-

Small Employer Exception

- ***Note: Employers are exempt if they were required to file fewer than 250 Forms W-2 for the preceding calendar year.***
 - ***The IRS reserves the right to eliminate this exemption. If it does so, it will do so only for future years, after the further guidance, if any, is issued.***
-

Tips for “Fool Proof” Payroll Reporting

- “Balance” employee earnings records to general ledger or cash disbursement totals.
 - Recommend that you maintain a “control sheet”, where the totals for all employee earnings records are recorded and compared to the general ledger or cash disbursement journal on a quarterly or monthly basis as appropriate.
 - Use “control sheet” to prepare payroll tax returns.
-

Tips for “Fool Proof” Payroll Reporting

- Reconcile amounts reported on 941 to W-2/W-3 totals prior to filing fourth quarter 941 and W-2/W-3s. We have tool on our web site PSLZ.com
<http://www.pslz.com/documents.html>
 - Each employee file should contain:
 - I-9 (if applicable)
 - New Hire Form (if applicable)
 - W-4, MI-W4
 - Authorization for other withholdings
 - SSA 1945 (if applicable)
-

Software Options

- Third Party and “On Line” Processor
 - ADP
 - Paychex
 - In house processing-using “integrated programs” designed specifically for local governments
 - In house processing using low end “off the shelf software”
-

Third Party Processors-Batch Processing

- Companies can handle payrolls for all types of businesses including government
 - Potential Internal Control Improvements
 - Cost effective way of managing payroll process- no update fees or forms to buy
 - Many processors offer tax filing and payment systems, benefit administration
-

One Line Payroll Processing

- Software is “cloud based” doesn’t reside on your PC or network
 - Most offer general ledger integration-download directly to your software
 - Many vendors also offer tax filing and payment systems, benefit administration
-

Caution-regarding “outsourcing”

- All companies not created equally-be careful who you partner with!
 - “SOC 1” Report
 - Many cases of fraud prosecuted by the FBI/IRS in past few years.
 - You are responsible for unpaid taxes, if third party fails to pay on your behalf-See December 2011 Financial Forum.
-

Integrated Applications

- “Integrated” means that all modules, such as accounts payable, purchasing, payroll, point of sales, etc., post to the general ledger.
 - Integrated applications require much higher technical accounting skills to successfully operate. These packages include Fund Balance, BS&A, Versis, Cogitate, and others.
-

Integrated Applications

- These applications allow users to post transactions in “real time” to the general ledger.
 - Issues: acquisition costs, maintenance costs, technical expertise to run, sometimes outweigh benefits.
 - Best for townships with needs for multiple operating funds, utilities and special assessments.
-

“Off the Shelf Software”

- Not recommended as a replacement for integrated packages, needs point in that direction.
 - Some “Low End” (cheap) off the shelf packages have been successfully used as an intermediate step by townships looking to computerize some of the accounting functions, or those whose budget does not allow for integrated packages.
-