
We are hiring an employee,
now what?

A Guide on Ag Payroll in KS

Lynn Hennigan
Extension Ag Economist
KS Farm Management Assoc., NE
785-742-2169 office
hennigan@ksu.edu



A Guide to Agriculture Payroll in Kansas



- In your materials for this Module is a more detailed manual covering the details of payroll.
- Number in corner of each slide corresponds to the appropriate section in the manual



We are hiring an employee, now what?

-
- 1) Items Prior To & During Hiring
 - 2) Calculating a Paycheck
 - 3) Payroll Reporting & Deposits
 - 4) Fringe Benefits



Tax Forms and Publications



- IRS:
 - <http://www.irs.gov/formspubs/>
 - Select form number or topical index

- Kansas:
 - Department of Revenue (KDOR)
 - <http://www.ksrevenue.org/forms-btreg.htm>
 - Department of Labor (KDOL)
 - www.dol.ks.gov

Employee or Contract Labor?



- To be considered contract labor the following three factors are considered by IRS:
 - 1) Behavioral control
 - 2) Financial control
 - 3) Type of relationship of the parties

2.1

Resource: IRS publication 15-A Employer's Supplemental Tax Guide

Employee, now what?



Request a Federal Taxpayer/Employer Identification number (EIN)



- **Caution:** your business may already have this number, if you are:
 - an entity
 - an individual with semi-trucks fill out IRS form 2290 in order to tag them.
 - An individual that has previously hired employees
 - An individual that pays individuals in a separate business

2.2

Resource: IRS publication 51 (Circular A), Ag Employer's Tax Guide

Request a Federal Taxpayer/Employer Identification number (EIN)



- It can be requested very quickly online, www.irs.gov
- The number should be in this format:
00-0000000

2.2

Resource: IRS publication 51 (Circular A), Ag Employer's Tax Guide

Request a Kansas Withholding Tax Account Number



- Only necessary if:
 - Withhold Kansas income tax from employee wages
 - Will have a Kansas unemployment tax liability

- Use *Business Tax Application, Form CR-1216*

2.3

Resource: KDOR, Kansas Business Tax Application & Instructions

Register with Kansas Unemployment



- Only necessary if:
 - 10 or more workers in any portion of 20 different weeks in a calendar year are employed, and/or
 - total payroll is \$20,000 or more in taxable cash wages in any calendar quarter.

- To start process, file *Status Determination Report, Form K-CNS 010*

2.3

Resource: KDOL, Status Determination Report

W-4 & K-4 forms



- Purpose of these forms:
 - provide employee's Social Security Number
 - Provide address
 - Communicates how much income tax to withhold

- Have each employee complete both these forms at their hire and at the beginning of each calendar year.

- These forms are for the Employer. Do not send to IRS or Kansas Dept. of Revenue.

- Download forms online

2.5

Resource: IRS form W-4 and KDOR form K-4

Other Items



- Employee under 18?, check into child labor laws
- Workers' compensation insurance
- Labor Posters
- *Kansas New Hire Report*
- *Federal I-9 Form*
- *Abide by Minimum Wage Law*
- *OSHA standards*

2.6-3.4