

How to Do Payroll in South Carolina

Use this downloadable checklist to help you stay on track!

✓	TASK
	<p>Step 1: Set up your business as an employer.</p> <p>At the federal level, you need to apply for an employee identification number (EIN) and register for an account in the Electronic Federal Tax Payment System (EFTPS).</p> <ul style="list-style-type: none">• Applied for a Federal Employer Identification Number (EIN)• Enrolled for the Electronic Federal Tax Payment System (EFTPS)
	<p>Step 2: Register with the state of South Carolina.</p> <p>You can register for a withholding account online through the SC Department of Revenue. You will receive your South Carolina withholding file number and tax deposit schedule within 24 hours after registering online. You'll also need to register for an unemployment tax account. You can register online via the SC Department of Employment and Workforce. You will receive a seven-digit South Carolina State Tax ID and an unemployment tax rate in the mail two to three weeks after registering.</p> <ul style="list-style-type: none">• Register for a withholding account online through the SC Department of Revenue.• Register for an unemployment tax account.
	<p>Step 3. Set up your payroll process.</p> <p>Set up your payroll. Whether you're going to do payroll yourself or use a payroll software, you'll need to determine a payroll process that works best for your business and is compliant with the rules and regulations in South Carolina. This includes deciding when and how you'll pay employees, how you'll collect and submit payroll forms when necessary, how and when to verify employee time worked, etc. Select one:</p> <ul style="list-style-type: none">• Do payroll yourself• Use Excel payroll templates• Sign up for a payroll service
	<p>Step 4: Collect employee payroll forms.</p> <p>The best time to collect payroll forms is during your new hire orientation. Required payroll forms for South Carolina employees will include:</p> <ul style="list-style-type: none">• Federal Form W-4

	<ul style="list-style-type: none"> • South Carolina State Form SC W-4 • I-9 • Direct deposit authorization form
	<p>Step 5: Collect, review, and approve time sheets.</p> <p>South Carolina law states that regular paydays need to be established and provided to all employees in writing upon hire. To be sure your team is always paid on time to remain in compliance, make sure to collect and approve timecards a couple of days before payday.</p> <ul style="list-style-type: none"> • Establish regular paydays • A paper timesheet • Free or low-cost time and attendance software • A payroll service that has a time and attendance system
	<p>Step 6: Calculate employee gross pay and taxes and pay employees.</p> <p>There are many ways to calculate payroll, and it's up to you to decide which is best for your business. You can use payroll software, a calculator (use our free time card calculator to do some basic time calculations), or even Excel (we have a free template).</p> <ul style="list-style-type: none"> • Calculate Gross Pay • Calculate FICA, FUTA, & Income Taxes to withhold/pay • Perform any other payroll calculations, i.e., for expense reimbursement • Calculate net payroll • Decide to pay using check, paycard, direct deposit
	<p>Step 7: File payroll taxes with the federal government.</p> <p>To remit withholdings, follow the schedule below. (The IRS will assign you the schedule</p> <ul style="list-style-type: none"> • Monthly Depositor: Deposit employment taxes on payments made during a month by the 15th day of the following month. • Semiweekly Depositor: Deposit employment taxes for payments made Wednesday, Thursday, and/or Friday by the following Wednesday. Deposit taxes for payments made Saturday, Sunday, Monday, and/or Tuesday by the following Friday. • Quarterly reporting (everyone) by filing Form 941 or Form 944 • Annual reporting (everyone) by filing Form 941 or Form 944
	<p>Step 8: File payroll taxes with the state of South Carolina.</p> <p>Filings are due on a quarterly basis and payments are due either quarterly or monthly based on how much is withheld. Returns and payments can be sent via mail to the appropriate mailing address or filed electronically via the MyDORWAY website.</p>

	<p>Employers who withhold \$15,000 of more per quarter or who make 24 or more withholding payments in a year must file and pay electronically.</p> <ul style="list-style-type: none"> ● Monthly Depositor: Total withholding amount is more than \$500 per quarter. Deposit employment taxes on payments made during a month by the 15th day of the following month. ● Semiweekly Depositor: Total withholding amount is more than \$500 per quarter. Deposit by the last day of the month following the end of the quarter – payments are due quarterly. ● Q1 report: April 30 ● Q2 report: July 31 ● Q3 report: Oct 31 ● Q4 & Annual report: Jan 31
	<p>Step 9: Document and store your payroll records.</p> <p>As with any business record, you want to make sure you have a copy for at least three years.</p>
	<p>Step 10: Do year-end payroll tax reports.</p> <ul style="list-style-type: none"> ● Distribute federal Forms W-2 and 1099 forms (for employees) by Jan 31 ● File federal W-2/W-3 and 1098/1099 forms with IRS by Jan. 31; if you have <250 employees, you can file by Feb. 28