



THE BUCK STOPS HERE:

All about payroll taxes in your
Local union.

- ▶ Payroll tax basics
- ▶ How Payroll Tax Workflow
- ▶ Paying and Reporting Guides Related to Payroll Taxes

AGENDA

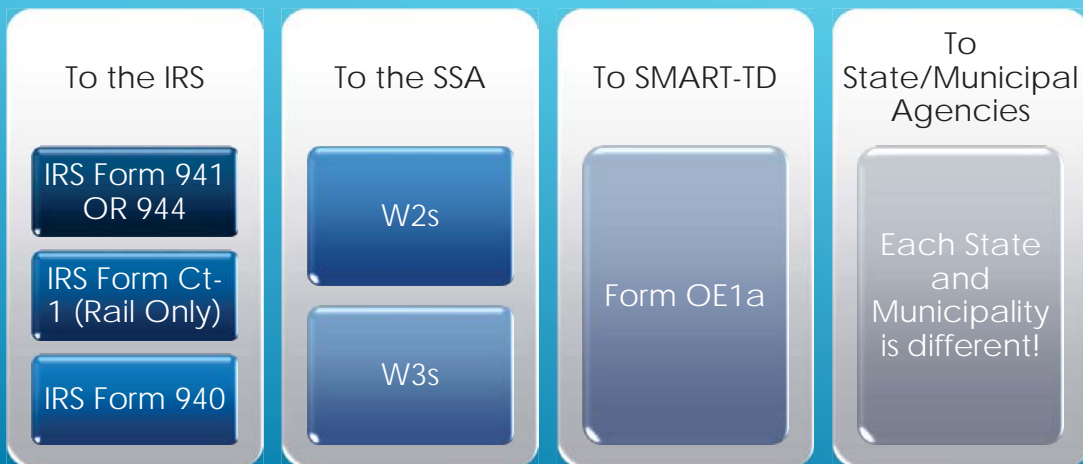
- ▶ **Payroll taxes** are taxes imposed on employers and employees, and are usually calculated as a percentage of the salaries that employers pay their staff.
- ▶ Payroll taxes generally fall into two categories:
 - ▶ The first kind are taxes that employers are required to withhold from employees' wages
 - ▶ Often covering advance payment of income tax, social security or RRB contributions
 - ▶ The second kind is a tax that is paid from the employer's own funds and that is directly related to employing a worker.
 - ▶ The charges paid by the employer usually cover the employer's funding of Railroad Retirement or the social security system, medicare, and other insurance programs.

THE BASICS: WHAT ARE PAYROLL TAXES?

3

2/4/2019

The Buck Stops Here: Payroll Taxes



THE BASICS: REPORTING PAYROLL TAXES

4

2/4/2019

The Buck Stops Here: Payroll Taxes

Calculate & Withhold Tax Amounts

- Employee portion
- Employer portion



Pay Taxes

- Paid to IRS
- Paid at www.eftps.gov



Report Taxes

- IRS
- SSA
- SMART TD

THE BASICS: PAYROLL TAX WORKFLOW

The Buck Stops Here: Payroll Taxes

5

2/4/2019

Tax Type	Ct-1
Local Type	Rail Only
What the tax covers	Railroad Retirement tax and Medicare
When to pay	Due on the 15 th of each month for the prior month's liability
Where to file	IRS address listed on worksheet-use certified mail!
When to file	Due to IRS by Feb 28 th for the prior year
Special Note	Once you file form Ct-1, you must continue filing even if the liability is \$0

THE BASICS: PAYROLL TAX TYPES

The Buck Stops Here: Payroll Taxes

6

2/4/2019

Tax Type	940	
Local Type	Bus Only	
What the tax covers	Federal Unemployment Tax (FUTA)	
When to pay	If your undeposited FUTA tax is more than \$500 on...	Deposit your tax by...
	March 31	April 30
	June 30	July 31
	September 30	October 31
	December 31	January 31
Where to file	IRS address listed on the form – use certified mail!	
When to file	January 31	
Special Note	Locals that begin filing must continue to file even if the liability is \$0	

THE BASICS: PAYROLL TAX TYPES

The Buck Stops Here: Payroll Taxes

7

2/4/2019

Tax Type	941	
Local Type	Rail & Bus	
What the tax covers	Federal Income Tax Withheld, Social Security FICA and FICA Medicare	
When to pay	Due on the 15 th of each month for the prior month's liability	
Where to file	IRS address listed on worksheet-use certified mail!	
When to file	1 st quarter	April 30
	2 nd quarter	July 31
	3 rd quarter	October 31
	4 th quarter	January 31
Special Note	Annual 944 Taxes can replace 941 taxes ONLY if the IRS has notified you. * Rail Locals MUST CHECK THE EXCEPTION BOX to avoid FICA penalties.	

THE BASICS: PAYROLL TAX TYPES

The Buck Stops Here: Payroll Taxes

8

2/4/2019

PAYING and REPORTING taxes correctly is a very important job of a Treasurer.

- ▶ Taxes are required to be **PAID** to the Government on the Internet through EFTPS
- ▶ **REPORTS** are required to be filed quarterly or annually.
- ▶ Taxes on Earnings are a Liability when Earned or Paid?
 - ▶ **When PAID!!!!**
- ▶ Stay on Top of Tax Requirements
- ▶ Keep current with both Paying and Reporting taxes. Otherwise the IRS will make your life uncomfortable

THE BASICS: PAYROLL TAX TIPS

9

2/4/2019

The Buck Stops Here: Payroll Taxes

- ▶ Post Taxes in WinStabs through "Pay Current Year Taxes"
 - ▶ Print All Worksheet from WinStabs
- ▶ Deposit 941 Taxes Monthly
 - ▶ Pay taxes via the Internet using EFTPS - <https://www.eftps.gov/eftps/>
 - ▶ Previous months taxes are due by the 15th of current month.
- ▶ Deposit 940 Taxes Monthly
 - ▶ Pay taxes via the Internet using EFTPS - <https://www.eftps.gov/eftps/>
 - ▶ Previous months taxes are due by the 15th of current month.
- ▶ Deposit State Taxes Monthly
 - ▶ Pay taxes via the Internet using
 - ▶ Previous months taxes are due by the 15th of current month.
- ▶ Submit reports when due

HOW TO: PAYROLL TAX WORKFLOW

10

2/4/2019

The Buck Stops Here: Payroll Taxes



Enrolling a Local with EFTPS.gov

Here's how to start the process to pay
your Local's taxes electronically

The Buck Stops Here: Payroll Taxes

HOW TO: PAY TAXES USING EFTPS

11
2019



Paying and Reporting Form 941 Quarterly Tax

This guide will walk you through:

- Documenting tax payments in WinStabs
- Making tax payments through EFTPS
- Filing 941 tax return with the IRS

The Buck Stops Here: Payroll Taxes

HOW TO: PAY & REPORT 941 TAX

12
2019



Paying and Reporting Form 944 Annual Tax

This guide will walk you through:

- Documenting tax payments in WinStabs
- Making tax payments through EFTPS
- Filing 944 tax return with the IRS

The Buck Stops Here: Payroll Taxes

HOW TO: PAY & REPORT 944 TAX

13
2020



Paying and Reporting Form 940 Annual Tax

Required for FICA Locals Only

This guide will walk you through:

- Documenting tax payments in WinStabs
- Making tax payments through EFTPS
- Filing 940 tax return with the IRS

The Buck Stops Here: Payroll Taxes

HOW TO: PAY & REPORT 940 TAX

14
2020



Reporting Form CT-1 Annual Tax

(Required for Railroad Locals Only)

This guide will walk you through:

- Filing Form CT-1 with the IRS

[S&T Tools Webpage](#)

HOW TO: PAY & REPORT CT-1 TAX

15
2019

The Buck Stops Here: Payroll Taxes



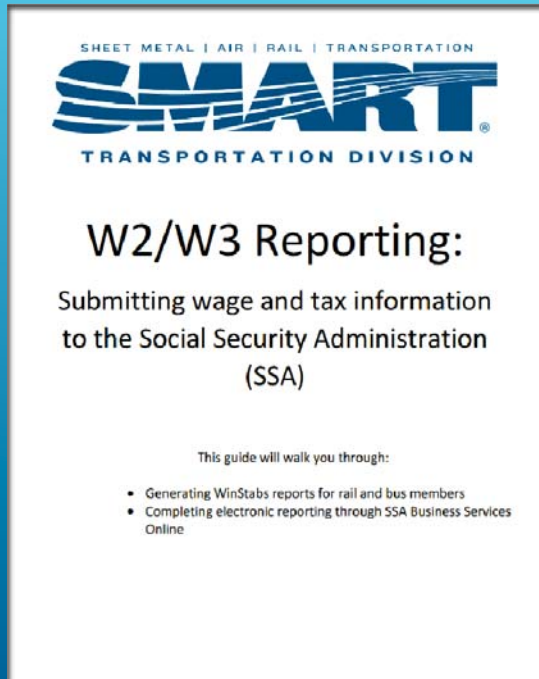
Creating Quarterly Form OE1As

(Required for Railroad Locals Only)

HOW TO: CREATE & SUBMIT OE1A FORMS

16
2019

The Buck Stops Here: Payroll Taxes



HOW TO: GENERATE & SUBMIT W2/W3

The Buck Stops Here: Payroll Taxes

2/4/2019

FIELD AUDIT AND SUPPORT HELP DESK

- ▶ Call for questions and guidance
 - ▶ 1-216-227-5444
- ▶ Email: fieldauditor@group.smart-union.org
- ▶ Visit:

<https://smart-union.org/td/secretary-and-treasurer-tools/>



The Buck Stops Here: Payroll Taxes

18
2/4/2019