



# VIMLAN TAX SERVICES, LLC.

*NAVIGATING YOUR FINANCIAL SUCCESS*

## How Payroll Works:

### Required Forms from Clients:

We will send you a set of Business Engagement Letters and Power of Attorney forms. You need to sign them and send back to me so we can forward them to IRS and the State.

We are also going to enroll for a 4-digit EFTPS pin that IRS will mail to you in next 7 business days after completing the enrollment. Please send it to us once you receive it. This is a 4 digit pin that is required to schedule all your federal tax payments electronically.

### Payments:

There are six types of payroll taxes paid either by the employer, employee, or both:

- **Employee Paid** Taxes are Social Security, Medicare, Federal Withholdings and State Withholdings.
- **Employer Paid** Taxes are Social Security, Medicare, State Unemployment and Federal Unemployment.

### Federal Withholding Tax (Form 941 ) Payments ; Payment Frequency: Monthly

- ❖ Pay Social Security-Employee Contribution: 6.2% of the Gross Wages
- ❖ Pay Social Security-Employer Match
- ❖ Pay Medicare-Employee Contribution: 1.45% of the Gross Wages
- ❖ Pay Medicare-Employer Match
- ❖ Pay Federal Withholding-Employee's Federal Income Tax
  - Due by 15<sup>th</sup> of every month. We schedule the payments to be debited on or around the 10<sup>th</sup> of every month to ensure timely receipt of payments.

### Federal Unemployment Withholding Tax (FUTA or Form 940) Payments ; Payment Frequency: Annually

- ❖ Pay Federal Unemployment Tax-Employer Contribution
  - Due by January 31<sup>st</sup> of the year following the payroll ending year. Payments are scheduled on or around the 25<sup>th</sup> of January to ensure timely receipt of payment.
  - Never more than \$56 dollars per employee per year.

### State Withholding (Form IL-941) Payments ; Payment Frequency: Monthly

- ❖ Pay State Withholding-Employee's State Income Tax
  - Due by 15<sup>th</sup> of every month. We schedule the payments to be debited on or around the 10<sup>th</sup> of every month to ensure timely receipt of payments.

### **State Unemployment Withholding Tax (SUTA) Payments ; Payment Frequency: Quarterly**

- ❖ Pay State Unemployment Tax-Employer Contribution
  - Due by last day of the **Month** following the payroll quarter. Payments are scheduled on or around the 25<sup>th</sup> of the month following the payroll quarter to ensure timely receipt of payment.

**\*\*Payroll can be ran biweekly, monthly, or quarterly. We recommend only biweekly or monthly though.**

### **Sample Check Tax Calculation**

Gross Pay: Less Social Sec; Less Medicare, Less Fed Withholding, Less State Withholding = Net Pay  
\$10,000 -\$620 -\$145 - \$1500 (Federal Withholding Varies) - \$500 = \$7,235

### **Federal Form 941 Payment**

\$620 Social Security Employee

\$620 Social Security Match

\$145 Medicare Employee

\$145 Medicare Match

\$1500 Federal Withholding

- Total of \$3030 due by the 15<sup>th</sup> day of Month Following the Paycheck Date.

### **IL Withholding Tax (Form IL 941) Payment**

\$500

- Due by the 15<sup>th</sup> day of the Month Following the Paycheck Date.

### **IL State Unemployment Tax Payment.**

\*\*SUTA payments are paid quarterly based on the contribution rate provided by Illinois Department of Employment Security (IDES) upon enrollment.

### **Federal Unemployment Tax (Form 940) Payment.**

\*\*FUTA payments are paid annually, based on upon Employees Gross wages, but usually capped at \$56 per employee per year.

\*\*In addition to payroll payments, payroll filing will also be done every quarter by the payroll accountants to reconcile with the payments.

### **Portal Information:**

Once we set you up for the payroll after receiving the required signed forms from you, we will create an online portal where you will be able to view all your company files uploaded by us. You will have access to all tax and payroll docs uploaded in the portal to view and download.

Here's the log in information for your portal; Go to [www.vimlantax.com](http://www.vimlantax.com). Enter your login information on the upper right hand corner. Then go to \*Document Presentation\*. All docs will be there in their respective folders.

Username: Your Email Address

Password: YourSocialWithoutAnyDashes followed by your initials in lower case (i.e. 123456789ab).

If you need any assistance with logging in to the portal the first time, please call the office and a member of our staff will walk you through the whole portal log in process.