

Church Financial Hot Topic

Payroll Reporting Requirements

One Time Requirements

- Obtain Federal Employer Identification Number (EIN)** – The church can apply for a number using form **SS-4**. The EIN is necessary for filing and reporting information to the federal government.
- Register for Georgia Withholding Number** – The church can register for this number using form **CRF-002**. This is necessary if the church withholds Georgia state income tax from employees.
- Unemployment Tax** – Churches are not required to pay the federal or state unemployment tax.

Forms To Be Completed For Each Employee When Hired and Kept on File

- New Hire Reporting Form** is required in Georgia and is used to reduce unpaid child support.
- W-4** authorizes the church to withhold federal income taxes.
- I-9** confirms eligibility of employee to work in United States.
- G-4** authorizes the church to withhold Georgia income tax.

Form To Be Completed For Each Self-Employed Worker and Kept on File

- W-9** is required to determine if the church will be required to report income for the services supplied by self-employed workers

Periodic Requirements

- EFTPS** is required for deposit of federal payroll taxes if the church's quarterly payroll tax withholding is more than \$2,500. EFTPS can be paid either online or over the phone. The payment is due by the 15th of the following month for federal income taxes and SS/Medicare withheld and the matching by employers.
NOTE: Ministers cannot have Social Security or Medicare taxes withheld.
- Form 941 or Form 944** is required by the Internal Revenue Service to summarize how federal payroll taxes should be applied. Most churches will need to file Form 941 quarterly by the last day of the month that follows the end of the quarter. However, churches that withhold less than \$1,000 annually of payroll taxes need only file Form 944 and pay those taxes annually. If the only employee is a minister and he sends in his own quarterly estimated taxes, then neither the 941 nor the 944 form is required.
- Form GA-V and/or Form G-7** is required for directing state income tax withheld and paid to the Georgia Department of Revenue. Form GA-V is required monthly if more than \$200 per month is withheld. Form G-7 is the quarterly report and must be filed by all churches that withhold Georgia Income tax for their employees. The G-7 also takes the place of monthly reporting Form GA-V for those churches that have less than \$200 per quarter of Georgia Income tax withholding.

Forms Required Annually

- W-2** is required to be issued to all employees including ministers that have taxable wages by January 31.
NOTE: Ministers who have taxable income will receive a W-2, but boxes 3, 4, 5, and 6 are blank on the minister's W-2. A housing allowance is not considered taxable wage.
- 1099-MISC** is to be issued to all self-employed workers that are not incorporated and the church paid more than \$600 annually.
- W-3** is required to be filed with copies of all W-2s with the Internal Revenue Service by January 31.
- 1096** is required to be filed with copies of all 1099-MISCs with the Internal Revenue Service by January 31.
- G-1003** is required to be filed with copies of all W-2s with the Georgia Department of Revenue by February 28.
- Form 5578** is only required if the church operates a day care, preschool, school, or mother's morning out program that is offered to the public. Otherwise, Form **5578** is not required to be completed by the church.

How to Obtain Forms

Federal tax forms – SS-4, W-4, 941, 944, W-2, 1099, W-3, 1096, and 5578 can be obtained from the Internal Revenue Service at 1-800-829-3676, www.irs.gov, or office supplies stores.

Georgia forms CRF-002, G-4, GA-V, G-7, or G-1003 can be obtained from www.etax.dor.ga.gov.

I-9 can be obtained from www.uscis.gov/files/form/i-9.pdf.

New Hire Reporting Form can be completed at <https://newhirereporting.com/ga-newhire/default.asp>.

EFTPS can be set up at <https://www.eftps.gov/eftps>.

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