This handbook is built as a reference you keep open through the year rather than read once, including an annual compliance calendar, a plain-language classification framework, and a red flags checklist drawn from the most commonly audited payroll issues.

Chapter 1: The Annual Payroll Compliance Calendar

Most payroll compliance failures are timing failures, not knowledge failures. Keeping the key dates in one place removes most of the risk.

- **January.** W-2s and 1099-NECs due to recipients by January 31. Form 940 (FUTA) due January 31.
- **April.** Form 941 due April 30 for Q1. Q1 estimated tax deadline April 15.
- **June.** Q2 estimated tax deadline June 15.
- **July.** Form 941 due July 31 for Q2.
- **September.** Q3 estimated tax deadline September 15.
- **October.** Form 941 due October 31 for Q3.
- **December.** Year-end payroll review: confirm bonuses, benefits, and final pay runs are recorded correctly before December 31.
- **Ongoing, every pay period.** Federal deposit deadlines apply based on your assigned schedule (monthly or semi-weekly), regardless of the quarterly and annual dates above.

Chapter 2: Multi-State Payroll, What Changes When You Hire Across State Lines

Hiring your first remote employee in a new state is one of the most common ways businesses accidentally fall out of compliance. The moment an employee works from a state where you have no existing payroll presence, you typically need to register for state withholding and unemployment insurance in that state, understand that state's specific new hire reporting process, and confirm whether local, city, or county taxes apply in addition to state-level obligations.

None of this is complicated in isolation, but it is easy to miss entirely if no one is specifically checking for it every time a new hire's work location differs from your existing footprint.

Chapter 3: A Simple Worker Classification Framework

Ask these questions in order. The more "yes" answers, the stronger the case for employee status rather than contractor status.

- Do you control how, when, and where the work is done, not just the outcome?
- Do you provide the tools, equipment, or systems used to do the work?
- Is the relationship ongoing and indefinite rather than tied to a single project?

- Does this person work exclusively or primarily for your business?
- Would this role typically be considered a core, ongoing function of your business rather than a specialist outside service?

Chapter 4: Red Flags Checklist

The following patterns are among the most commonly cited triggers in payroll-related audits and enforcement actions.

- A worker who looks and functions like an employee but is paid as a 1099 contractor
- An S-Corp shareholder taking distributions without a reasonable W-2 salary first
- Payroll tax deposits made consistently late, even by a few days
- New state hires without a corresponding state payroll registration
- W-2s issued with figures that do not reconcile to quarterly 941 filings for the year

Collar Assist manages the full payroll cycle, including multi-state registration, classification review, and every filing on this calendar, with every submission reviewed by a qualified professional first. A free assessment will tell you exactly where your current setup stands against this handbook.