PAYROLL **ACCOUNTING**

6

Periodic and Year-End Payroll Reporting

LABYRINTH LEARNING®

Learning Objectives

- Record payroll journal entries
- Complete quarterly Form 941
- Complete year-end Form 940
- Complete year-end Form W-2
- Complete year-end Form W-3

Accounting for Payroll (Periodic)

- When payroll and tax liabilities are actually paid, another journal entry is made to account for them.
- Certain withholding and taxes are paid monthly or semiweekly.

PAYROLL TAX PAYMENT DATES BY DEPOSITOR TYPE	
Type of Depositor	**Payment Dates**
Monthly	15th of the following month
Semiweekly (pay date Wed–Fri)	Following Wednesday
Semiweekly (pay date Sat–Tues)	Following Friday

Accounting for Payroll (Periodic) (cont.)

- The lookback period is reviewed to determine the payment increment.
- The amount of reported taxes during the lookback period is used to determine the type of depositor.
- A journal entry for a tax payment lists:
  - A debit to the Tax Payable (liability) account
  - A credit to the Cash account

Submitting Unemployment Tax Payments

- These are usually remitted on a quarterly basis.

FUTA TAX PAYMENT SCHEDULE	
Quarter	**Payment Date**
Q1 (Jan–Mar)	April 30
Q2 (Apr–Jun)	July 31
Q3 (Jul–Sept)	October 31
Q4 (Oct–Dec)	January 31

- The employer may delay payment based on the amount of tax owed.
- SUTA is included in the journal entry if it is paid at the same time as FUTA.

Voluntary Withholding Payments

- Payment intervals differ based on the deduction.
- The journal entry when the payment is made lists:
  - A debit to a Payable account
  - A credit to the Cash account

10/1	Charitable Contribution Payable	XXXXX	
	Cash		XXXXX
	Payment of Withheld Charitable Contributions		

Form 941 (Employer's Quarterly Federal Tax Return)

- Employers must submit this form quarterly.
- It summarizes payroll activity.
- The due dates are the same as for FUTA payments.
- Depending on the amount owed, the employer may disregard the payment schedule and submit payment with Form 941.

The Electronic Federal Tax Payment System

- The Electronic Federal Tax Payment System (EFTPS) is the simplest method for submitting federal tax payments.
- The employer must enroll to use the system.
- Payment can be remitted by phone or internet.
- Payment must be submitted by 8:00 p.m. the day before it is due.

TIP! *The EFTPS is a free service.*

Quarterly State Payroll Forms

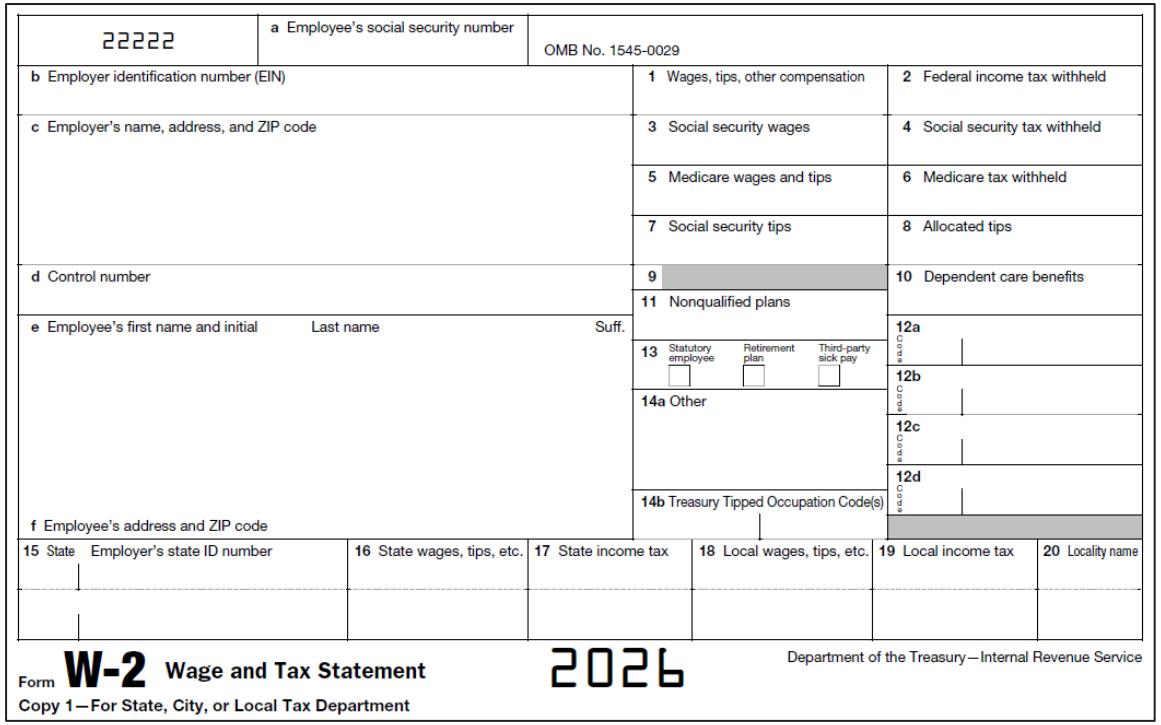
- State forms are typically submitted on a quarterly basis.
- They summarize the employer’s payroll activity.
- The summarized taxes must be deposited periodically.

Form 940 (Employer's Annual Federal Unemployment Tax Return)

- If the amount of tax owed doesn't require quarterly submittal, FUTA tax may be remitted at the end of the year on Form 940.
- The form must be submitted by January 31, with payment, or by February 10 if no payment is required.
- FUTA tax must be calculated on Schedule A in some circumstances.
  - The Schedule A total is transferred to Form 940.

Form W-2 (Wage and Tax Statement)

- This form provides annual earnings information.
- It must be provided to every employee by January 31.
- Employees receive Copy B, Copy C, and Copy 2.
- The Social Security Administration receives Copy A by January 31.



22222 | a Employee's social security number | OMB No. 1545-0029

b Employer identification number (EIN) | 1 Wages, tips, other compensation | 2 Federal income tax withheld

c Employer's name, address, and ZIP code | 3 Social security wages | 4 Social security tax withheld

5 Medicare wages and tips | 6 Medicare tax withheld

7 Social security tips | 8 Allocated tips

d Control number | 9 | 10 Dependent care benefits

11 Nonqualified plans

e Employee's first name and initial | Last name | Suff. | 13 Statutory employee | Retirement plan | Third-party sick pay | 12a | 12b | 12c | 12d

14a Other

14b Treasury Tipped Occupation Code(s)

f Employee's address and ZIP code

15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement 2026 Department of the Treasury—Internal Revenue Service

Copy 1—For State, City, or Local Tax Department

Form W-3 (Transmittal of Wage and Tax Statements)

- This informational form must be submitted to the Social Security Administration at the same time as the W-2 Forms.
- It summarizes all information found in the W-2 Forms.
- The W-2 and W-3 totals must agree.
- The due dates are the same as for the W-2 Forms.