



Agricultural Employer Checklist

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Section I – EMPLOYERS PREPARE TO HIRE AGRICULTURAL EMPLOYEES

- ❑ **Get FEIN (Federal Employer Identification Number)**
 - Fill out form SS-4; this form assigns a 9 digit FEIN to the employer
 - IRS will send you the required preprinted deposit slips to begin making Social Security and Federal Tax Withholding deposits through your local bank
 - Call IRS, 1-800-TAX-FORM or 1-800-829-1040 or <http://www.irs.gov/>
- ❑ **Form UC 518 (Registration for Michigan Taxes)**
 - This form registers you to withhold State income tax from employees' wages and the State will send you the forms for making State tax deposits
 - 1-800-367-6263 or <http://www.michigan.gov/treasury>
- ❑ **I-9 Form (Employment Eligibility and Identity Verification): *Employer is required to keep on file***
 - Requires proof of identity and eligibility for work in the U.S. of each prospective employee
 - Get form and instructions from U.S. Citizenship and Immigration Services, <http://www.uscis.gov/> or 1-800-375-5283 (National Call Center)
- ❑ **W-4 and MI-W4, both Federal and Michigan (Employee's Withholding Exemption Form):**
Employer is required to keep on file
 - Establishes employee's name, address, SS#, marital status and number of exemptions
 - IRS, 1-800-TAX FORM or 1-800-829-1040
 - Federal W-4: <http://www.irs.gov/>; State MI-W4: <http://www.michigan.gov/treasury>
- ❑ **Michigan "New Hire" Report**
 - Complete and send within 20 days of hiring or rehiring an employee
 - Get forms, 1-800-524-9846 or <http://www.newhire-usa.com/mi/>
- ❑ **Workers Compensation Insurance**
 - Covers work related injuries and illness; purchase coverage from a private insurer
 - Michigan Bureau of Workers' and Unemployment Compensation
<http://www.michigan.gov/wca/> or 1-888-396-5041
- ❑ **Display Posters**
 - Required posters must be prominently displayed in employees' language(s)
 - Order poster package from Michigan Farm Bureau, 1-800-292-2680 Ext. 2311

Section II - AFTER HIRING AGRICULTURAL EMPLOYEES, EMPLOYERS MUST

- ❑ Pay at least Minimum Wage (\$5.15/hour; subject to change): few exceptions
- ❑ **Withhold** 6.2% (Social Security, OASDI) and 1.45% (Medicare) from each employee's gross paycheck
Total 7.65% (see exceptions in Circular A, Publication 51 and Circular E, Publication 15)
- ❑ **Withhold Federal Income Tax (FITW)** using tax table in Circular E, Publication 15
- ❑ **Deposit** employee's share of Social Security and Medicare withheld plus matching employer's contribution (Total 15.3%) to local depositor bank with coupon book sent to you by IRS, include the employee's share of Federal tax withheld in the deposit amount and check the 943 box; deposits can also be made electronically (EFTPS) after obtaining a PIN number from the IRS
- ❑ **Withhold State Income Tax** from employee's wages according to tax guide P.A. 281 (see references)
- ❑ **Deposit State taxes** withheld from employees' wages to the State of Michigan using the State deposit coupon book provided to you after completing Form UC 518

Section III - EMPLOYER MUST PROVIDE TO EMPLOYEE

- ❑ Detailed **statement of earnings** with paycheck which must include: Employee's name, address, hours worked, pay basis, pay period dates, current and cumulative earnings and withholdings, deductions and purpose, piece rate units and hours, employer's name, address and FEIN
- ❑ Employee must sign **agreement for any deductions** other than required by tax or court mandates
- ❑ Employee's copies of annual **W-2** wage statement by January 31 of the following year

Section IV - EMPLOYER MUST COMPLETE ANNUALLY

- ❑ **W-3** – Summation of all W-2 forms with all Copy A of W-2 forms to SSA by 2/28
- ❑ **IRS Form 943** – Summarizing all agricultural wages and Federal/SS deposits, due by 1/31
- ❑ Annual State (Sales, Use, & Withholding) Form due with all Copy I of W2s by 2/28

Section V – OTHER POTENTIAL LABOR REGULATIONS

- ❑ **State and Federal Unemployment:** Required if gross payroll in agricultural business exceeds \$20,000 in a calendar quarter, or if 10 or more workers during any 20 weeks in a calendar year
 - Must complete Form UC 518 to get unemployment authorization number
 - Submit Forms UIC 1017 and UIC 1020 quarterly
 - 1-800-638-3994 or <http://www.michigan.gov/uia/>
- ❑ **Migrant and Seasonal Agricultural Worker Protection Act (MSPA)**
 - Anyone who resides away from permanent residence and those working seasonally in agriculture
 - Small business exemption and if owner and/or immediate family perform all regulated functions
 - Also regulates crew leaders and farm labor contractors
 - Subject to additional regulations
 - <http://www.dol.gov/esa/whd/mspa/index.htm>
- ❑ **Labor and Economic Growth**, State and Federal laws and regulations
 - OSHA/MIOSHA safety requirements and inspections
 - Youth employment restrictions
 - Medical, disability and termination restrictions
 - <http://www.michigan.gov/cis>
- ❑ **Michigan Department of Agriculture**
 - Pesticides and Plant Pest Management Division: Worker Protection Standards, certification
 - <http://www.michigan.gov/mda>

Section VI - REFERENCES

Every farm operation that employs workers should keep a current copy of the following publications

Available through IRS, 1-800-829-3676 or <http://www.irs.gov/>

- IRS Publication 51 – Circular A, Agricultural Employer's Tax Guide
- IRS Publication 15 – Circular E, Federal Tax Withholding Contribution Rate Schedule
- IRS Publication 225 – Farmer's Tax Guide
- PA 281 Michigan Income Tax Withholding Guide, 517-373-3190 or <http://www.michigan.gov/treasury>

Other References and Contacts

- Michigan Farm Bureau - RCAP Manual (Regulatory Compliance Assistance Program)
Craig Anderson, 1-800-292-2680 Extension 2311 or <http://www.michiganfarmbureau.com/>
- Michigan Migrant and Seasonal Farm Worker Program, <http://www.michaglabor.org/>
- Social Security Administration, 1-800-772-6270 or <http://www.ssa.gov/employer>
- U.S. Dept. of Labor, Employment Standards Administration, Wage and Hour Division,
1-866-4-USA-DOL or <http://www.dol.gov/dol/esa/whd/> or 517-322-1825 in Lansing

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