**Connecticut Payroll Taxes**

**CT State Income Tax Withholding**

<https://portal.ct.gov/DRS/Withholding-Taxes/Withholding-Employer-Information>

**Who Must Withhold CT State Income Taxes**

An employer that pays wages or other compensation to employees for services performed within CT State is required to register for withholding tax with the CT Department of Revenue Services. Visit the myconneCT website at <https://portal.ct.gov/DRS-myconneCT> to register your business for withholding tax.

You are required to withhold Connecticut income tax from employee wages at the time wages are paid and are required to remit the Connecticut income tax withholding to DRS according to your remitter classification. Each calendar year DRS will classify you either as a weekly remitter, monthly remitter, or quarterly remitter. Most new employers will be classified as quarterly remitters.

Once you are registered for Connecticut income tax withholding, you must file Form CT‑941 *Quarterly Reconciliation* every quarter, even if no tax is due or has been withheld.

Due dates are:

First Quarter ..............................April 30

Second Quarter ..........................July 31

Third Quarter .............................October 31

Fourth Quarter ...........................January 31

You must file all withholding forms and remit all income tax withholding payments electronically.

On or before January 31 of the following calendar year, you must give your employee a federal Form W-2, Wage and Tax Statement, showing the correct amount of Connecticut wages you paid during the calendar year and the correct amount of Connecticut income tax you withheld from wages during the calendar year. The Department recommends filing your W‑2 information and Form CT-W3 for free using your myconneCT portal.

**CT W-4 Requirements**

You must obtain a completed copy of Form CT-W4, *Employee’s Withholding Certificate*, from each new employee when hired. Current forms may be found at <https://portal.ct.gov/DRS/DRS-Forms/Current-Year-Forms/Withholding-Forms>.

**CT State Unemployment Insurance**

In general, workers are covered by the unemployment law of the state in which the work is performed. Employers may register for unemployment taxes with the Connecticut Department of Labor via ReEmployCT, Connecticut's Tax and Wage Reporting System website: <https://reemploycttax.dol.ct.gov/accessct/faces/login/login_local.xhtml>.

Government agencies are given the option of paying unemployment taxes on the wages of covered employees, or reimbursing the Unemployment Compensation Fund for the amount of benefits paid to former employees.

By state statute, employers must file and pay their UI tax and wage returns via electronic means unless granted a waiver. This includes both taxable employers who file the Employer Contribution Return and Employee Quarterly Earnings Report (Forms UC-2 / UC-5A) and reimbursable employers who file the Employer Wage and Research Information Report and Employee Quarterly Earnings Report (Forms UC-2R / UC-5R).

Quarterly tax return due dates are as follows:

* 1st Quarter returns and payments due on or before 4/30
* 2nd Quarter returns and payments due on or before 7/31
* 3rd Quarter returns and payments due on or before 10/31
* 4th Quarter returns and payments due on or before 1/31

CT has adopted the Interstate Reciprocal Coverage Arrangement for unemployment insurance. Under this arrangement, if an employee works in more than one state, an employer may elect to cover all the services of such a worker in any state in which: (1) any part of the worker's service is performed, (2) the worker has his or her residence, or (3) the employer maintains a place of business. The agreement should be initiated through the state where the employer wants to report the payroll. A Washington employer may request to elect reciprocal coverage with another state by following the filing process outlined by Washington Administrative Code 192-300-150: <https://app.leg.wa.gov/wac/default.aspx?cite=192-300-150>.

**CT State Workers’ Compensation**

All Connecticut businesses with employees are required to carry workers compensation insurance to protect their employees. As an employer in the state of Connecticut, you must secure workers’ compensation coverage as soon as you have one or more part-time or full-time employees. You may purchase workers’ compensation insurance through a licensed commercial carrier or through the Connecticut Insurance Department.

Washington State Department of Enterprise Services (DES) administers a Workers' Compensation Insurance program for state workers. If your employee works outside of Washington in a single other state for more than 30 days (240 hours) per year, **your agency must work with DES** to insure your out-of-state employee. For more information, contact Kimberly Haggard kimberly.haggard@des.wa.gov at DES Risk Management.

**CT State Paid Family / Medical Leave**

CT Paid Leave is the state's Paid Family and Medical Leave Insurance (PFMLI) program. Per the CT Paid Leave Authority, most Connecticut employers with one or more employees are covered employers under the CT Paid Leave Program and their employees must participate in the CTPL program. Exceptions to this rule include unionized employees of the State of Connecticut, as well as employees of the federal government, municipalities, local or regional boards of education, and non-public elementary or secondary schools. **Also excluded from coverage are** railroad workers under the Amtrak Act, **individuals who are employed by government of another state**, a sovereign nation (including tribes), and individuals who are excused from paying state taxes pursuant to federal law, such as some military spouses and some individuals who work in interstate commerce. Employees of municipalities and boards of education may collectively bargain to be included in the Paid Leave Program. In addition, sole proprietors and self-employed individuals are able to opt-in to the program as individuals, but must remain enrolled for a minimum of 3 years. **Therefore, a WA State Community College will not be a covered employer based on the exclusions above.**

**Helpful resources for Connecticut**

CT DOR withholding tables, publications, and forms: <https://portal.ct.gov/DRS/DRS-Forms/Current-Year-Forms/Withholding-Forms>

CT DOL Unemployment Insurance Benefits Division Employer Wage & Tax Info website: <https://portal.ct.gov/dol/Divisions/Unemployment-Insurance-Benefits?language=en_US>

ReEmployCT Employer User Guide: <https://portal.ct.gov/-/media/DOLUI/_Reimbursable-and-Contributory-Employer-User-Guide_Tax-Edits-Final_-09122023.pptx>

CT Workers’ Compensation Commission website: <https://portal.ct.gov/wcc>

CT Paid Leave For Businesses and Employers website: <https://www.ctpaidleave.org/For-Businesses-and-Employers?language=en_US>