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 www.irs.gov

- **Form 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
  - 517-373-0888 or 1-800-FORM-2ME or www.michigan.gov/treasury

- **I-9 Form (Employment Eligibility and Identity Verification):**
  - Employer is required to keep on file
  - Get form and instructions from Bureau of Citizenship and Immigration Services (BCIS), www.immigrantion.gov, National Call Center 1-800-375-5283

- **W-4 and MI-W4 BOTH Federal and Michigan (Employee’s Withholding Exemption Form):**
  - Establishes employee’s name, address, SS#, marital status and number of exemptions
  - IRS, 1-800-TAX-FORM or 1-800-829-1040 or your local MSU Extension Office

- **Michigan “New Hire” Report**
  - Complete and send within 20 days of hiring or rehiring an employee
  - Get forms, 1-800-524-9846 or www.new-hires.com/MI

- **Workers Compensation Insurance**
  - Covers work related injuries and illness
  - Purchase coverage from a private insurer
  - Michigan Bureau of Workers’ and Unemployment Compensation: www.michigan.gov/bwuc

- **Display Posters**
  - Required posters must be prominently displayed in employees’ language
  - 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): 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 from IRS, include the employee’s share of Federal tax withheld in the deposit amount and check the 943 box
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 518

Section III - EMPLOYER MUST PROVIDE TO EMPLOYEE

Detailed statement of earnings with paycheck which must include: Employee’s name, address, SS#, 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 518 to get unemployment authorization number
  • Submit Forms UA 1017 and UA 1020 quarterly
  • 1-800-638-3994 or www.michigan.gov/bwuc
Migrant and Seasonal Agricultural Worker Protection Act (MSAWPA)
  • Anyone who resides “away from home” and those working “part time” in agriculture
  • Also regulates crew leaders and farm labor contractors
  • Subject to additional regulations
Consumer and Industry Services (CIS), State and Federal laws and regulations, 517-373-1820
  • OSHA/MIOSHA safety requirements and inspections
  • Pesticides and hazardous materials (See EPA worker protection standards)
  • Youth employment restrictions
  • Medical, disability and termination restrictions

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 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

Other References and Contacts
  • Michigan Farm Bureau - RCAP Manual (Regulatory Compliance Assistance Program)
    Craig Anderson, 1-800-292-2680, www.michiganfarmbureau.com
  • Migrant and Seasonal Farm Worker Program, www.michaglabor.org
  • Social Security Administration, 1-800-772-6270 or www.ssa.gov/employer
  • US Dept. of Labor, Employment Standards Administration, Wage and Hour Division, 1-517-322-1825 or www.dol.gov/dol/esa/whd/

Disclaimer: This publication contains information on the laws and regulations of concern for Michigan agricultural employers. It is not an all-inclusive listing. It does not constitute a legal document and the publishers assume no liability for actions taken based on the information provided. It is a reference for general educational use. Information is taken from reliable sources as of April 2003. It is the employer’s responsibility to keep abreast of current laws and changes.