**Delaware Payroll Taxes**

**DE State Income Tax Withholding**

Delaware Division of Revenue Employer’s Guide: <https://revenue.delaware.gov/employers-guide-withholding-regulations-employers-duties/>

**Who Must Withhold DE State Income Taxes**

An employer that pays wages or other compensation to employees for services performed within DE State is required to deduct and withhold tax. Delaware Law requires that every employer register with the Delaware Division of Revenue. Registration is accomplished by completing Delaware form *Combined Registration Application (CRA)*. Employers may complete the CRA form online via OneStop: <https://onestop.delaware.gov/>. If you are an out-of-state business that employs a Delaware resident, you may register as a withholding agent only for free on OneStop.

Withholding filing frequencies are determined using a “lookback period,” which is the fiscal year from July 1 to June 30 immediately preceding the calendar year for which the period is being determined. For instance, the lookback period for calendar year 2024 withholding is July 1, 2022 through June 30, 2023. The Division of Revenue looks at this time annually to determine how much tax you’ve reported. The amount you’ve reported determines whether you will have to remit your withholding monthly, quarterly, or eighth monthly.

*PLEASE NOTE:* Those with no prior record of withholding will file on a monthly basis until the next “lookback period”.

**(a) Monthly**

Every employer required to deduct and withhold taxes on a monthly basis shall for each calendar month on or before the 15th of the month following the end of such calendar month, file Form W-1 withholding return, and pay to the Division of Revenue, or a designated depository, the taxes so required to be deducted and withheld.

**(b) Quarterly**

Every employer required to deduct and withhold taxes on a quarterly basis shall for each quarter on or before the last day of the month following the end of such calendar quarter, file Form W-1Q withholding return, and pay to the Division of Revenue, or to a designated depository, the taxes so required to be deducted and withheld.

**(c) Eighth Monthly**

Every employer required to deduct and withhold taxes on an eighth monthly basis shall file Form W-1A withholding return, and pay to the Division of Revenue, or to a designated depository, the taxes so required to be deducted and withheld within 3 days (exclusive of weekends and state holidays) after the appropriate tax period end. Each month is divided into eight payment periods that end on the 3rd, 7th, 11th, 15th, 19th, 22nd, 25th, and the last day of the month.

Beginning January 1, 2000, eighth monthly filers are no longer required to file quarterly reconciliation returns. An annual reconciliation must be filed.

If any date shown above falls on a Saturday, Sunday or State Holiday, payment is due on the next regular working day.

Withholding is reported in the month the payroll is completed. Incomplete payrolls at the month’s end will be included in the month the pay period ends. For example: If the weekly pay period ends April 30, it is to be included in the April withholding report. However, if the pay period ends May 1, it should be included in the May report.

Employers may file or pay Withholding Tax online using the Delaware Taxpayer Online Portal at <https://tax.delaware.gov/>.

All employers are required to submit an Annual Reconciliation/Transmittal of Income Tax Withheld each year. The annual form, accompanied by copies of Forms W-2, is due on or before the last day of January of the following year or on or before the 30th day from the date on which the last payment of wages was made.

**DE W-4 Requirements**

Obtain from each employee a signed withholding Delaware form DE-W4, *Employee’s Withholding Allowance Certificate*, at the time of employment. Form DE-W4 may be downloaded from the following website: <https://revenue.delaware.gov/frequently-asked-questions/delaware-w-4-employees-withholding-allowance-certificate/>.

**DE State Unemployment Insurance**

In general, workers are covered by the unemployment law of the state in which the work is performed.

You can open an unemployment insurance employer account by filing a Form UC-1 *Report to Determine Liability and if Liable Application for Employer Account Number*. Employers should submit a Form UC-1 no later than 20 days after the first day of business. This single registration form covers obligations to seven State agencies. The employer only completes sections that apply to his/her business. To request a registration form, call the Unemployment Insurance Employer Contributions Unit (302) 761-8484 or download the form from this web site: <https://labor.delaware.gov/divisions/unemployment-insurance/forms/>.

Not-for-profit organizations classified under Section 501(c)(3) and exempt from income tax under Section 501(a) of the Internal Revenue Code, and state and local government entities and subdivisions may elect to finance their UI costs by reimbursing the state dollar for dollar for benefits charged against their accounts, in lieu of paying quarterly UI taxes. Not-for-profit organizations are required to post a bond of a specific dollar amount. Questions concerning not-for-profit status and/or requirements may be directed to the Unemployment Insurance Employer Contributions Unit at (302) 761-8484.

Please be advised that all Washington State Community and Technical Colleges have selected the Reimbursable method for Washington unemployment insurance. Whenever possible, it is recommended as a best practice for colleges to adopt the same approach for their non-Washington state unemployment insurance method.

Delaware employers are required to report the amount of total gross wages paid each quarter on Forms UC-8 and UC-8A. Employers must also calculate and report the amount of total taxable wages. You are required to report your payroll and pay unemployment insurance taxes four times a year, January – March, April – June, July – September, and October - December (Quarterly). You have one month following each quarter to file reports and pay the tax. Quarterly report forms must be completed and filed on or before the last day of the month following the appropriate calendar quarter, i.e., April 30, July 31, October 31, and January 31. A report must be submitted even if no wages were paid during the calendar quarter. There is an online portal available to file reports and make payments electronically. You may register for the portal at <https://oes.delawareworks.com>.

The Blue Collar Jobs Act of 1984 created a bi-annual tax for the purpose of providing training programs. Employers will be billed by June 30 and December 31 of each year. Payment is due by July 31 and January 31 of each year.

DE 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>.

**DE State Workers’ Compensation**

Employers with one or more employees are required to carry workers’ compensation insurance. Employers may not charge an employee any portion of the premium or expense of carrying workers’ compensation insurance.

Washington State Department of Enterprise Services (DES) administers a [Workers' Compensation Insurance program](https://des.wa.gov/sites/default/files/2023-08/Out-Of-State-Workers-Compensation-FAQs.pdf) 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.

**DE State Paid Family / Medical Leave**

Delaware’s paid family and medical leave program goes into full effect January 1, 2026. All

employers with 10 or more Delaware-based employees are required to participate in Delaware Paid Leave. However, if you have fewer than 10 such employees, you are not required to participate in the program and do not need to register.

Eligible employers can set up an account through Delaware LaborFirst:

<https://my.delaware.gov/app/bookmark/0oas9waptcZJWwXiP297/login>. Once registered, required employers are automatically enrolled, while smaller employers can voluntarily join and larger employers may request to use a private plan.

Employers who share the cost of the plan with their employees began deducting employee contributions from their employees’ paychecks on January 1, 2025. Employers’ quarterly contributions are collected retroactively, 30 days after each quarter ends, on the same schedule as Delaware Department of Labor Division of Unemployment Insurance. Employers’ first Hour & Wage Reports and contribution payments are due to the Division of Paid Leave on April 30, 2025.

Employers can email PFML@Delaware.gov, telephone 302-761-8375, or visit the Delaware Paid Leave website at <de.gov/paidleave> for more information.

Washington Paid Family & Medical Leave (PFML) and Washington Cares benefits are not available to employees who are physically working in Delaware. If agencies have WA PFML or WA Cares policy questions they may email Washington Employment Security Department at esddlpfmlpolicy@esd.wa.gov.

**Helpful resources for Delaware**

Delaware Withholding Tax FAQs website: <https://revenue.delaware.gov/frequently-asked-questions/withholding-tax-faqs/>

Delaware OneStop FAQs website: <https://onestop.delaware.gov/Help_FAQ>

Delaware W-2 and 1099 Form FAQs website: <https://revenue.delaware.gov/frequently-asked-questions/w-2-and-1099-form-faqs/>

Delaware Unemployment Insurance Employer Services website: <https://labor.delaware.gov/divisions/unemployment-insurance/employer-services/>

Delaware Unemployment Insurance Employer Handbook: <https://laborfiles.delaware.gov/main/dui/handbook/UI%20Employer%20Handbook.pdf>

Delaware Division of Unemployment Insurance Employer FAQs: <https://labor.delaware.gov/divisions/unemployment-insurance/employer-faqs/>

Delaware Unemployment Insurance Informational Videos are available online:

<http://ui.delawareworks.com/>

Delaware Paid Family and Medical Leave Insurance Program FAQs website: <https://laborfiles.delaware.gov/main/pfl/DDOL40327_Program_Overview_FAQs_v5.pdf>

Delaware Paid Family and Medical Leave Insurance Program Employer Guide: <https://laborfiles.delaware.gov/main/pfl/Employer_and_TPAs_Guide_to_DPL.pdf>

Delaware Division of Industrial Affairs (Workers’ Compensation) website: <https://labor.delaware.gov/divisions/industrial-affairs/workers-comp/>

For ctcLink vendor setup, the DE employer withholding tax mailing address is:

State of Delaware

PO Box 830

Wilmington, DE 19899

For ctcLink vendor setup, the DE unemployment insurance tax mailing address is:

Delaware Division of Unemployment Insurance

UC-8/UC-8A/Payments

PO Box 5515

Binghamton, NY 13902