

GUIDE FOR **STARTING A NEW BUSINESS IN WASHINGTON STATE**



Starting a new business is an exciting and challenging undertaking.

This guide summarizes the process for starting and maintaining a business in Washington State. We hope this information will assist you in preparing to form your new business in working with us and your accountant.

Please contact [Kevin Collette](#) at Ryan, Swanson & Cleveland for further information.



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HIRING EMPLOYEES

IRXUOEBHKUUPSORHHIRURXUEXURXPPXWERPSOHWHDXUH
SSOLEDWORWRUHWUWKWKHKOWRHSOWPHWRIDERUDG,GXWUHDG
WKHKOWR(PSORPHWGHFXUWHSOWPHWRXPPXWDORUOHOWKWKH6
WHDUDBHYHXH6HUYUEH,DGGUWRWKHUHDUHERWKWDWHDG,HGHUDDUHTXUH
UHDUGLHP SORHHSRDN URXU DGE RGLWRU

Employer Registrations

State Unemployment Insurance

you will probably be required to make unemployment insurance contributions if you have employees. Contribution rates depend on your experience as an employer, the rate paid by the previous business owner or the average rate for your industry. You cannot charge any part of the tax to your employees.

State Industrial Insurance

Most all employers in Washington are required to carry industrial insurance for each employee. This cooperative provides dual protection as a business owner you are protected from lawsuits due to job-related injuries or illnesses and your employee gains compensation if an injury or occupational illness occurs and time is lost from work. An account for industrial insurance is opened by completing the business application. The type of business described on your application will be used by the department of Labor and Industries to assign risk classifications and premiums.



HIRING EMPLOYEES (cont.)

Self-Insurance

The self-insurance program is an alternative industrial insurance option designed for large employers. These employers must meet minimum financial requirements, demonstrate the ability to make prompt payment of all benefits and assessments under the industrial insurance law, and maintain an active safety program with a record of accident prevention.

Exemptions to Industrial Insurance Coverage

Certain types of employment are excluded from mandatory coverage, but you may obtain coverage if you wish. The following are examples of employment where industrial insurance coverage is optional: sole proprietors or partners of a business; managers or members of an LLC who are both a member (i.e., owner) and a manager; members of an LLC with members only (no managers); up to eight bona fide corporate officers of a non-public corporation (such officers must be shareholders and exercise substantial control in the daily management of the corporation); and employees whose industrial insurance benefits are provided by another government plan.

Federal Employer Identification Number

If you are an employer, you must obtain a Federal Employer Identification Number (FEIN) from the U.S. Internal Revenue Service.



SEEKING ASSISTANCE

Starting and maintaining a new business in Washington State will be an exciting and challenging endeavor. Consulting with financial, accounting/tax, business, and legal professionals will help you avoid future problems and anticipate key steps as your business grows.

For more information, please contact Kevin J. Collette at **206-654-2252** or collette@ryanlaw.com.

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