

PAYROLL *briefs*

DELIVERING BUSINESS INSIGHTS

How to Comply With Payroll Record-Keeping Requirements

Payroll record keeping is important for every business, regardless of its employee size. But with all the forms, documents and regulatory agencies' requirements, it can quickly become overwhelming for most employers. Unfortunately, to avoid regulatory and legal scrutiny, it must be made a priority.

Federal Requirements

First and foremost, it's imperative an employer comply with the federal Fair Labor Standards Act (FLSA) to demonstrate it follows laws relating to minimum wage, overtime, equal pay and child labor.

Remaining compliant with FLSA record-keeping requirements is quite simple if you know what information is required and for how long you need to keep it. Outlined below is a listing of the basic records every employer needs to maintain:

- The employee's full name and Social Security number
- The employee's address, sex and occupation
- The employee's birthdate if under the age of 19
- Total hours worked each day and week
- The basis on which an employee's wages are paid and the amount (i.e., hourly, weekly.)
- The employee's regular hourly pay rate
- Total daily or weekly straight-time earnings
- Total overtime earnings for the workweek
- Additions or deductions from the employee's wages
- Total wages paid each pay period
- Date of payment and the pay period covered by the payment

Employers are required to keep these records in a safe and accessible location. But, for how long? Payroll records, along with collective bargaining agreements, and sales and purchase records, must be kept for three years, while other wage computation records, such as time cards, only need to be retained for two years.

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Service Offerings

- Payroll Processing
- Payroll Tax Filing & Compliance
- Time and Attendance Solutions
- Direct Deposit of Pay
- Employee Self Service (🍏 / 🤖)
- Wage Garnishment Compliance
- Report Writer (Payroll Control™)
- 401(k) 360 Data Interchange
- ACA / W-2 Compliance
- Applicant Tracking
- Onboarding
- Human Capital Management
- Benefit Administration Solutions
- General Ledger EDI
- Workers' Comp Audit Report
- Time Off Accruals

Don't Forget...

Daily payroll cut-off
time is 3:00pm EST



(248) 244-3293
Customer Service
8:30am-5:00pm EST M-F



(248) 244-3271



cs3293@dmpayroll.com

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It's important to note, employers must also keep records for staff who have been terminated. In the event of an audit or a dispute, all of these records must be made available to U.S. Department of Labor (DOL) representatives within 72 hours of a request. Keeping them in an organized fashion will make this process much easier when they come knocking on your door.

Also, don't forget to keep your employment tax records. The IRS requires employers to keep records relating to payroll and withholding for a minimum of four years after the due date of the tax return or the date taxes were paid, whichever is later. However, the time period can extend to seven years or a lifetime if you fall into one of the special circumstances detailed by the IRS.

State Requirements

State laws may differ from federal record-keeping requirements. For example, the State of Michigan requires similar information set by FLSA, but it also requires an itemized listing of fringe benefits and requires all records to be maintained for three years.

Multistate or national employers should make sure to check with the appropriate state authorities for guidance on their specific requirements.

Keeping Records Organized

Keeping all of these records can become cumbersome. Yet, with the right payroll software, most of them can be easily accessed online with a couple clicks of a mouse. Count on DM Payroll Services to help you remain compliant with your payroll record-keeping requirements through our online portal.

Sources: Department of Labor, State of Michigan, IRS

bank holidays to note

- **New Year's Day (DMPS Closed)**
Tuesday, January 1
- **Martin Luther King Jr. Day**
Monday, January 21
- **Presidents Day**
Monday, February 18
- **Memorial Day**
Monday, May 27
- **Independence Day**
Thursday, July 4
- **Labor Day**
Monday, September 2
- **Columbus Day**
Monday, October 14
- **Veterans Day**
Monday, November 11
- **Thanksgiving Day**
Thursday, November 28
- **Christmas Day**
Wednesday, December 25

employee benefit plan limits increase for 2019

