PAYROLL briefs

DELIVERING BUSINESS INSIGHTS

Leveraging Direct Deposit to Your Advantage

In today's technology-driven environment, it is no surprise that more than 95 percent of U.S. employees receive their paycheck via direct deposits, according to the American Payroll Association. Given the numbers, if you are not paying your employees via direct deposit, you have to ask yourself why.

Sure, you may have some lingering employees that still would prefer a physical check, but why should you let the minority drive your business decisions.

Did you know that depending on the state, you can mandate, and even make it a condition of employment, that employees receive their wages electronically given you meet each states' requirements? For example, Michigan allows employers to require all classification of employees living within the state to receive wages electronically, as long as they are provided with an option of receiving it via direct deposit or paycard, along with meeting some other general requirements.

Given Federal law does not mandate pay stubs for workers, depending on the state, you may also not be required to issue a pay stub. Yet, the Fair Labor Standards Act still requires employers to keep accurate records of employees' wages and hours worked, and be able to provide the records should they be requested. Leveraging a payroll software that allows a self-service site with 24/7 availability, like DM Payroll Services' MyInfo website or mobile app, can help meet this requirement.

Wondering what states will allow you to mandate direct deposit? Check out this interactive state-by-state map that details out direct deposit compliance laws for you. When in doubt, always consult with DM Payroll Services or your legal counsel.

The Benefits of Using Direct Deposit

Employers and employees alike, have several advantages to using direct deposit payroll methods. Check out what they are below.

Employer Benefits

- Cost savings: According to SOLE Financial, companies can save $3.15 per payment when they ditch paper checks.
- Provides a greater level of control over payroll expenses and cuts down on manual labor time of human resources or payroll staff.

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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- Automates the process by using a third-party payroll provider to streamline the process of data collection, recording and reporting.

- Eliminates risks related to human errors, fraud and stolen checks.

- Ensures timely payment of paychecks, even when employees are not in the office.

- Offers employees a secure option for receiving wages.

- Encourages an environmentally friendly footprint.

- Excludes the need to perform bank reconciliations related to payroll.

Employee Benefits

- Saves time not having to go to cash a check.

- Provides access to funds within a few hours of payroll being deposited.

- Paychecks can be allocated into multiple accounts to help encourage financial wellness for day-to-day checking expenses, as well as savings' initiatives.

- It is a more reliable and safe option.

- Guarantees that they will be paid on time.

- No possibility of losing a check or it being stolen.

- Many banks offer free checking services to employees who will be paid via direct deposit.

If you want to explore your direct deposit options, contact DM Payroll Services today. We have a seamless, secure software to help digitalize your payroll process.

First Minimum Wage Increase Around the Corner for Michigan

Effective March 29, 2019 Michigan's minimum wage will get its first boost in a series of increases through 2030. Employers will need to begin paying $9.45 per hour for regular employees and $3.60 per hour for tipped employees on this date.

Don't worry, DM Payroll Services will help you make sure you are in compliance with the new wage requirements. We will perform error checks once you submit your payroll, and inform you of any employees that don't meet the new minimum wage, so adjustments can be made appropriately before running the payroll.

Explore the other states that will also see minimum wage increases this year.

bank holidays to note
Presidents Day - Monday, February 18

Paid Sick Leave Changes: The Who, What and When

Senate Bill 1175 requires Michigan employers with 50 or more employees to provide paid sick leave to many full-time employees starting on March 29, 2019. Check out the who, what and when details behind the changes.

Who Is Eligible
Private sector employees that work 25 or more hours per week. Exempt, seasonal and variable-hour employees are not included in the new requirements.

What Is Required
Employers are required to offer up to 40 hours of sick time which is accrued at 1 hour of paid sick leave for every 35 hours for those affected employees.

When It's Effective
The new legislation allows employees to accrue sick leave effective March 29, 2019 or upon their hire date, whichever is later. However, new employees may be required to wait 90 days before using accrued sick leave.

DM Payroll Services' software has an integrated mechanism to handle accruing for vacation, sick and personal time off. With the ability to create accrual rules, you can easily make the modifications needed for this new rule and have access to a real-time tracking system. Contact us today for additional information on this feature.

For more information, or to learn additional exceptions, please reference the signed bill.

Through Payroll Briefs, Data Management Payroll Services provides its clients with general information on legal developments related to payroll administration. If such developments appear relevant to your specific situation, you should discuss them with your professional advisor before taking any action.