



# Newsletter

from

# Payroll Advantage, Inc.

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## CALENDER REMINDERS:

September 30: End of the Quarter

October 31: Quarterly Reports Due

## FUN FACT:

72% of participants in the study said that outsourcing payroll reduced the actual dollar amount of tax penalties paid to various government agencies.

Study by Empagio Human Resources Outsourcing, September 2006

## WANT MORE INFO?

contact us at:

[contact@payrolladvantageinc.com](mailto:contact@payrolladvantageinc.com)

Or toll free:

1-877-572-1040

*Ben Says:*  
*"An investment in knowledge pays the best interest."*



## PAYROLL RECORD KEEPING

**What Records Are Required?** The Federal Government requires no particular forms for your payroll records, but does require that the records include certain identifying information about the employee and data about the hours worked and the wages earned. The law requires this information to be accurate. The following is a listing of the basic records that an employer must maintain:

- ✚ Employee's full name, address, zip code, and social security number. (W-4 & State-4)
- ✚ Birth date, if younger than 19.
- ✚ Sex and occupation.
- ✚ Time and day of week when employee's workweek begins.
- ✚ Hours worked each day.
- ✚ Total hours worked each workweek.
- ✚ Basis on which employee's wages are paid (e.g., "\$9 per hour", "\$440 a week", "piecework")
- ✚ Total daily or weekly straight-time earnings and wages paid each pay period.
- ✚ Total overtime earnings for the workweek.
- ✚ All additions to or deductions from the employee's wages.
- ✚ Date of payment and the pay period covered by the payment.
- ✚ Eligibility to work in the US. (I-9)

**What About Timekeeping?** Employers may use any timekeeping method they choose. Any timekeeping plan is acceptable as long as it is complete and accurate.

**How Long Should Records Be Retained?** The Department Of Labor suggests each employer preserve payroll records, collective bargaining agreements, sales and purchase records for at least three years. Records on which wage computations are based should be retained for two years, i.e., time cards and piece work tickets, wage rate tables, work and time schedules, and records of additions to or deductions from wages. These records must be open for inspection by the Division's representatives, who may ask the employer to make extensions, computations, or transcriptions.

Information gathered from: [www.dol.gov](http://www.dol.gov)

## WHY DO COMPANIES OUTSOURCE THEIR PAYROLL?

- ✚ The company suffers from inaccurate payrolls.
- ✚ Has no staff trained to process payroll.
- ✚ There has been a change in leadership.
- ✚ The company needs to trust complex financial responsibilities to specialists.
- ✚ Wants to avoid penalties and fines from the government
- ✚ Only with a payroll company can you pay workers' compensation on a per payroll basis.
- ✚ Owners can concentrate on running their business, which is what they do BEST.

Please email us if:

- You have questions you would like answered.
- There is a topic you would like to have addressed by this newsletter.
- You wish to discontinue receipt of this newsletter.

DISCLAIMER: This newsletter is designed to give the reader an overview of payroll topics and is not intended to constitute legal advice as to any particular fact or situation. In addition, laws and their interpretation change over time and the contents of this column may not reflect these changes. The reader is advised to consult competent CPA counsel as to his or her particular situation.