

### Fact-sheet – How to maintain payroll records (payment, wage slip, downtime, and overtime)



#### What is the objective?

##### **Why is it important to maintain payrolls records?**

Payroll records are documents related to paying the employees. As per local regulation, recording and archiving the payrolls is compulsory. You need to know how long to retain payroll records.



#### How to achieve the objective?

Keeping employee records accurate and up to date is essential for your business, especially considering all requirements for workers taxes. Otherwise, you will have a hard time filling out all the necessary forms and providing detail on your workers and your payroll at the end of the year.

Those documents are confidential, and their access must remain restricted.

The detailed individual records for each worker should include this basic information, most of them are collected or determined as part of the hiring process:

- Name, address, phone number, and Social Security number;
- Start date with the company;
- Work week information (e.g., start and end dates if any);
- Department or division;
- Total regular hours worked in the month;
- Total overtime hours worked in the month;
- Working days during holidays if any;
- Pay rate;
- Allowances and bonus;
- Pay period (weekly, semimonthly, or monthly);
- Whether hourly/piece rate or salaries;
- Details of deductions;
- Total wages paid each period;
- Payment dates and pay periods;
- Payment method (if payment is done by cash or if it is required by local law, the worker and management must sign the payroll record to confirm the amount and date of payment);
- Any other legal requirement (i.e.: worker's and management's signature on the payroll).



The following information should be included in the pay slip:

- Benefits information;
- Pay period;
- Payroll deductions;
- All payroll activity;
- Additions to or deductions from wages;
- Records of benefits;
- Downtown payment.

The list is not exhaustive and depending on the applicable local law some requirements may be added or removed.

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Common non-compliances

Non-compliances	Comment
The facility did not maintain all the requested information.	The management should remind to put at least all the information requested by the law in the payroll/pay slip
The facility does not have the salary records of the last twelve months.	The law required to maintain all the records for a minimum time (e.g. 2 years, 5 years or 10 years.).
The factory did not provide to the workers the pay slip on each payment period.	The facility should provide employees with a copy of the pay slip for each payment period.