



PAYROLL VERMONT, UNIQUE ASPECTS OF VERMONT PAYROLL LAW AND PRACTICE

The Vermont State Agency that oversees the collection and reporting of State income taxes deducted from payroll checks is: Department of Taxes 109 State Street Montpelier, VT 05609-1401 (802) 828-2551 <http://vermont.gov/> Vermont allows you to use the "W-4VT, Vermont Employee Withholding Allowance Certificate" form to calculate state income tax withholding or federal W4 form. Not all states allow salary reductions made under Section 125 cafeteria plans or 401(k) to be treated in the same manner as the IRS code allows. In Vermont cafeteria plans are not taxable for income tax calculation; taxable for unemployment insurance purposes. 401(k) plan deferrals are not taxable for income taxes; taxable for unemployment purposes. In Vermont supplemental wages are taxed at a 7.2% flat rate. Magnetic media reporting of W-2s is not allowed in Vermont. **The Vermont State Unemployment Insurance Agency is:** Department of Employment and Training 5 Green Mountain Dr. P.O. Box 488 Montpelier, VT 05601-0488 (802) 828-4344 (877) 214-3331 www.det.state.vt.us/ The State of Vermont taxable wage base for unemployment purposes is wages up to \$8000.00. Vermont has optional reporting of quarterly wages on magnetic media. Unemployment records must be retained in Vermont for a minimum period of six years. This information generally includes: name; social security number; dates of hire, rehire and termination; wages by period; payroll pay periods and pay dates; date and circumstances of termination. **The Vermont State Agency charged with enforcing the state wage and hour laws is:** Department of Labor and Industry Wage and Hour Division National Life Bldg., Drawer 20 Montpelier, VT 05620-3401 (802) 828-2157 <http://www.labor.vermont.gov/> The minimum wage in Vermont is \$7.00 per hour. The general provision in Vermont concerning paying overtime in a non-FLSA covered employer is one and one half times regular rate after 40-hour week. Vermont State new hire reporting requirements are that every employer must report every new hire and rehire. The employer must report the federally required elements of:

- Employee's name
- Employee's address
- Employee's social security number
- Employer's name
- Employer's address
- Employer's Federal Employer Identification Number (EIN)

This information must be reported within 20 days of the hiring or rehiring. The information can be sent as a W4 or equivalent by mail, fax or electronically. There is a \$500 penalty for conspiracy in Vermont. The Vermont new hire-reporting agency can be reached at 800-786-3214 or 802-241-2194 or on the web at <http://jobs.utah.gov/newhire/> Vermont does not allow compulsory direct deposit Vermont requires the following information on an employee's pay stub:

- Gross and Net Earnings
- straight time and overtime pay
- hours worked
- itemized deductions

Vermont requires that employee be paid no less often than weekly; biweekly or semimonthly if employer gives notice. Vermont requires that the lag time between the end of the pay period and the payment of wages to the employee not exceed six days; 13 under union contract. Vermont payroll law requires that involuntarily terminated employees must be paid their final pay within 3 working days and that voluntarily terminated employees must be paid their final pay by the next regular payday; if there is none, next Friday. There is no provision in Vermont law concerning paying deceased employees. Escheat laws in Vermont require that unclaimed wages be paid over to the state after two years. There is no provision in Vermont law concerning record retention of abandoned wage records. Vermont payroll law mandates no more than \$3.35 may be used as a tip credit. In Vermont the payroll laws covering mandatory rest or meal breaks are only that all employees be given a reasonable opportunity to eat and use toilet facilities. There is no provision in Vermont law concerning record retention of wage and hour records therefore it is probably wise to follow FLSA guidelines. **The Vermont agency charged with enforcing Child Support Orders and laws is:** Office of Child Support Agency of Human Services 103 S. Main St. Waterbury, VT 05671-1901 (800) 786-3214 www.ocs.state.vt.us/ Vermont has the following provisions for child support deductions:

- When to start Withholding? **10 days after receipt of order or next payday.**
- When to send Payment? **Within 7 days of Payday.**
- When to send Termination Notice? **Within 10 days of termination.**
- Maximum Administrative Fee? **\$5 per month.**
- Withholding Limits? **Federal Rules under CCPA.**

Please note that this article is not updated for changes that can and will happen from time to time.