

PAYROLL PENNSYLVANIA, UNIQUE ASPECTS OF PENNSYLVANIA PAYROLL LAW AND PRACTICE

The Pennsylvania State Agency that oversees the collection and reporting of State income taxes deducted from payroll checks is: Department of Revenue Bureau of Business Trust Fund Taxes Employer Tax Division Department 280904 Harrisburg, PA 17128-0904 (717) 783-1488 www.revenue.state.pa.us/ Pennsylvania does not have a state form to calculate state income tax withholding. 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 Pennsylvania cafeteria plans are not taxable for income tax calculation if used to purchase health or life insurance; taxable for unemployment insurance purposes. 401(k) plan deferrals are taxable for income taxes; taxable for unemployment purposes. In Pennsylvania supplemental wages are taxed at a 3.07% flat rate. You may file your Pennsylvania State W-2s by magnetic media if you choose to. **The Pennsylvania State Unemployment Insurance Agency is:** Department of Labor and Industry Office of Employment Security Seventh and Forster Sts. Labor and Industry Bldg. Harrisburg, PA 17121 (717) 787-7613 <http://www.dli.state.pa.us/landi/site/default.asp> The State of Pennsylvania taxable wage base for unemployment purposes is wages up to \$8000.00. Pennsylvania requires Magnetic media reporting of quarterly wage reporting if the employer has at least 250 employees that they are reporting that quarter. Unemployment records must be retained in Pennsylvania for a minimum period of four 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 Pennsylvania State Agency charged with enforcing the state wage and hour laws is:** Department of Labor and Industry Bureau of Labor Law Compliance Labor and Industry Bldg., Rm. 1301 Seventh and Forster Sts. Harrisburg, PA 17120 (717) 787-5279 <http://www.dli.state.pa.us/> The minimum wage in Pennsylvania is \$5.15 per hour. The general provision in Pennsylvania concerning paying overtime in a non-FLSA covered employer is one and one half times regular rate after 40-hour week. Pennsylvania 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
- date of hire
- Employee's social security number
- Employer's name
- Employers 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, or fax. There is a written warning penalty for a late report in Pennsylvania, \$25.00 for later violations, and \$500 for conspiracy. The Pennsylvania new hire-reporting agency can be reached at 888-724-4737 or on the web at www.panewhires.com Pennsylvania does not allow compulsory direct deposit Pennsylvania has no State Wage and Hour Law provisions concerning pay stub information. Pennsylvania requires that employee be paid on regular paydays designated in advance. Pennsylvania requires that the lag time between the end of the pay period and the payment of wages to the employee not exceed fifteen days. Pennsylvania payroll law requires that terminated employees must be paid their final pay by next regular payday (by certified mail if employee requests). Deceased employee's wages of \$5,000 must be paid to the surviving spouse, child, parent, or sibling (in that order). Escheat laws in Pennsylvania require that unclaimed wages be paid over to the state after three years. There is no provision in Pennsylvania law concerning record retention of abandoned wage records. Pennsylvania payroll law mandates no more than 45% of minimum wage may be used as a tip credit. In Pennsylvania the payroll laws covering mandatory rest or meal breaks are only that minors under 16 must have 30 minutes rest after five hours of work. Pennsylvania statute requires that wage and hour records be kept for a period of not less than three years. These records will normally consist of at least the information required under FLSA. **The Pennsylvania agency charged with enforcing Child Support Orders and laws is:** Bureau of Child Support Enforcement Department of Public Welfare P.O. Box 2675 Harrisburg, PA 17105-2675 (717) 787-1894 * www.pachildsupport.com/ Pennsylvania has the following provisions for child support deductions:

- When to start Withholding? **First pay period after 14 days from service.**
- When to send Payment? **Within 7 days of Payday.**
- When to send Termination Notice? **"Promptly"**
- Maximum Administrative Fee? **2% of payment.**
- 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.