



PAYROLL OHIO, UNIQUE ASPECTS OF OHIO PAYROLL LAW AND PRACTICE

The Ohio State Agency that oversees the collection and reporting of State income taxes deducted from payroll checks is: Department of Taxation P.O. Box 2476 Columbus, OH 43266-0076 (614) 433-7887 (888) 405-4039 www.state.oh.us/tax Ohio requires that you use Ohio form "IT-4, Employee's Withholding Exemption Certificate" instead of a Federal W-4 Form for Ohio 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 Ohio cafeteria plans are not taxable for income tax calculation; not taxable for unemployment insurance purposes. 401(k) plan deferrals are not taxable for income taxes; taxable for unemployment purposes. In Ohio supplemental wages are taxed at a 3.5% flat rate. You may file your Ohio State W-2s by magnetic media if you choose to. **The Ohio State Unemployment Insurance Agency is:** Ohio Department of Job and Family Services Unemployment Compensation Division 52 Robinwood Ave. Columbus, OH 43213 (614) 466-2100 www.state.oh.us/odjfs The State of Ohio taxable wage base for unemployment purposes is wages up to \$9,000.00. Ohio has optional reporting of quarterly wages on magnetic media. Unemployment records must be retained in Ohio for a minimum period of five 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 Ohio State Agency charged with enforcing the state wage and hour laws is:** Department of Commerce Division of Labor and Worker Safety Wage and Hour Bureau 50 West Broad St. Columbus, OH 43215 (614) 644-2239 www.state.oh.us/Business/Employer/ProtectingYourBusiness/Wages.htm The minimum wage in Ohio is \$5.15 per hour (large employers), \$3.35 (medium employers), and \$2.80 (small employers). The general provision in Ohio concerning paying overtime in a non-FLSA covered employer is one and one half times regular rate after 40-hour week. Ohio 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 date of birth
- 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, fax or electronically. There is a \$25.00 penalty for a late report and \$500 for conspiracy in Ohio. The Ohio new hire-reporting agency can be reached at 888-872-1490 or 614-221-5330 or on the web at www.oh-newhire.com Ohio does allow compulsory direct deposit but the employee's choice of financial institution must meet federal Regulation E regarding choice of financial institutions. Ohio has no State Wage and Hour Law provisions concerning pay stub information. Ohio requires that employee be paid no less often than semimonthly; monthly if allowed by custom of contract and wages paid by first of next month. Ohio requires that the lag time between the end of the pay period and the payment of wages earned 1st half of month, pay by 1st of next month; wages earned 2nd half of month, pay by 15th of next month. Ohio has no general provision on when terminated employees must be paid their final wages. Deceased employee's wages of \$2,500 must be paid to the surviving spouse, adult children, or parent (in that order). Escheat laws in Ohio require that unclaimed wages be paid over to the state after one year. The employer is further required in Ohio to keep a record of the wages abandoned and turned over to the state for a period of 5 years. Ohio payroll law mandates no more than \$3.02 (less for small and medium employers) may be used as a tip credit. In Ohio 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. Ohio 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 Ohio agency charged with enforcing Child Support Orders and laws is:** Office of Child Support Ohio Department of Human Services State Office Tower 30 E. Broad St., 31st Fl. Columbus, OH 43266-0423 (614) 752-6561 www.ohio.gov/odhs/Ocs/index.htm Ohio has the following provisions for child support deductions:

- When to start Withholding? **14 working days after the withholding order is mailed to the employer.**
- When to send Payment? **Within 7 days of Payday.**
- When to send Termination Notice? **Within 10 days of termination.**
- Maximum Administrative Fee? **greater of \$2 or 1% 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.

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