



PAYROLL ARKANSAS, UNIQUE ASPECTS OF ARKANSAS PAYROLL LAW AND PRACTICE

The Arkansas State Agency that oversees the collection and reporting of State income taxes deducted from payroll checks is: Department of Finance and Administration Revenue Division P.O. Box 9941 Little Rock, AR 72203-9941 501-682-2212 www.state.ar.us/dfa/taxes/wh_tax/index.html Arkansas requires that you use Arkansas form "AR4EC, Employee's Withholding Exemption Certificate" instead of a Federal W-4 Form for Arkansas 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 Arkansas cafeteria plans: are not taxable for income tax calculation; are not taxable for unemployment insurance purposes. 401(k) plan deferrals are: not taxable for income taxes; are not taxable for unemployment purposes. In Arkansas supplemental wages are taxed at a 7% flat rate. You may file your Arkansas State W-2s by magnetic media if you choose to. **The Arkansas State Unemployment Insurance Agency is:** Employment Security Department P.O. Box 2981 Little Rock, AR 72203-2981 501-682-3274 www.state.ar.us/esd/ The State of Arkansas taxable wage base for unemployment purposes is wages up to \$10000.00. Arkansas 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 Arkansas 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 Arkansas State Agency charged with enforcing the state wage and hour laws is:** Department of Labor 10421 West Markham Little Rock, AR 72205 501-682-4500 www.ark.org/labor State minimum wage in the State of Arkansas for non-FLSA employers is \$5.15 per hour. Arkansas State Law covering paying overtime in a non-FLSA covered employer is still one and 1/2 times regular rate after 40-hour week. Arkansas 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
- 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 no penalty for a late report in Arkansas. The Arkansas new hire reporting agency can be reached at 800-259-2095 or on the web at www.ar-newhire.com. Arkansas does not allow compulsory direct deposit. Any employee can opt out in writing and request a check Arkansas has no State Wage and Hour Law provisions concerning pay stub information. In Arkansas employees must be paid at least semi-monthly; monthly for FLSA-exempt employees at larger companies earning at least \$25,000.00 annually. Arkansas payroll law requires that involuntarily terminated employees must be paid their final pay within 7 working days and that for voluntarily terminated employees there is no provision. Escheat laws in Arkansas require that unclaimed wages be paid over to the state after one year. The employer is further required in Arkansas to keep a record of the wages abandoned and turned over to the state for a period of five years. There is no provision in Arkansas law concerning tip credits against State minimum wage. In the Arkansas payroll law there is no provision covering required rest or meal periods. Arkansas law provides that record retention of wage and hour records period is at least three years. **The Arkansas agency charged with enforcing Child Support Orders and laws is:** Office of Child Support Enforcement 400 E. Capitol P.O. Box 8133 Little Rock, AR 72203 501-682-8398 www.accessarkansas.org/dfa/childsupport/employer.html Arkansas has the following provisions for child support deductions:

- When to start Withholding? **14 days after order is mailed**
- When to send Payment? **Payday.**
- When to send Termination Notice? **Immediaetly**
- Maximum Administrative Fee? **\$2.50 per pay period**
- 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.