Pay Stub Quick FAQ'S

Are pay stubs required?

The short answer is: maybe.

However, not all employers are required to provide a physical pay stub. To find out your responsibilities, you need to look at federal and state laws.

Are employers required to provide pay stubs by Federal law?

There is no federal law that requires that employers provide pay stubs to employees.

However, the Fair Labor Standards Act (<u>FLSA</u>) requires that employers keep payroll records. Under the FLSA, employers need to retain each employee's hours worked and wages received. (This is met by having your history saved with PayServ in our software).

Bottom line: you should generate pay stubs for your records under federal law. But, federal law does not require that you give them to your workers.

Are employers required to give pay stubs by State law?

This varies depending on the state. Some states require employers to provide pay stubs and some don't. If you must distribute them, familiarize yourself with pay stub requirements by the states you operate in. When it comes to pay stub requirements, there are three types of state:

- States with no requirements
- Access states
- Access/print States

If you're operating in a state like Georgia and Florida, who don't have their own requirements, you don't have to provide any kind of paycheck stub.

States like New York and Illinois require you to provide some type of stub, either electronic or paper.

Finally, there are access/print states, like California and Texas. These states allow you to provide either an electronic or paper stub, but employees who get electronic stubs must have an easy way to print or access them.

To determine your state's pay stub legislation, you also need to figure out whether you're in an "opt-in" or "opt-out" state.

In opt-out states, businesses must get employees' consent before changing the way they deliver paycheck stubs. They must adhere to the previous method if an employee prefers it.

In opt-in states, employers must offer paper stubs unless an employee chooses to get the stub electronically

Pay stub information requirements

Most states that require employers to give employees pay stubs have rules saying that the documents must have standard pay stub information. Generally, this means they include the beginning and end dates of the pay frequency; gross wages; taxes, deductions, and employer contributions; and net pay. The pay stub should also break down the number of regular and overtime hours worked.

You can give employees access to their own online portal so they can view digital pay stubs or print and distribute them, depending on your state's rules.

