

## PAYROLL

Payroll includes all activities associated with preparation, issuance, and accounting for state employee compensation.

**Control Agency:** The Office of the State Comptroller (OSC) oversees the payroll system and is responsible for production of state employee payroll checks.

**Records Not Covered:** Records created and retained by OSC in its capacity as a control agency for state employees.

◆ **90016 Employee's Withholding Allowance Certificates** -- Federal W-4 and New York State IT-2104 forms completed by employee and filed with employing agency indicating the employee's authorized deductions for federal and state tax. These forms are used to generate Forms AC 230 and AC 1040 which are sent to OSC and used to determine the amount of taxes withheld from wages.

**Minimum Retention and Disposition:** Destroy 4 years after due date of last tax return to which the certificate applied.

**Justification:** Outdated W-4 or IT-2104 forms may be needed in cases where tax returns are audited. IRS Publication 583 and Publication 15 Circular E include W-4 forms in the list of records which must be retained 4 years after the due date of the return or after the taxes are paid. Department of Taxation and Finance Publication NYS-50 indicates a similar retention period for IT-2104 forms.

**90017 Payroll Preprocessing Reports** -- Reports generated by payroll office to ascertain accuracy of payroll information before the payroll is sent to OSC and Department of Civil Service (DCS), such as listings of incomplete or inaccurate Payroll and Personnel Transaction Forms (PR75s).

**Minimum Retention and Disposition:** Destroy after biweekly payroll is generated.

**Justification:** These records have no administrative value after payroll transaction is completed.

◆ **90018 Biweekly Payroll Processing Records** -- Agency copies of Payroll and Personnel Transaction Form (PR75), Payroll Deduction Form and Transmittal Certification Form (PR76), and other records sent to OSC/DCS to update the biweekly payroll. These are the key documents for

payroll processing for the state.

***Minimum Retention and Disposition:*** Destroy 3 fiscal years after accurate payroll update.

***Justification:*** Records have limited administrative value after 3 fiscal years. OSC is the office of record for payroll records and retains information on payroll transactions for at least 6 years.

***Records Not Covered:*** Payroll/personnel records maintained by OSC and DCS in performing their control functions.

**90019 Biweekly Payroll Listings (Salary Registers)** -- OSC salary registers sent to the agency, listing the biweekly payroll.

***Minimum Retention and Disposition:*** Destroy 1 fiscal year after end of payroll period.

***Justification:*** Administrative use of these records ceases 1 year following accurate payroll update. OSC maintains the official payroll records on microfiche for an extended period of time.

***Records Not Covered:*** Payroll records maintained by OSC in performing its control function.

**90027 Paycheck Log** -- Record of paycheck distribution which may include employee's name, line number, and indication that employee received a paycheck.

***Minimum Retention and Disposition:*** Destroy 6 months following last entry date.

***Justification:*** OSC maintains the official check register.

***Records Not Covered:*** Check disbursement records for the state payroll maintained by the Office of the State Comptroller.

◆ **90032 Payroll Deduction and Direct Deposit Records** -- Forms and related records authorizing deductions for credit unions, savings bonds, union dues, insurance, individual retirement accounts, deferred compensation, parking, charitable contributions and other purposes, along with records authorizing the direct deposit of paychecks at designated banks or other financial institutions.

***Minimum Retention and Disposition:*** Destroy 3 years after deduction is no longer in effect or last deposit is made under the authorization.

***Justification:*** Retention period ensures availability of authorizing forms to respond to inquiries concerning their validity.