Healthcare Payroll Checklist

This checklist helps healthcare organizations manage payroll compliance, including shift differentials, multiple pay rates, overtime, and benefits.

Step 1 – Classify Employees & Contractors

- Identify W-2 employees vs. 1099 agency staff.
- Verify exempt vs. non-exempt status under FLSA.
- Maintain contracts and credentialing records.

Step 2 – Track Shift Differentials

- Apply higher pay rates for **night shifts, weekends, and holidays**.
- Ensure differentials are factored into **overtime calculations**.
- Record separate pay codes for each shift worked.

Step 3 – Manage Multiple Pay Rates

- Nurses and staff may work at different rates (e.g., RN vs. charge nurse shifts).
- Track roles and pay rates accurately in the payroll system.
- Apply blended overtime rates when employees work across roles.

Step 4 – Handle On-Call & Overtime Pay

- Compensate on-call staff per policy or state law.
- Pay overtime at time-and-a-half beyond 40 hours (or daily in certain states).
- Track compliance with healthcare-specific labor laws.

Step 5 – Verify Benefits & Eligibility

- Track healthcare benefits enrollment (medical, dental, vision).
- Manage retirement plan contributions.
- Ensure compliance with Affordable Care Act (ACA) for full-time staff.

Step 6 – Recordkeeping & Compliance

- Maintain timesheets, schedules, and differential pay logs.
- Retain payroll records for at least **4 years**.
- Stay audit-ready for both IRS and healthcare regulators.

Tip: Healthcare payroll often involves multiple pay rates and differentials — review compliance rules regularly to avoid costly errors.