



Payroll Recordkeeping Checklist

This checklist helps employers stay compliant with payroll recordkeeping requirements from the IRS and Department of Labor.

Step 1 – Keep Employee & Contractor Information

- Employee personal details (name, SSN, address, job title)
- I-9 forms (employment eligibility)
- W-4 forms (tax withholding elections)
- Contractor W-9s and agreements

Step 2 – Maintain Payroll Registers

- Gross wages, hours worked, overtime, and deductions
- Employer contributions (benefits, retirement, payroll taxes)
- Pay stubs and direct deposit confirmations

Step 3 – Retain Tax Filings & Confirmations

- Form 941 (quarterly federal returns) – keep 4+ years
- Form 940 (annual FUTA return) – keep 4+ years
- W-2s, W-3s, 1099s, 1096 – keep 4+ years
- State payroll returns – follow state retention rules

Step 4 – Timekeeping & Attendance Records

- Timesheets or electronic clock-ins/outs
- Overtime logs
- Paid time off (PTO) balances
- Meal/rest break compliance records (if required by state)

Step 5 – Secure Record Storage

- Store digital payroll files with **encryption and backups**
- Lock physical payroll files in a secure cabinet
- Restrict access to authorized HR/finance staff only
- Review retention schedules annually

Tip: Maintain payroll records for at least 4 years to satisfy both IRS and Department of Labor requirements, even after employee termination.