

## Using Payroll to Save Money

Believe it or not, there are several ways that your company can cut costs in the payroll process without having to cut employee pay.

- Use direct deposit. You never know when a delivery truck will be delayed by weather or the postal service will lose a check. With direct deposit, the money is in the bank even if the pay stub is delayed, eliminating stop payment fees and lost labor tracking down lost checks. Employees can sign up for multiple accounts, helping them to save money by having a set amount automatically deposited into a savings account.
- Offer a bonus. Ask employees to come up with money-saving processes and offer bonuses for those that are implemented. The cost of the bonus is easily offset by the returns the company sees from the money-saving idea.
- Reduce turnover. Higher unemployment claims lead to higher SUTA rates on your payroll, not to mention the costs of hiring new employees, including recruiting, interviewing, drug-testing, reference checking, training, lower productivity, and more overtime and heavier workloads for existing employees.
- Use an automated time clock. A reliable timekeeping system is a great way to control labor costs. Employees are able to clock in and out more quickly with less chance of error or fraud, and supervisors save time by collecting "timesheets" with a few clicks of the mouse.
- Go paperless. The cost of checks, postage, overnight delivery, bank fees for stop payments, and time lost shuffling through papers can add up quickly. Between the reports we offer online and employees' ability to access their check stubs and other information online at any time, none of our companies who have gone paperless with payroll have ever regretted it.
- Don't be late. Turning in hours late causes extra admin and overnight delivery fees. Turning in employee separations late can cause extra health insurance premiums to be billed. Turning in new employee paperwork late can delay the entire payroll, or at least for the new employee. Time is money and it is always good to save on both.

# National Payroll Week

September 3-7 is National Payroll Week. In honor of the hardworking payroll professionals, this month's newsletter is dedicated to money and your company.

## FLSA Laws by State

Many laws affecting employees' paychecks vary by state, which can make navigating them a daunting task. Here is a sampling of frequently asked questions regarding employee pay. You can also visit your state's Department of Labor website or contact your Payroll Account Manager at Nextep for more information.

Law:	Oklahoma	Texas	Arkansas	Illinois
What is minimum wage?	\$5.85 per hour	\$5.85	\$6.25	\$7.50 for ages 18 and over; \$7.00 under 18
Do I have to give my adult employees time to take lunches and breaks?	No. Must pay for hours worked during meal times. Breaks less than 20 minutes must be paid.	Not required to give meal or rest periods. Must pay for hours worked during meal times.	Not required to give meal or rest periods. Must pay for hours worked during meal times.	30-minute lunch and two 15-minute paid breaks for hotel-room attendants every seven hours.
When do I pay the last paycheck to an employee I've fired?	On the next regular payday	Within six days of being fired.	Within seven days of being fired.	At the time of separation if possible, or on the next regular pay date
What if the employee voluntarily quits?	On the next regular payday	On the next regular payday.	On the next regular payday.	On the next regular payday.
Can I offer comp time instead of paying overtime?	No-comp time is only available to state employers.	No-comp time is only available to state employers.	No-comp time is only available to state employers.	No-only available to state employers.
Am I required to provide paid time off/paid holidays/severance?	No	No	No	No, but if you do, you must pay out vacation balances to termed employees.
Do I have to pay extra for weekend or holiday work?	No	No	No	No

There are two rules of thumb when it comes to state law:

1. When state law differs from federal law, use whichever one benefits the employee the most.
2. If a company policy allows for extra benefits that state laws don't mandate (30 minutes for lunch or extra pay for working weekends for example), you must allow it consistently or else formally change the policy. It is crucial to keep your company handbook updated and be consistent in how you treat employees; your company practices set a policy that the law will expect you to follow.

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