

Title:

Payroll South Dakota, Unique Aspects of South Dakota Payroll Law and Practice

Word Count:

742

Summary:

South Dakota payroll has some unique aspects and conditions. Some of the details and laws are set out in this article including information concerning: tax withholding and reporting; unemployment insurance taxes and reporting; wage and hour laws; and child support withholding.

Keywords:

Payroll South Dakota, South Dakota payroll, payroll, South Dakota payroll taxes, South Dakota Income Tax, South Dakota payroll withholding, South Dakota payroll service, South Dakota Unemployment Insu

Article Body:

South Dakota has no State Income Tax. There for there is no State Agency to oversee withholding deposits and reports. There are no State W2's to file, no supplement wage withholding rates and no State W2's to file.

Not all states allow salary reductions made under Section 125 cafeteria plans or 401(k) to be treated in the same manner as the IRS code allows. In South Dakota cafeteria plans are taxable for unemployment insurance purposes. 401(k) plan deferrals are taxable unemployment purposes.

South Dakota doesn't have income tax.

The South Dakota State Unemployment Insurance Agency is:

Department of Labor
Unemployment Insurance Division
Box 4730, 420 S. Roosevelt St.
Aberdeen, SD 57402-4730
(605) 626-2452
www.state.sd.us/dol/ui/ui-home.htm

The State of South Dakota taxable wage base for unemployment purposes is wages

up to \$7,000.00.

South Dakota has optional reporting of quarterly wages on magnetic media.

Unemployment records must be retained in South Dakota for a minimum period of four years. This information generally includes: name; social security number; dates of hire, rehire and termination; wages by period; payroll pay periods and pay dates; date and circumstances of termination.

The South Dakota State Agency charged with enforcing the state wage and hour laws is:

Department of Labor
Division of Labor and Management
700 Governors Dr.
Pierre, SD 57501-2291
(605) 773-3681
www.state.sd.us/dol/dol.htm

The minimum wage in South Dakota is \$5.15 per hour.

There is also no general provision in South Dakota State Law covering paying overtime in a non-FLSA covered employer.

South Dakota State new hire reporting requirements are that every employer must report every new hire and rehire. The employer must report the federally required elements of:

- Employee's name
- Employee's address
- Employee's social security number
- Employer's name
- Employers address
- Employer's Federal Employer Identification Number (EIN)

This information must be reported within 20 days of the hiring or rehiring. The information can be sent as a W4 or equivalent by mail, fax or electronically.

There is a civil proceeding for a petty offense for a late report in South Dakota.

The South Dakota new hire-reporting agency can be reached at 888-827-6078 or on the web at <http://www.state.sd.us/applications/LD01DOL/frameset.asp?navid=305&filtertype=1>

South Dakota does allow compulsory direct deposit but the employee's choice of financial institution must meet federal Regulation E regarding choice of financial institutions.

South Dakota has no State Wage and Hour Law provisions concerning pay stub information.

South Dakota requires that employee be paid no less often than monthly.

In South Dakota there are no statutory requirements concerning the lag time between when the services are performed and when the employee must be paid.

South Dakota payroll law requires that involuntarily terminated employees must be paid their final pay by next regular payday if all employer property is returned and that voluntarily terminated employees must be paid their final pay by the next regular payday if all employer property is returned.

There is no provision in South Dakota law concerning paying deceased employees.

Escheat laws in South Dakota require that unclaimed wages be paid over to the state after one year.

The employer is further required in South Dakota to keep a record of the wages abandoned and turned over to the state for a period of ten years.

South Dakota payroll law mandates no more than \$3.02 may be used as a tip credit.

In the South Dakota payroll law there is no provision covering required rest or meal periods.

South Dakota statute requires that wage and hour records be kept for a

reasonable period. These records will normally consist of at least the information required under FLSA.

The South Dakota agency charged with enforcing Child Support Orders and laws is:

Office of Child Support Enforcement
Department of Social Services
700 Governor's Dr.
Pierre, SD 57501-2291
(605) 773-3641
<http://www.state.sd.us/social/DCS/index.htm>

South Dakota has the following provisions for child support deductions:

- When to start Withholding? **Next payday after service.**
- When to send Payment? **Within 7 days of Payday.**
- When to send Termination Notice? **Within 5 days of termination.**
- Maximum Administrative Fee? **no provision**
- Withholding Limits? **50% of income.**

Please note that this article is not updated for changes that can and will happen from time to time.