

Title:

Payroll Tennessee, Unique Aspects of Tennessee Payroll Law and Practice

Word Count:

780

Summary:

Tennessee 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 Tennessee, Tennessee payroll, payroll, Tennessee payroll taxes, Tennessee Income Tax, Tennessee payroll withholding, Tennessee payroll service, Tennessee Unemployment Insurance, Tennessee Chil

Article Body:

Tennessee 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 Tennessee cafeteria plans are taxable for unemployment insurance purposes. 401(k) plan deferrals are taxable unemployment purposes.

Tennessee doesn't have income tax.

The Tennessee State Unemployment Insurance Agency is:

Department of Labor and Workforce Development
500 James Robertson Pkwy., 8th Fl.
Nashville, TN 37245-1200
(615) 741-2486
www.state.tn.us/labor-wfd/ui/ui.htm

The State of Tennessee taxable wage base for unemployment purposes is wages up to \$7000.00.

Tennessee requires Magnetic media reporting of quarterly wage reporting if the employer has at least 250 employees that they are reporting that quarter.

Unemployment records must be retained in Tennessee for a minimum period of seven 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 Tennessee State Agency charged with enforcing the state wage and hour laws is:

Department of Labor and Workforce Development
Division of Labor Standards
710 James Robertson Pkwy.
Nashville, TN 37243
(615) 741-2858
<http://www.state.tn.us/>

There is no provision for minimum wage in the State of Tennessee.

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

Tennessee 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
- date of hire
- 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 mag media. There is a \$20.00 penalty for a late report and \$400 for conspiracy in

Tennessee.

The Tennessee new hire-reporting agency can be reached at 888-715-2280 or on the web at www.tnnewhire.com

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

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

Tennessee requires that employee be paid no less often than semimonthly.

Tennessee requires that the lag time between the end of the pay period and the payment of wages earned in 1st half of month, pay by 5th of next month; wages earned in 2nd half, pay by 20th of next month.

Tennessee payroll law requires that involuntarily terminated employees must be paid their final pay within 21 working days or next regular payday and that voluntarily terminated employees must be paid their final pay within 21 days or by the next regular payday or by mail if employee requests it.

Deceased employee's wages of \$10,000 must be paid to designated beneficiary; if none, then surviving spouse; children if deceased was female and head of household.

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

The employer is further required in Tennessee to keep a record of the wages abandoned and turned over to the state for a period of 10 years.

There is no provision in Tennessee law concerning tip credits against State minimum wage.

In Tennessee the payroll laws covering mandatory rest or meal breaks are only

that all employees must have a 30-minute meal period or rest during shift of 6 hours (not during first hour of shift).

There is no provision in Tennessee law concerning record retention of wage and hour records therefore it is probably wise to follow FLSA guidelines.

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

Department of Human Services
Citizens Plaza Bldg., 12th Fl.
400 Deadrick St.
Nashville, TN 37248-0001
(800) 838-6911
www.state.tn.us/humanserv/

Tennessee has the following provisions for child support deductions:

- When to start Withholding? 14 days after mailing.**
- When to send Payment? Within 7 days of Payday.**
- When to send Termination Notice? "Promptly"**
- Maximum Administrative Fee? lesser of \$5 per month or 5% of payment.**
- Withholding Limits? 50% of gross minus taxes and child's health insurance premium.**

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