

# The Five Types of Employee Records All Employers Must Keep

Personnel recordkeeping is the first line of defense against employee lawsuits. Employers who have failed to keep proper personnel records could be subject to legal action due to the fact that they don't have any documentation to disprove any allegations. Also, certain state and federal laws and regulations require specific kinds of records to be kept in employee files. These requirements apply to all employers covered by federal antidiscrimination laws, regardless of whether a charge has been filed against the employer. For example:

**Equal Employment Opportunity Commission (EEOC)** regulations require that employers keep all personnel or employment records for one year. If an employee is involuntarily terminated, his/her personnel records must be retained for one year from the date of termination.

**Under the Age Discrimination in Employment Act (ADEA)** recordkeeping requirements, employers must also keep all payroll records for three years. Additionally, employers must keep on file any employee benefit plan (such as pension and insurance plans) and any written seniority or merit system for the full period the plan or system is in effect and for at least one year after its termination.

**Under the Fair Labor Standards Act (FLSA)** recordkeeping requirements applicable to the Equal Pay Act (EPA), employers must keep payroll records for at least three years. In addition, employers must keep for at least two years all records (including wage rates, job evaluations, seniority and merit systems, and collective bargaining agreements) that explain the basis for paying different wages to employees of opposite sexes in the same establishment.

**The following five kinds of employee records are extremely important pieces of information that all employers need to keep on hand for the appropriate period of time.**

**Attendance Records** – Employee time off, such as vacation time and sick time, must be carefully tracked. Since some states require unused accrued vacation time to be paid out upon termination, accurate and complete documentation helps to disprove any compensation claims from former employees.

**Family and Medical Leave Act related (FMLA) leave records and workers' compensation related records** should be kept indefinitely to protect against future litigation (although the law only states they need to be kept a total of 3 years). 6/7/2017

**Benefit Records** – Two provisions of the Employee Retirement Income Security Act of 1974 (ERISA) describe record retention in the area of employee benefit plans. ERISA states that all records pertaining to agency filings or to participant or beneficiary disclosures must be retained and kept available for examination for at least six years after the filing date. The records would generally include worksheets and other supporting data or documentation, committee minutes, board resolutions, and other information used to prepare the filings or disclosures. ERISA also states that an employer must "maintain benefit records with respect to each of [its] employees sufficient to determine the benefits due or which may become due to such employees."

**Training Records** – Training records are very important to businesses for a number of reasons. On a more personal level, training records can show that employees were trained on new topics of importance to the organization that may allow them to be considered for a raise or promotion down the road. On a bigger level, training records document who was trained, when they were trained, and what the training subject matter was. Many federal entities can access training records to verify that organizations are meeting regulation requirements for certain industries. A lack of proof involving employee training could end up in fines and penalties against the company.

**Payroll Withholding Records** – The Internal Revenue Service (IRS) requires that all businesses utilize a recordkeeping system that keeps payroll withholding records safe and orderly for at least three years after the due date of the return of the date it was filed, whichever is later. **Unemployment Records** – After an employee has been laid off or terminated, they may successfully file for and start receiving unemployment benefits. After step of the unemployment process should be documented and kept safe. These includes the employee's information (name, address, social security number), dates of hire/separation/rehire (if applicable), payment dates for cash and non wages, and dates and hours work. Any correspondences with the employee and/or the unemployment agency should also be kept in case of a future audit or investigation.