

AVOID COMPLIANCE RISKS: 6 HR RECORDKEEPING RULES

Do your spring-cleaning plans include purging old files? Before shredding old documents, HR professionals should confirm that all applicable record-retention requirements have been met. Federal agencies require employers to maintain certain records for specific timeframes and deleting them too soon can create significant compliance risks.

FORMS I-9

Forms I-9 should be retained for the duration of an employee's tenure under U.S. Citizenship and Immigration Services guidelines. After employment termination, Forms should be retained for the later of three years after the former employee's hire date, or one year after the termination date.

FMLA LEAVE DOCUMENTATION

Family and Medical Leave Act (FMLA) records should be retained for three years. Data includes basic employee information, dates and hours of FMLA leave, notices of leave and eligibility notices, premium payments for employee benefits, and any other supporting documentation.

BENEFIT RECORDS

While plan-related ERISA records must be kept at least six years per the DOL, IRS records should be maintained for the life of the plan and sometimes beyond. Participant-level records (distributions, vesting, beneficiary information, etc.) are recommended to be kept for the life of the participant or beneficiary, plus several years after payout.

PAYROLL DATA

Compensation records that state payment dates and amounts, and certain identifying employee information, should be retained for three years under the Fair Labor Standards Act (FLSA). Timesheets should be retained for two years.

TAX RECORDS

Employment tax records must be maintained for at least four years after filing the fourth quarter for the year, per Internal Revenue Service (IRS) rules.

PERSONNEL RECORDS

Record retention rules for personnel files vary by federal agencies. The EEOC recommends a minimum of one year. The IRS and DOL have different timelines. A safe practice is to keep pre-employment applications, background checks, disciplinary action and other core documents for at least four years.

Record-retention rules can vary based on federal requirements, state laws, and the nature of the employment claim involved. When in doubt, employers should err on the side of retaining documentation longer or consult their HR advisor or legal counsel before destroying records. Always use a secure shred or document destruction system when records contain personally identifiable or person health information.