



Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

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ARCHIVING PAYROLL RECORDS

Effective: July 1, 2004

Last Updated: November 1, 2006

Executive Summary

None

Considerations

This policy applies to all Commonwealth Branches and Departments.

Policy

Retention of Payroll Records

Departments are required to preserve payroll records for seven years from the last date of entry. Compliance with this policy is handled centrally by keeping these payroll audit trail reports on ViewDirect/DocumentDirect for a total of seven (7) years as approved by the Records Conservation Board:

- Payroll Register (Payroll Warrant)
- Payroll Variance Report
- GAAP Accumulated Leave Valuation Report
- Year to Date Report
- W2 Totals

Retention of Forms W-2

Employers are required to keep an employee's Form W-2 for seven (7) years after the due date of the tax for the return period to which the records relate, or the date such tax is paid, whichever is later. The employer must retain information related to taxes paid by employees for at least seven years after the due date of the employee's personal tax return (generally April 15). If an employer files a claim for refund, credit, or abatement of withheld income and employment taxes, records related to the claim must be retained for at least seven (7) years after the filing date of the claim.

Compliance with this regulation is handled centrally by keeping payroll audit trail reports on ViewDirect/DocumentDirect for a total of seven (7) years as approved by the Records Conservation Board.

Retention of Time Logs/Time Records

Departments are required to keep an employee's time logs and time records (sheets/cards) for a minimum of seven (7) years from the last date of entry. Departments should also remain in compliance with recordkeeping requirements under the public records law.

Public Records Confidentiality

Departments will be required to maintain all payroll records in accordance with the confidentiality and public records requirements of Massachusetts General Law Chapters 66, 66A, 801 CMR 3.00, 950 CMR 32.00 and 950 CMR 33.00 as applicable.

Disposal Schedules for Payroll Records

The use of ViewDirect/DocumentDirect as an on-line report storage device has replaced the need to retain and store paper reports. All audit trail reports are kept on-line in ViewDirect/DocumentDirect for seven (7) years from the date of issuance, and all non-audit trail reports are kept on-line for one (1) year from the date of issuance.

Departments are required to keep payroll records one (1) year after audit. If a Department has been notified of a pending audit or has an audit in process, all records pertaining to the audit (Statewide Single Audit, audits performed by the Office of the State Auditor, the Federal Government, or any other Audit group) need to be kept until the completion of the audit. Also, consideration should be given to federal government requirements for retention of records pertaining to federal programs and activities administered by the Commonwealth.

Payroll records management disposal schedules are established for:

- State Employee Payroll Information
- Contract Employee Payroll Information
- Special Payroll Information
- PCRS Adjustment Transactions
- Payroll Audit Trail Reports

The disposal schedules contain information on the purpose of the records, the duplicates location, the length of time the records need to be retained in the offices of the Department creating the records, the length of time the records need to be retained in the State Record Center, the final disposition of the records (i.e. destruction or permanent retention), and the total retention of said records.

Please refer to the updated Comptroller Memo #287, "New Records Management Disposal Schedules" for more detailed information regarding disposal schedules.

Departments have the responsibility of transferring the "record copy" documents to the State Records Center. The documents need to be stored in state record center boxes. Departments must properly label the boxes and need to coordinate the transfer of the documents from their offices to the State Records Center. These procedures have been instituted to allow prompt access to records if required. When in doubt, payroll reports should be kept for seven (7) years.

Internal Controls

Information Sources

- Related Procedure – None
- Legal Authority
- 801 CMR 3.00 Privacy and Confidentiality
- Comptroller Memo #287 "New Records Management Disposal Schedules" as amended
- Massachusetts General Laws, Chapter 7A, Sections 3, 5, 7 and 8
- Massachusetts General Laws, Chapter 66 and 66A
- Attachments - None
- Links - None

- Contacts – [CTR Solution Desk](#)

Revisions

- **November 1, 2006** – Removed language referencing Knowledge Center and updated relevant links to Mass.gov/osc portal site.