

Important Section & Data Points to have a Complaint Payslip

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Abstract

This article focuses on explaining the Employee Payslip design specifically for US and the various data points which is mandatory in Employee Payslip to have complaint Payslip. Even though it is not legally required for employers to have a payslip as different states practice different rules, it is the best practice for the employers to provide access to the payslip with the payroll information. There are various sections which are specially required based on Employee types.

Keywords: Payroll, Earnings, Deductions, Pre Tax Deductions, Post Tax Deductions, FLSA

1. Introduction

Organizations are required not only to process their employees' pay accurately and timely but also to generate the pay slip of the payroll processed data in the desired manner. The main challenge specifically for USA country is that the pay slip data point requirement is different for various states and if the organization is having employees in various states in USA, then they are required to accommodate the required data points in the employee pay slip. Failure to do so will result in non-complaint payslip wherein the employee can act against the employers. Based on the various employee types, the payslip section and data points are different, like FLSA Calculation for hourly employees, PTO Balance section etc.

2. What is Payslip?

In United States of America, the payslip is also referred as pay stub, pay statement, or wage statement. It is document provided by the employers to their employees at the end of each payroll process period which will summarize the earnings, deductions, PTO balances, and other financial transactions related to their employment.

3. Importance of Payslip

Payslip is not a simple document as this can be used by the employees and employers can make use of it for various purposes.

For Employees

- Proof of Income—Can be used as proof of income while applying for loans, credit cards, rental agreements etc.
- Tax Filing – Will assist in filing taxes with accurate information.

- Earnings Verification – Source of income verification
- Financial Planning – Help in plan their incomes and expenses.

For Employers

- Payroll Compliance – Helps in accurate tax reporting and labor law compliance.
- Dispute Resolution – Maintains the earnings and deductions information which will help in employee dispute resolution.
- Record Keeping – For maintaining the accurate payroll results, which is essential.

4. Key Components/Data Points of a Payslip

A Payslip consists of different sections and requires having specific data points in each section to describe the earnings, deductions, taxes etc. Below are the principal components of Payslip.

Employee Name and Address

This section is to provide Employee Information like Name, Address and Employee Identification numbers. This also provides the Payroll period information like Pay Period Begin Date, Pay Period End Date and Check Date.

Payslip Information 1 item

Name	Employee ID	Pay Period Begin	Pay Period End	Check Date
Test Employee 1234 Street 1, Overland Park, Kansas-66224	123456	05/25/2025	05/31/2025	06/06/2025

Figure 1: Employee Information

Employer Name, Address & Contact Information

This section is to provide Employer Name, Address and contact Information of the Employer.

Company Information 1 item

Name	Address	Phone
Demo Company	1234 Corporate Place Chanhassen, MN 12345 United States of America	+1 123 456 0000

Figure 2: Employer Information

Current and YTD Totals

This section provides current and year-to-date totals for hours worked, gross pay, Pre Tax Deductions, Employee Taxes, Post Tax Deductions and Net Pay

Current and YTD Totals 2 items

Balance Period	Hours Worked	Gross Pay	Pre Tax Deductions	Employee Taxes	Post Tax Deductions	Net Pay
Current	40.00	2,978.85	1,098.20	609.26	63.32	1,208.07
YTD	896.00	65,417.47	24,227.71	13,198.61	1,434.40	26,556.75

Figure 3: Current and YTD Totals

Gross Pay Information (Salaried)

This section is to provide details information of all earnings earned for the period and their equivalent Year-to-date values also. This section includes the name of earnings, the dates for which the earnings are related and their hours rate and amount. For earnings, which are not only amount based on the hours and the rate should be displayed as 0.

Gross Pay 5 items

Description	Dates	Hours	Rate	Amount	YTD Hours	YTD Amount
Holiday	05/25/2025 - 05/31/2025	8.00	73.22	585.76	24.00	1,701.12
Phone Allowance	05/25/2025 - 05/31/2025	0.00	0.00	50.00	0.00	300.00
Salary	05/25/2025 - 05/31/2025	32.00	0.00	2,343.09	872.00	61,658.83
Vacation					24.00	1,757.52
Total:				2,978.85		65,417.47

Figure 4: Gross Pay Information – Salaried

Gross Pay Information (Hourly)

For Hourly employees, the hourly components need to be displayed with the correct hours and rate. There are states in which the payslip is legally complaint only if the employees can derive the amount by multiplying the hours and rate from the payslip. For some of the earnings like Overtime, Double Time, Premium Pay etc. the rate should reflect correctly including the Straight Rate and OT FLSA Rate based on the earnings configuration. Failure to the above compliance will result in legal suits.

Gross Pay 9 items



Description	Dates	Hours	Rate	Amount	YTD Hours
Overtime	05/25/2025 - 05/31/2025	0.409167	41.51	16.99	3.598338
Meeting/Training Hours					1.751111
Phone Allowance	05/25/2025 - 05/31/2025	0.00	0.00	20.00	0.00
Premium Pay - USA					5.237778
Paid Sick Leave					8.00
Hourly	05/25/2025 - 05/31/2025	30.49	24.00	731.77	
Hourly	05/25/2025 - 05/31/2025	9.195555	40.00	367.83	795.116106
Vacation					60.00
				Total:	1,136.59

Figure 5: Gross Pay Information – Hourly

Employee Taxes

This section provides the detailed taxes deducted from Employee based on their gross and tax elections. This section should display all the various taxes like Federal, State Work, State Resident, Social Security, Medicare etc.

Employee Taxes 5 items



Description	Amount	YTD
OASDI	172.90	3,784.59
Medicare	40.43	885.10
Federal	315.93	6,812.92
Work State/Local Tax - KS	80.00	1,716.00
Total:	609.26	13,198.61

Figure 6: Employee Taxes

Pre Tax Deductions

This section provided the list of pre tax deductions which is deducted from the employee. Pre Tax Deductions are the ones which get deducted from the gross before the tax calculation which results in less tax deduction as it reduces the taxable income.

Pre Tax Deductions 6 items

Description	Amount	YTD
401K Contribution	907.95	19,851.96
Dental	41.10	945.30
Health Savings Account	96.15	2,211.45
Medical	49.88	1,147.24
Vision Enhanced No Co Pay	3.12	71.76
Total:	1,098.20	24,227.71

Figure 7: Pre Tax Deductions

Post Tax Deductions

This section provided the list of post-tax deductions which are deducted from the employee after all the taxes are withheld. Post-tax deductions will not reduce the taxable income of the employee.

Post Tax Deductions 11 items

Description	Amount	YTD
Critical Illness - Employee	7.73	177.79
Critical Illness - Spouse	4.64	106.72
Hospital	7.59	174.57
Identity Protection	3.68	84.64
Long Term Disability	25.48	564.08
Voluntary Child Life Ins.	0.23	5.29
Voluntary Employee AD&D	0.92	21.16
Voluntary Employee Life Ins.	11.17	256.91
Voluntary Spouse AD&D	0.23	5.29
Voluntary Spouse Life Ins.	1.65	37.95
Total:	63.32	1,434.40

Figure 8: Post Tax Deductions

Taxable Wages

This section provided the information on taxable wages used for the tax calculation. There are different taxable wages in consideration for different taxes, and this needs to be accounted in a payslip for the employee to compute the taxes, if required.

Taxable Wages 3 items

Description	Amount	YTD
OASDI - Taxable Wages	2,788.60	61,041.72
Medicare - Taxable Wages	2,788.60	61,041.72
Federal Withholding - Taxable Wages	1,880.65	41,189.76

Figure 9: Taxable Wages

Tax Withholding Elections

This section provides information on the tax elections elected by the employee in self service or by payroll administration. This section also provides tax election specifically for the Federal and State. The withholding type will change based on states as each state has their own withholding types.

Withholding 3 items

Description	Federal	Work State
Marital Status	Single or Married filing separately	Single
Allowances	0	5
Additional Withholding	0	0

Figure 10: Employee Tax Elections

Bank/Check Information

This section provides the bank information on how the final net pay is distributed across various banks opted by the employee. Employees can opt to deposit their final net pay in different accounts based on their needs. Employees who have not opted to direct deposit their net pay will be processed as checks and the check information will be provided.

Payment Information 4 items

Bank	Account Name	Account Number	Amount in Pay Group Currency	Pay Group Currency
Wells Fargo	Test Account 1	*****10	658.07	USD
Bank Of America	Test Account 2	*****773	500.00	USD
DCU	Test Account 3	*****99	50.00	USD
Total:			1,208.07	

Figure 11: Payment Information

States/Laws

There are 3 types of Payslip State rules which are in practice.

- Access States
- Print States
- No Payslip State

Access States: States like Alaska, Arizona, Kansas etc. mandate the employers to provide payslip either in electronic or paper.

Print States: States like California, Colorado etc. permit employers to provide payslip either in electronic or paper format, but employees who are receiving electronic payslip should have an option of view/print them.

No Payslip State: Some states like Alabama, Arkansas etc., do not require employers to provide a payslip.

Furthermore, States can opt-in and opt-out. Employers in an opt-out state need to get the employees' consent before making any changes. Employers are required to provide paper payslip for opt-in states.

How to provide Access to Payslip

Employers can provide payslip access in various methods like Online Portals, Paper Payslip, and email.

Online Portals: Many Employers use Online portals to have their employees access their payslip as this is safe, secure, and available 24x7.

Email: Some employers use email as the option, but the employee will need to save the email to access the payslip later. Also, if the employee leaves the company email access will not be available.

Paper Payslip: Few employers provide payslip as hard copy. But this is increasing the cost of generating the payslip and expecting the employees to keep the payslip safer.

Conclusion

Organization and Payroll administrators are always having challenges to have a very optimized and complaint payslip. Best designed payslip always helps both employees and payroll administrators to review the employee payroll calculation and explain payroll calculation queries. To have a very well-designed payslip, the Payroll business needs to know the various data points which is required in the payslip. Also, Payslip design will also impact how we configure certain earnings like Overtime, Double Time, and Premium pay to show the straight rate and premium rate correctly in the payslip. Based on the payslip data points, the earnings need to be configured and designed accordingly. Also, for the retro calculations the dates for which the retro happening need to be shown, so that the employees and payroll business can derive the calculation based on the earned period. Even employers who are outsourcing the print payslip need to be aware of all the required data points as the vendor will be requesting those data points to generate the payslip. Providing payslip is a means of ensuring transparency and accountability and in turn plays a crucial role in employee satisfaction and performance.

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