

HR Ledger's Guide to Payroll Processing Addendum

Zero Wage Payroll Filing

By nature, some businesses don't have work for some period of time perhaps due to seasonal work, contract awards, weather or natural disaster. This could result in an entire calendar quarter without processing payroll, and as such, Quarterly Reports are not created in our system. A typical scenario is a contractor that goes a quarter without paying any wages while waiting for their next job to start.

Legal Filing Requirements

Both state and federal regulations require employers to file earning returns even if there are no wages to report. We do not file zero balance quarterly returns. This remains the employers' responsibility. Failure to do so can result in fines.

Workers' Compensation Considerations

Many Workers' Compensation Insurance Carriers require copies of a client's 941 (Federal Filing of Employee Wages) or the state equivalence (DE-6 in California). They use these forms to balance wages declared by the employer as Workers' Comp. eligible against actual wages paid. These include Zero Wage Filings and, if not filed, the carrier may suspect undeclared wages.

Our solution

It is a nuisance for clients to remember to file Zero Wage filings. Each quarter we review our list of clients to identify those who have not had a payroll during the period. Processing a payroll in the period would automatically trigger the printing and filing of Federal and State wage reporting. Those clients who have not processed a payroll are notified by us. They will have two options 1) we can file a Final Reporting which indicates to the appropriate agencies that the business will no longer have employees or 2) we can file Zero Wage Returns which indicates that future employees are anticipated. We are happy to create Zero Wage Returns in either case. However, it does require executing a special payroll within the calendar quarter to start the process. The cost for Creating & Filing Zero Wage Return can be found on our Schedule of Additional Fees.

Skipping a payroll

Occasionally a client needs to skip a payroll. As a unique feature, we do not charge for skipped payrolls as long the client notifies us prior to process deadline. We send out notifications of your pending payrolls at least 2 days prior to the processing date. We staff up in expectation that you will be processing on your pre-agreed schedule. Should you wish to not process a payroll on your regular processing date you may 1) reply to the notification email stating you plan on skipping the upcoming payroll or 2) you may call to notify us. In either case please let us know when you anticipate your next payroll.

Should you fail to notify us of your wish to skip a payroll prior to 12 noon on your processing day, we will include on the invoice for your next payroll, an additional processing charge for each payroll skipped without prior notice.