



## 5 RECORDS REQUIRED FOR EVERY NEW HIRE

In order to comply with certain federal and state laws, an employer must complete new hire paperwork when bringing a new employee on board. The following is an overview of what new hire forms are required, and how employers can satisfy these requirements.



### Notice of Coverage Options:

- **What:** Under the Affordable Care Act (ACA), employers must provide a Notice of Coverage Options ("Notice") to all new hires. This requirement took effect on October 1, 2013. The purpose of the Notice is to inform employees of the availability of the Health Insurance Marketplace ("Marketplace") created in accordance with the ACA.
- **Who:** All employers subject to the Fair Labor Standards Act (which encompasses almost all employers) must provide the Notice, regardless of whether the employer offers health coverage.
- **How:** The Notice must be provided in writing and may be hand delivered, sent by first-class mail, or sent electronically as long as the U.S. Department of Labor's electronic disclosure safe harbor rules are met. See [29 CFR 2520.104b-1\(c\), Disclosures through Electronic Media](#).
- **Notice contents:** The Notice must include:
  - » Information about the services provided by the Marketplace;
  - » How to contact the Marketplace;
  - » Information about the employer, including any employer-sponsored health coverage available;
  - » The potential impact on the employee if he or she purchases coverage through the Marketplace (including that the employee may be eligible for a premium tax credit under section 36B of the Internal Revenue Code; that he or she may lose any employer contribution toward health benefits offered by the employer; and that all or a portion of such contribution may be excludable from income for Federal income tax purposes); and
  - » Information the employee will need to gather in order to apply for coverage through the Marketplace

**Note:** ADP makes the Employer Notice of Coverage Options letters available to you in the RUN Powered by ADP® Support Center. The version of the letter you send to your employees will depend on whether you currently offer insurance coverage and the type of coverage you offer.

### Form I-9:

- **What:** Employers must complete a Form I-9 (Employment Eligibility Verification) for each newly hired employee. The form is used to confirm that the employee is authorized to work in the United States.
- **Who:** All employers must complete and retain a Form I-9 for each new hire, even if the employer participates in the federal government's E-Verify program.
- **How:** Employers must complete Section 1 of the form by the end of the employee's first day of work and must complete Section 2 within 3 business days. While you can complete the I-9 before the employee's start date, you must wait to do so until after the employee has accepted the job offer. I-9 forms must be retained for at least three years, or for one year following the employee's separation from the company, whichever is later.



## New Hire Reporting:



- **What:** Federal law requires that employers submit certain information to their state regarding each new hire. Under federal law, employers generally must report new hires within 20 days of the employee's start date, but several states have shorter timeframes. Check your state's new hire reporting requirements to confirm compliance.
- **Who:** All employers must comply with new hire reporting requirements.
- **How:** To fulfill federal new hire reporting responsibilities, employers must report: their company's name, address, and federal Employer ID Number; and the employee's name, address, Social Security Number, and date of hire. Employers have several options for reporting new hires, including submitting the new hire's W-4 or an equivalent form via first class mail, filing by magnetic tape, or submitting the information online. Note: Some states may require employers to use a particular reporting method, such as electronic reporting. Check your state's new hire reporting program for requirements and options.

## Form W-4:



- **What:** All new employees must complete a federal Form W-4, Employee's Withholding Allowance Certificate. This form tells the employer how much federal income tax to withhold from the employee's pay. Some states also require a tax withholding form. Check your state law to ensure compliance.
- **Who:** All employers are required to complete and maintain a W-4 for each employee.
- **How:** Employers should ask each new hire to complete a W-4 by the end of the employee's first day of work. If the employee refuses to complete a W-4, the employer should generally withhold as if the employee were single and claiming no withholding allowances. Employers must retain W-4s for at least 4 years.



## State-Required Forms:

Many states also require that employers provide specific notices to new employees at the time of hire. For example, California requires employers to provide new hires with various notices, including information relating to state disability insurance, paid family leave, workers' compensation, unemployment benefits, sexual harassment, and wage theft prevention laws. Employers should review their applicable state law and provide new hire notices in accordance with their state's requirements. new hires, including submitting the new hire's W-4 or an equivalent form via first class mail, filing by magnetic tape, or submitting the information online. Note: Some states may require employers to use a particular reporting method, such as electronic reporting. Check your state's new hire reporting program for requirements and options.

## Conclusion:

Employers should review their hiring practices to ensure that new hire paperwork is completed in accordance with federal and state law. When providing employees with notices, employers should document when and how these notices were provided to the employee and retain a copy. In addition to the required forms listed above, it is a best practice to have new employees complete emergency contact forms, handbook acknowledgments, receipts of company property (e.g., laptop, building keys, etc.), and payroll authorizations (e.g., direct deposit) by the end of their first day of work.

This content provides practical information concerning the subject matter covered and is provided with the understanding that ADP is not rendering legal advice or other professional services. ADP does not give legal advice as part of its services. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. This material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable law in your jurisdiction and consult experienced counsel for legal advice.