

Recent events have catapulted disaster recovery and business continuity planning to the forefront of our news and board rooms. A robust continuity plan includes a vital records recovery strategy. While intellectual property, legal documents, customer information and accounting records are generally top priority, paperwork-laden HR departments are subject to complex record retention requirements and some of the greatest legal exposure.

Before you deploy a cloud-based records-management solution, exercise due diligence in qualifying the vendors that will either help you or hurt you in complying with the many employment record retention laws governing your business.

CONTINUITY & COMPLIANCE

MITIGATING THE RISK OF EMPLOYMENT RECORD RETENTION REQUIREMENTS IN THE CLOUD

17

Federal Laws Mandate Employment Record Retention Requirements

ADEA, ADA, COBRA, ERISA, FICA, FITW, FLSA, FMLA, FUTA, GINA, HIPAA, IRCA, LLFPA, OSHA, Title VII, UGESP

WITH?

What To Hold on to?

- Selection/hiring/employment records **1 year.**
- I-9 forms and FMLA-related records **3 years.**
- Payroll records, time sheets/cards **3-6 years.**
- Tax and compensation records **4 years.**
- OSHA records **5 years. 30 years** for records relating to exposure to toxic substances.
- Pension/welfare plan documents, COBRA and HIPAA-related records **6 years.**

WATCH OUT!

STORE PERSONAL DATA SEPARATE FROM PERSONNEL FILES

Including I-9 forms, EEO data and HIPAA-related records.

OUCH!

DAMAGES FOR IMPROPER RECORD KEEPING

\$250K



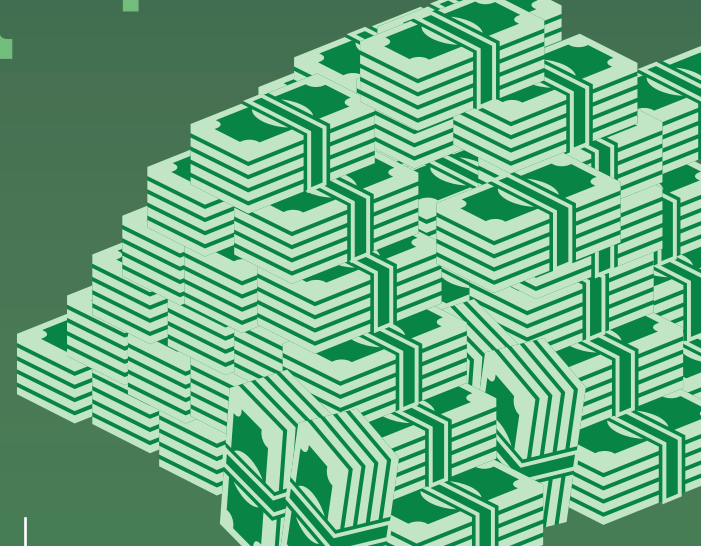
settlement amount from an Illinois restaurant for violations in overtime laws, minimum wage and record-keeping practices.

\$550K



in penalties a Houston manufacturing company paid to OSHA for failing to adequately document employee injuries and illnesses.

\$831K



paid by a New York convenience store distributor for overtime and record keeping violations.

In addition to federal record-keeping mandates, government contractors are subject to additional requirements as are employers in states with laws governing employee files.

ARE YOUR EMPLOYMENT RECORDS

SAFE

IN THE CLOUD?

Business continuity planning isn't the only thing calling employers to the cloud. It's a less expensive and more efficient alternative to hosting and managing internal hardware and software.

According to IBM,

72%

of all companies are at least piloting a cloud service and International Data Corp projects the cloud computing market is expected to hit \$72.9 billion in 2015. For any critical business data storage or software service, cloud vendors should be heavily scrutinized for their product, data security, system reliability and service agreements.



CHECKLISTS FOR CHOOSING A CLOUD-BASED HR TECHNOLOGY

PROVIDER

HR Technology Provider Checklist

- ☐ Provides a single system of record for all employee information.
- ☐ Meets federal and state employment record retention and maintenance requirements.
- ☐ Safeguards the privacy of employee information.
- ☐ Creates efficiency in the accessibility and usage of workforce data.
- ☐ Allows for easy extraction of employee data for compliance reporting.
- ☐ Easy-to-use technology that does not require extensive training.
- ☐ Expert service and support from a single point of contact when help is needed.
- ☐ Offers audited financials as proof source for financial stability.

Data Security and System Reliability Checklist

- ☐ Holds ISO 27001 certification in information security management.
- ☐ Undergoes third-party penetration testing of its application and network.
- ☐ Uses high-grade encryption algorithms with at least 128-bit keys.
- ☐ Keeps audit logs.
- ☐ Provides for full redundancy of critical systems and data.
- ☐ Has geographically dispersed back-up processing facilities.
- ☐ Monitors processing facility sites 24/7.
- ☐ Holds ISO 9001 certification in quality process management.
- ☐ Can provide SSAE16 attestations and SOC1 reports on internal controls.



Paycom, a leading provider in workforce technology, provides an end-to-end single application solution for HR. Its cloud-based platform offers convenience and cost effectiveness, along with the peace of mind that comes from knowing your records are safe and in compliance with the employment laws governing your business. Reduce your exposure today with Paycom. www.paycomonline.com

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