Community Bookkeeper Labor Standards Certificate Training

Monday Oct 3rd, 2025
NDC - St Paul MN

PARTICIPANT PACKET

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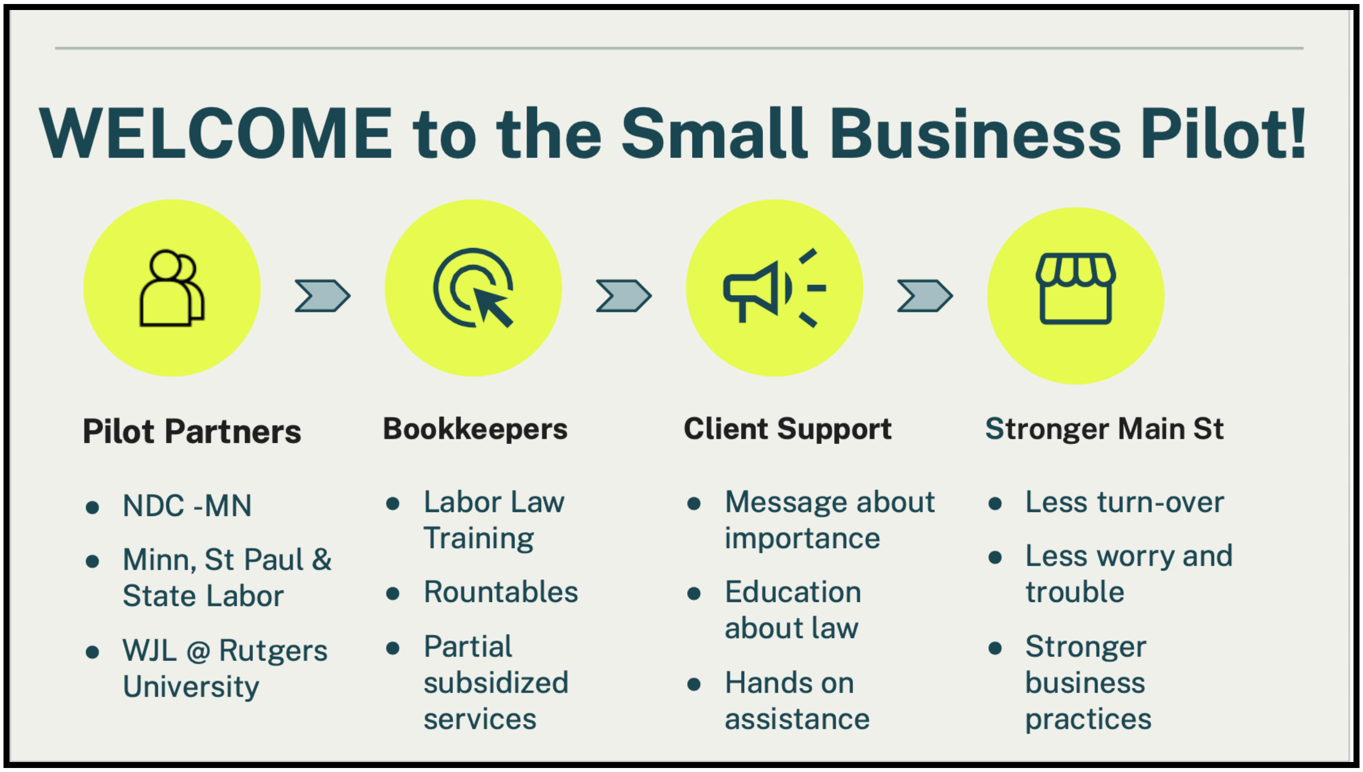


- **Minneapolis Small Business Pilot Project** supports small businesses to learn about, and come into compliance with, labor laws by providing help updating and learning how to use financial and payroll systems and so that it strengthens the businesses and helps maintain compliance with labor laws.
- The program is a partnership between the **City of Minneapolis, Workplace Justice Lab at Rutgers University and Neighborhood Development Center -MN.**
- We are building, training and providing resources to a growing Network of Community Bookkeepers to better reach and service the small businesses in Minneapolis, especially those that are immigrant and BIPOC owned.
- For more information on the Minneapolis Small Business Pilot and our co-sponsors, please see here.
- If you have suggestions of other community bookkeepers, accountants and/or CPA's who primarily serve Immigrant, black, native american, hispanic, and/or asian small business owners that you think may be interested in this pilot, please share their names and contact information with us. If you have any other questions, please also feel free to reach out.

PILOT PARTNERS

City of Minneapolis

https://www2.minneapolismn.gov/government/departments/civil-rights/labor-standards-enforcement/
Labor Standards Enforcement Division of the Civil Rights Department
Investigator: Nicolette Gullickson nicolette.gullickson@minneapolismn.gov

Neighborhood Development Center MN (NDC)

https://www.ndc-mn.org/
Andy Vue - Bookkeeper Coordinator avue@ndc-mn.org
612-517-4880
Dan Fehrenkamp. Project Manager - dfehrenkamp@ndc-mn.org
651-379-8113
Eyerusalem Surur - Bookkeeper Coordinator - esurur@ndc-mn.org

Workplace Justice Lab at Rutgers

https://smlr.rutgers.edu/workplace-justice-lab-ru
Cynthia Ward - Coordinator- cynthia.ward@rutgers.edu 617.549.0678
Zuhur Ahmud - Field Researcher - zuhur.ahmed@rutgers.edu

TODAY'S TRAINERS:

Minneapolis Labor Standards Enforcement Division (LSED):
Nicolette Gullickson

Minnesota Department of Labor and Industry (DLI):
Alanna Galloway, Melissa Parra-Huizar, Diana Salas

MN Department of Economic and Employment Development (DEED) - Paid Leave: *Corinne Horowitz, Gabriela Cortes*

MINIMUM WAGE

Notes

Minneapolis Minimum Wage

- All work conducted in the City
- No youth or training wages
- Current 2025 min wage = **$15.97**
- Min wage rate increases slightly every Jan 1st
- Updated wage rate announced in early fall

St Paul Minimum Wage

Minimum Wage Increase Update

Effective July 01, 2025, the Minimum Wage rate for businesses in the City of Saint Paul will increase according to the below schedule. Learn more at **stpaul.gov/minimumwage**.

SAINT PAUL
HUMAN RIGHTS & EQUAL ECONOMIC OPPORTUNITY

	EFFECTIVE JAN. 1, 2025	EFFECTIVE JULY 1, 2025	EFFECTIVE JAN. 1, 2026
CITY RATE Includes Macro & Large (101+ employees)	$15.97	$15.97	TBD, Announced 09/01/25
SMALL (6-100 employees)	$14.00	$15.00	$15.00
MICRO (5 or fewer employees)	$12.25	$13.25	$13.25

Minnesota Minimum Wage

- All areas of the state
- Employers of all sizes
- State minimum wage is **$11.13/hour**
- 90 day training wage for those under 20 is $9.08/hr
- Is adjusted based on inflation

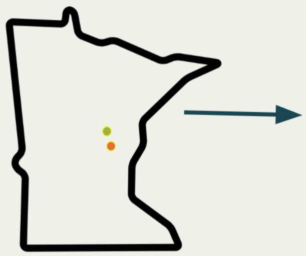
Overview of Minimum Wage in Minnesota

	City of Minneapolis	City of St Paul	Rest of Minnesota
Covers	All work in the city	All work in the city	All work in the state
Current Min Wage (as of 8.1.25)	**$15.97 / hour**	**City (100+) $15.97** **Small (6-100) $15.00** **Mini (5 or less) $13.25**	**$11.13/hour**
Youth Wage	None	Youth Workers Rate (14-17 yrs old) and for City-approved, youth training program rate (under 20 yrs old) **$12.75 / hr**	90 day training wage for those under 20 is **$9.08/hr**
Cost of Living Increases	Annual on Jan 1st	Updated City rate to be announced on 9/1/25.	Small Annual Increase on Jan 1st

SICK & SAFE TIME

Notes

Sick time in Minnesota



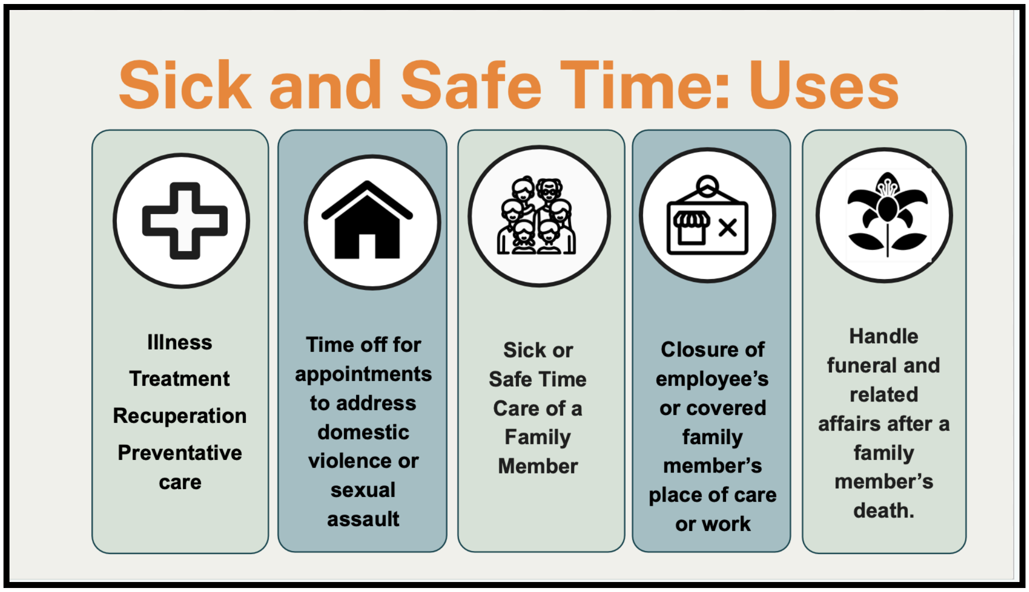
Created by Maria Darron from Noun Project

In 2024 a state Sick Time Law went into effect. All employers doing business in the state are covered by the state law, with the exception of federal employers.

The Minneapolis and St Paul City Sick Leave policies are now consistent with the State Law.

Sick and Safe Time

Coverage	• All employees in state - no matter business size
Accrual Rate	• 1 hour for every 30 hours worked
Maximum Accrual	• 48 hours in a calendar year up to 80 hours banked
No Waiting Period	• Accrual begins immediately upon hire and must be available to employees as it accrues
Carry-Over	• 80 hours to the next year (or employer may frontload 80 every year)
Documentation	• ***Update:*** Employers can now ask for documentation after 2 days use of sick time



Sick Time Do's

- ✓ Have/follow a clearly communicated SST policy
- ✓ Allow employees to use SST whenever they need it
- ✓ Assume employees want to use their available hours
- ✓ Implement a straightforward process to use the policy (not overly burdensome)
- ✓ Ensure timely payment for SST

Sick Time Don'ts

- ✗ Ask for a doctor's note until 2nd missed shift
- ✗ Ask for details about their reason for requesting SST
- ✗ Require employees to find replacement workers
- ✗ Require employees to make up hrs
- ✗ Require more than 7 days' notice
- ✗ Assess attendance points/penalize employees for using SST

SICK & SAFE TIME EXERCISE

- Review the following three sample pre-hire notice examples
- Highlight/circle/underline any noncompliant elements
- Suggest needed fixes

Sick & Safe Time Example 1

Employees are entitled to earn sick and safe leave up to a maximum of 48 hours per year and can accumulate unused sick and safe leave up to 80 hours in subsequent years. Employees may use up to 48 hours of sick and safe leave per year. Sick and safe leave accrues at a rate of 1 hour for every 30 hours worked. The year commences on January 1st and ends on December 31 st.

The terms under which employees are permitted to use this leave are set forth below.

Employees will not be paid for any unused sick and safe leave upon termination of employment. If an employee separates from employment and is rehired within 90 days, any earned and unused sick and safe leave that the employee had at the time of separation will be reinstated.

All employees begin accruing hours on the first day of work, regardless of whether they are full-time, parttime, temporary, salaried or hourly workers. Following 90 calendar days of employment, sick and safe leave may be used for the following authorized purposes:

- Diagnosis, treatment, recuperation, or preventative care for a medical or mental health condition, illness, or injury of the employee or covered family member;
- Legal action, to seek law enforcement, counseling or other services for domestic abuse, sexual assault, or stalking of the employee or covered family member; or
- Care of a family member during emergency closure of their school or place of care, including for inclement weather

Covered family members include immediate family and/or a member of the employee's household. Employees may only use sick and safe leave for one of the authorized reasons listed above. Retaliation by management against an employee's legitimate use of sick and safe leave is prohibited.

When an employee wishes to use sick and safe leave, the employee must complete [redacted]. Sick and Safe Leave Form and deliver it to their supervisor. Sick and safe leave pay will be added to their paycheck. Paid sick leave hours will be compensated at the employee's hourly rate of pay, excluding tips, service charges, commissions and overtime rates, where applicable. Paid sick leave hours will not count as hours worked for the purposes of any overtime calculation.

No medical or other documentation will be required from the employee unless three or more consecutive absences occur, or clear evidence of illegitimate use exists. Employees who use sick or safe time leave for three or more consecutive absences may be required to provide a doctor's note.
Employees will be notified of their paid sick leave balances through their payroll (Paychex Flex On-line) employee portal and on pay stubs.

Sick & Safe Time Example 2

[COMPANY] recognizes that team members have diverse needs for time off from work and, as such, [COMPANY] Has established this paid time off (PTO) policy. THe benefits of PTO are that it promotes a flexible approach to time off by combining vacation, sick and personal leave. Team Members are accountable and responsible for managing their own PTO hours to allow for adequate reserves if there is a need to cover vacation, illness or disability, appointments, emergencies, or other situations that require time off from work.

Eligibility of PTO
PTO is earned upon hire or transfer into a benefits-eligible position.

Procedures

AvailabIlity OF PTO
PTO hours are available for use in the pay periods following completion of 90 days of full-time employment.

Payment of PTO
PTO earned is based upon length of service. The length of service determines the amount of total PTO hours available.

Full Time Team Members

Years of Service	Annual PTO (hours)	Personal Days
0-1 year	80 hours	
1-3 years	80 hours	2 days - 16 hours
4-10 years	120 hours	4 days - 32 hours
11-15 years	160 hours	4 days - 32 hours
16+ years	200 hours	4 days - 32 hours

Use and Scheduling of PTO
Team Members are required to use available PTO when taking time off from work. PTO may be taken in increments of four hours.

PTO must be scheduled in advance. PTO is subject to leadership approval, department staffing needs and established departmental procedures. To request paid time off, submit a written request to your immediate leader and Operations Leader as far in advance as possible; at least two (2) weeks is recommended. Unscheduled absences will be monitored. Team members will be warned when the frequency of unscheduled absences adversely affects the operations of the department. Leadership may request that the team member provide a statement from a health care provider concerning the justification for an unscheduled absence.

When PTO is used, a Team Member is required to use PTO hours according to his or her regularly scheduled workday. For hourly team members PTO is paid at the team member's straight time rate. For commission team members PTO is paid at the average of the prior fifty-two (52) week paid periods. PTO is not part of any overtime calculation.

Payment of PTO upon Termination
If proper notice of termination is given, the team member may be eligible to receive a payout for unused paid time off. Immediate termination by either party forfeits hours available.

Payout of PTO Full Time Team Members
On the team member's anniversary date they may carry over a maximum of 48 hours from the previous year PTO.

Personal Days
Personal Days provide team members with authorized paid absences from work for the purpose of attending to personal business and emergency situations.

Eligibility of Personal Days
All full time team members are eligible to receive personal days. Personal days are earned based upon length of service.

Request for Approval of Personal Days
Personal days must be scheduled in advance. Personal days are subject to leadership approval, department staffing needs and established departmental procedures. To request paid time off, submit a written request to your immediate leader and Operations Leader at least 24 hours in advance of the desired time off. All approvals must clearly define the duration of the absence with the date and time team members are expected to return to work.

Part -Time Team Members

Years of Service	Accrual Rate	Annual PTO Accrual
Part Time	.04 accrual per hour	48 hours capped

Payout Part -Time Team Members
At the end of the year part time team members may roll over up to 48 hours of PTO with an aggregate cap of 80 hours.

Sick & Safe Time Example 3

[Employer] provides temporary and on-call employees who are not eligible for the organization's Paid Time Off (PTO) benefit the opportunity to accrue sick and safe time ("Sick/Safe Time") when they are unable to work due to a brief illness or for other qualifying reasons.

This policy is intended to comply with the requirements of any and all paid Sick/Safe leave statutes, ordinances, rules, or regulations that might apply to an employee in the circumstances at hand. In the event that any val d state or local law, ordinance, rule, or regulation provides for greater leave rights than this policy, the law, ordinance, rule, or regulation in question will control over this policy.

Employees who are employed on July 1, 2017, are immediately eligible to accrue and use Sick/Safe Time. Employees who are hired or transfer to a temporary or on-call status after July 1, 2017, begin to accrue Sick/Safe Time immediately, but become eligible to use Sick/Safe Time only after the first ninety (90) calendar days of their employment ("Waiting Period")

Employees who have a break in employment and are rehired within 180 days will be credited with any previously accrued, unused Sick/Safe Time, and days that the employee worked for [Employer] before the break in employment will be counted towards completion of the Waiting Period.

Accrual
Covered employees accrue one (1) hour of Sick/Safe Time for every 30 hours worked each pay period up to a maximum of 48 hours each calendar year, defined as January 1 through December 31 (the "Leave Year"). Employees only accrue Sick/Safe Time for hours actually worked; employees do not accrue Sick/Safe Time while on vacation, leave, or while using Sick/Safe Time or for any other non-working time.

Sick/Safe Time will be paid at the employee's regular rate of pay. [EmployerJ will not pay an employee's overtime rate when an employee uses Sick/Safe Time, even for hours that would have been overtime hours if worked.

At the end of each Leave Year, employees will be permitted to carryover a maximum of 80 hours of accrued but unused Sick/Safe Time to the next Leave Year. For example, an employee who accrued 48 hours of Sick/Safe Time in the first Leave Year, but who did not use any of it, can carry over 48 hours to the start of the second Leave Year.

Once an employee reaches 80 hours of Sick/Safe Time, through either carry-over and/or accrual, the employee will no longer accrue additional hours (even if the yearly cap is not triggered) until the employee uses some of the hours that the employee has "in the bank."

If your absence for a qualifying Sick/Safe Time purpose exceeds the number of Sick/Safe Time hours that you have accrued and are eligible to use, you will not be paid for the excess hours, and (Employer] will apply its normal Attendance Policy, which may result in a determination that the excess hours are unexcused and subject to discipline under the Policy.

An employee moving from temporary/on-call status to a part-time/full-time regular position that is eligible for PTO will be able to carry over his or her Sick/Safe Time accrual to his or her PTO accrual bank and utilized as a PTO benefit under that policy's conditions.

Upon an employee's termination for any reason, all unused Sick/Safe Time is forfeited by the employee, and the Company will have no obligation to pay the employee for the unused Sick/Safe Time.

<u>Permissible Uses</u>
Sick/Safe may be used in <u>four- (4) hour increments </u>for any purpose that qualifies for paid time off under the Minneapolis Ordinance, which includes the following:

1. For the employee’s own illness, injury, or health condition or for the employee obtain medical diagnosis, treatment, or preventative care for such condition(s);
2. To care for a family member with an illness, injury, or health condition or to care for a family member who needs medical diagnosis, treatment, or preventative care for such condition(s);
3. For an absence due to domestic violence, sexual assault, stalking, or to obtain medical treatment or other services related thereto;
4. Closure of the employee’s place of business by a public official;
5. To accommodate the employee’s need to care for a family member’s school or place of care that has been closed by order of a public official; or to accommodate the employee’s need to care for a family member whose school or place of care has been closed due to inclement weather, loss of power, loss of heating, loss of water, or other unexpected closure.

<u>Notice</u>
If the need for Sick/Safe Time is foreseeable, [Employer] requires that employees provide at least seven (7) days’ notice to your manager. Employees must make a reasonable effort to schedule a foreseeable need for Sick/Safe Time in a manner that does not unduly disrupt operations..

If the need for Sick/Safe Time is unforeseeable, the employee must provide notice to their manager as soon as practicable and must generally comply [Employer's] notice and leave request procedures to the extent that it does not interfere with the ability of the employee to use the Sick/safe Time when needed.

If the expected duration of a Sick/Safe Time absence changes for any reason, an employee must notify your manager as soon as practicable.

An employee's failure to provide the notice required under this policy may result in a delay in payment or nonpayment of the time claimed as Sick/Safe Time and may also result in discipline for failure to follow Catholic Eldercare's policies and procedures.

<u>Documentation</u>

If an employee uses Sick/Safe Time for more than three (3) consecutive scheduled work days, [Employer] may require reasonable documentation for the purpose for the Sick/Safe Time. Documentation may include, but is not limited to, a signed statement from a health care provider. The employee must provide documentation within 15 calendar days of the request.

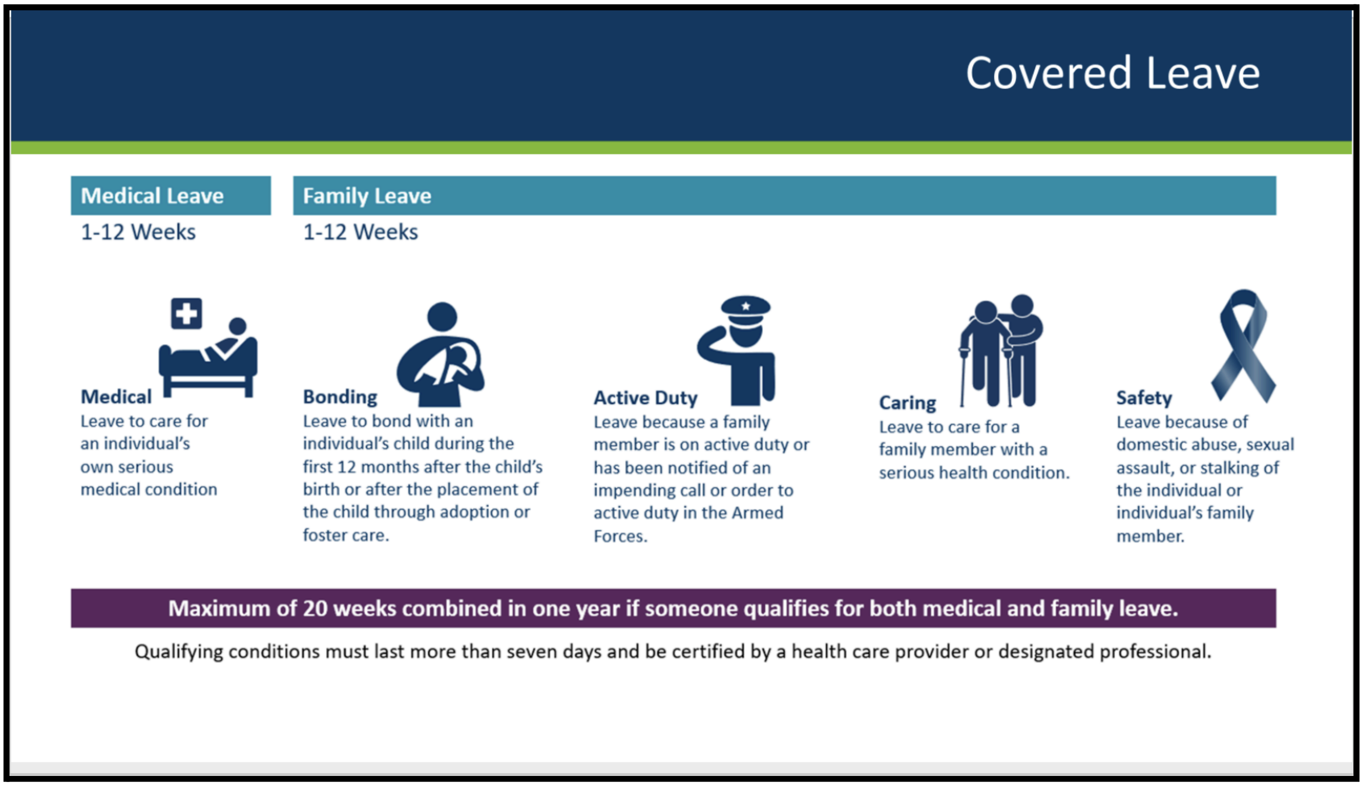
If the need for Sick/Safe Time is foreseeable and projected to last longer than three (3) consecutive scheduled work days, [Employer] may require reasonable documentation of the purpose for the Sick/ Safe Time before the Sick/Safe Time commences, or as soon as otherwise practicable.

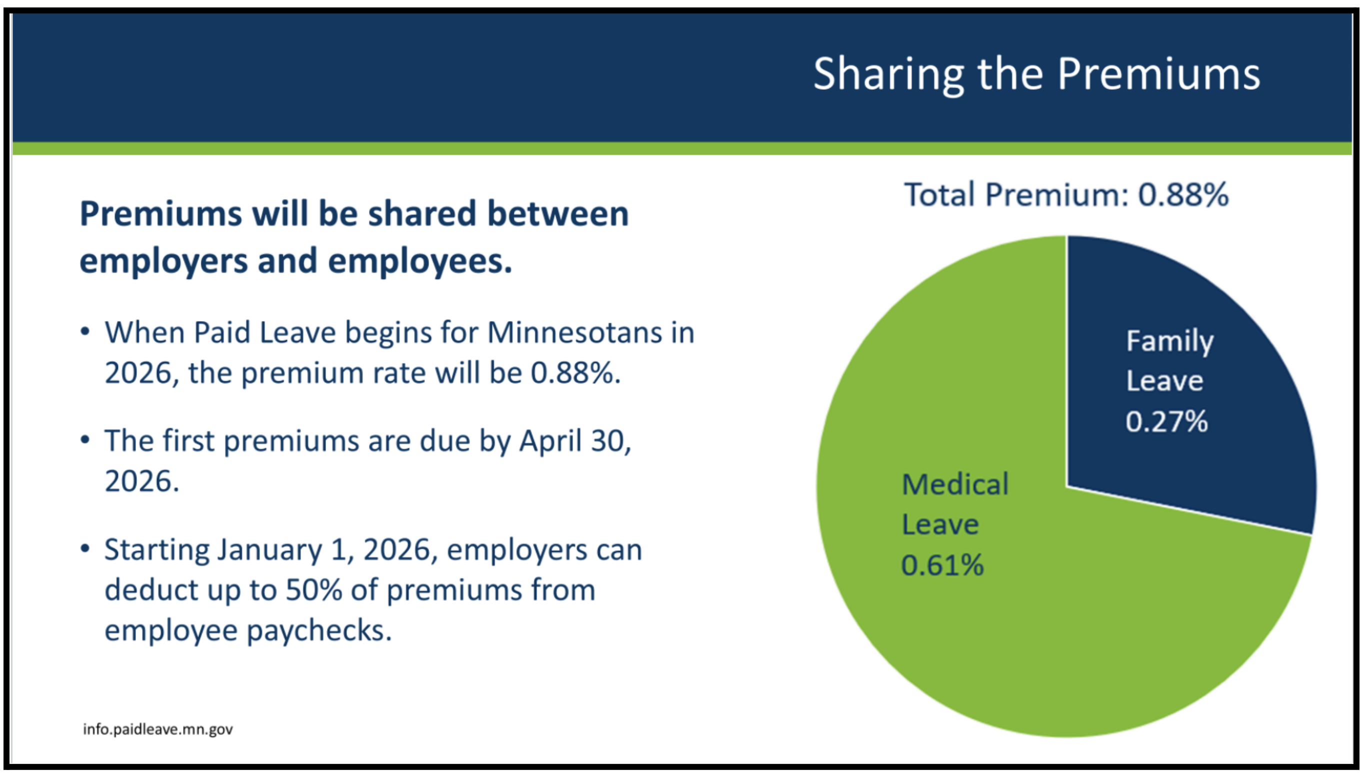
The Company also reserves the right to require documentation verifying an employee's need to use Sick/Safe Time if there are indications of abuse, such as repeated use of unscheduled Sick/Safe Time on or adjacent to weekends, holidays, or pay days.

An employee's failure or delay in providing documentation requested by [Employer] may result in a delay in payment or nonpayment of the time claimed as Sick/Safe Time and may also result in discipline for failure to follow Company policies and procedures.

<u>Sick/Safe Time Balance</u>
On each paystub, [Employer] will provide employees with information regarding the amount of unused Sick/Safe Time that is available for use during the remainder of the Leave Year and the amount that has been used by the employee.

PAID LEAVE - *coming to MN 1.1.2026*





Employers' Role in Paid Leave

Reporting & Premiums

- ❑ Payroll deduction & premium payment
- ❑ Wage reporting

Educate & Inform

- ❑ Workforce posters
- ❑ Individual notifications

Leave Administration

- ❑ Provide input on applications for benefits
- ❑ Coordinate other leaves and payments

Collaborate & Improve

- ❑ Collaborate on how to build the program
- ❑ Provide input on how to improve over time

As an employer, you play an important role in helping your employees learn about and access Paid Leave and in building an effective program.

info.paidleave.mn.gov

Coordination of other payments

Paid Leave provides payments that are a percentage of an employee's usual pay. Employers can choose to offer supplemental payments to employees on leave.

Supplemental Benefits

Some benefits can be **used with Paid Leave** to bring payments closer to a worker's regular salary. Think of it like "topping off" Paid Leave payments.

- Sick time
- Vacation pay
- Paid time off
- Short-term disability

Substitution Payment

Some benefits, if taken during an absence, could **reduce payments.**

If a payment is not designated as a supplemental benefit, it's likely an offset.

info.paidleave.mn.gov

Roles in Paid Leave application

The employee, employer, and Paid Leave all play a role in the application process.

The Paid Leave application process

1. **Employee** notifies **Employer** about intention to take leave.
2. **Employee** starts an application for Paid Leave.
3. **Employee** submits application for Paid Leave.
   Paid Leave Administrator is asked to review the application.
4. **Paid Leave division** adjudicates the application.
5. **Employee** and **Paid Leave Administrator** are notified of determination.

info.paidleave.mn.gov

Help make Paid Leave work

Your partnership and experience help make Paid Leave work. Visit the Paid Leave website to:

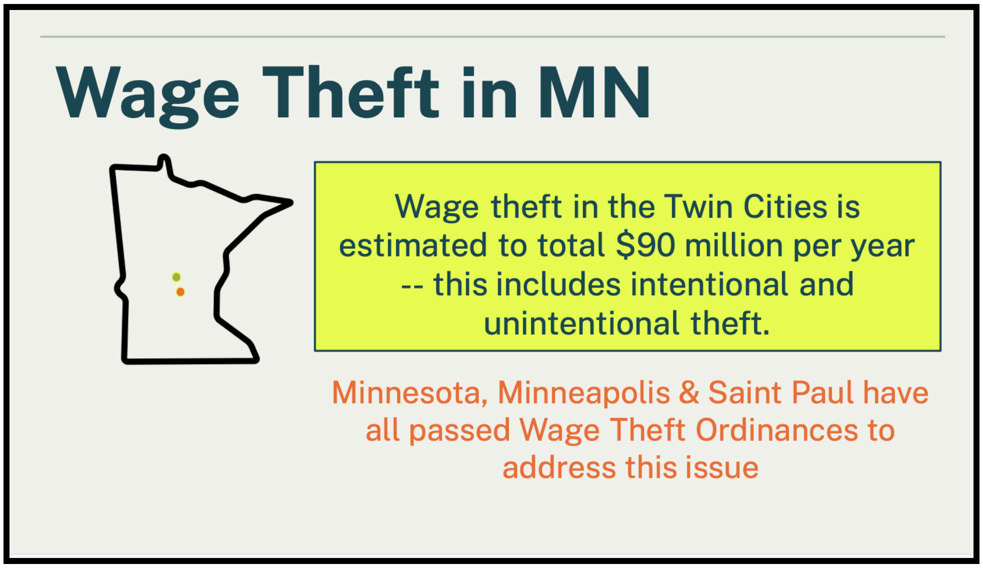
- Check out frequently asked questions for employers.
- Estimate premium payments using our online calculator.
- Register for a Paid Leave Only account in the UI system and report wages.
- Sign up to receive Paid Leave updates.
- Send us questions.

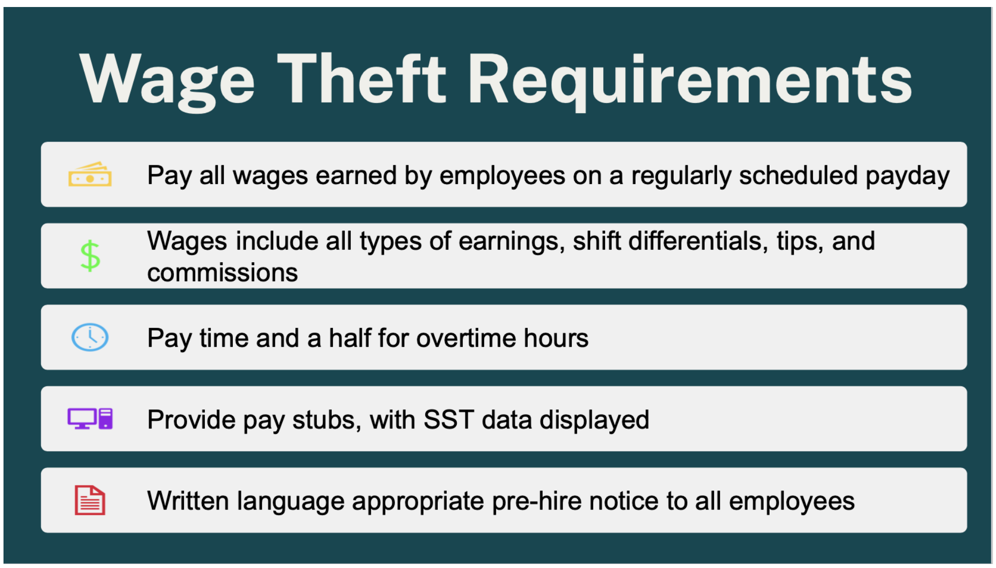
To reach the Contact Center by phone, call 651-556-7777 or 844-556-0444 (toll-free). Paid Leave staff are available 9:00 a.m. to 4:00 p.m., Monday through Friday, except state holidays.

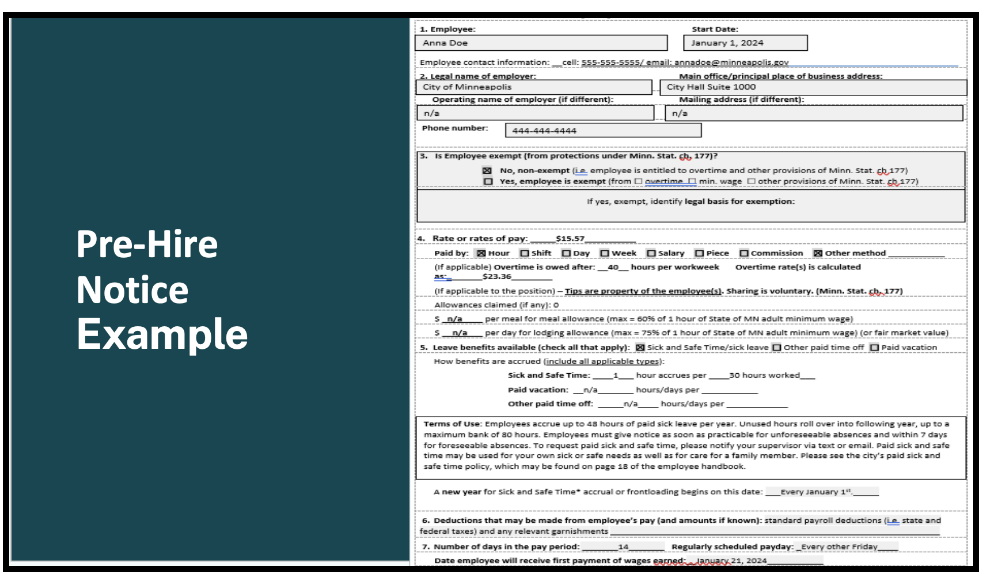
info.paidleave.mn.gov

WAGE THEFT

Notes







1. Employee: Anna Doe | Start Date: January 1, 2024

Employee contact information: __cell: 555-555-5555/ email: annadoe@minneapolis.gov

2. Legal name of employer: City of Minneapolis | Main office/principal place of business address: City Hall Suite 1000

Operating name of employer (if different): n/a | Mailing address (if different): n/a

Phone number: 444-444-4444

3. Is Employee exempt (from protections under Minn. Stat. ch. 177)?

☒ No, non-exempt (i.e. employee is entitled to overtime and other provisions of Minn. Stat. ch 177)
☐ Yes, employee is exempt (from ☐ overtime ☐ min. wage ☐ other provisions of Minn. Stat. ch 177)

If yes, exempt, identify **legal basis for exemption:**

4. Rate or rates of pay: _____$15.57__________

Paid by: ☒ Hour ☐ Shift ☐ Day ☐ Week ☐ Salary ☐ Piece ☐ Commission ☒ Other method ___________

(If applicable) Overtime is owed after: __40__ hours per workweek Overtime rate(s) is calculated as:_______$23.36________

(If applicable to the position) – Tips are property of the employee(s). Sharing is voluntary. (Minn. Stat. ch. 177)

Allowances claimed (if any): 0

$ _n/a_____ per meal for meal allowance (max = 60% of 1 hour of State of MN adult minimum wage)

$ __n/a____ per day for lodging allowance (max = 75% of 1 hour of State of MN adult minimum wage) (or fair market value)

5. Leave benefits available (check all that apply): ☒ Sick and Safe Time/sick leave ☐ Other paid time off ☐ Paid vacation

How benefits are accrued (include all applicable types):

Sick and Safe Time: ____1___ hour accrues per ____30 hours worked___

Paid vacation: __n/a_______ hours/days per ___________

Other paid time off: ______n/a____ hours/days per ____________

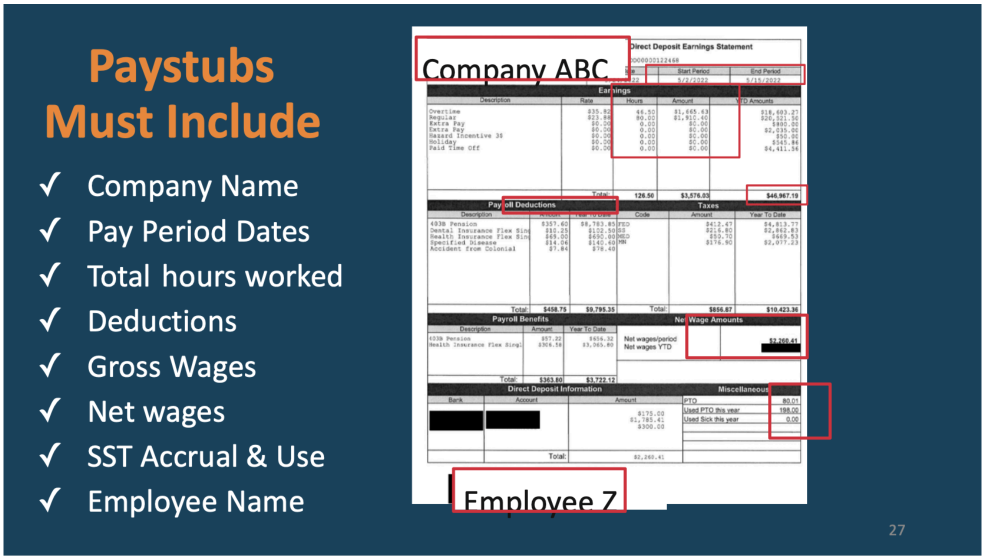
Terms of Use: Employees accrue up to 48 hours of paid sick leave per year. Unused hours roll over into following year, up to a maximum bank of 80 hours. Employees must give notice as soon as practicable for unforeseeable absences and within 7 days for foreseeable absences. To request paid sick and safe time, please notify your supervisor via text or email. Paid sick and safe time may be used for your own sick or safe needs as well as for care for a family member. Please see the city's paid sick and safe time policy, which may be found on page 18 of the employee handbook.

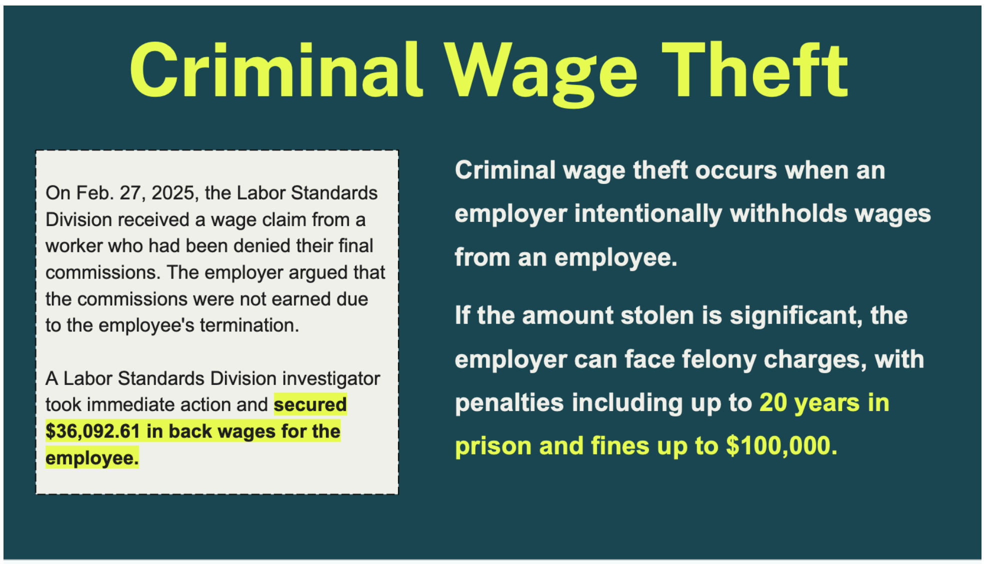
A new year for Sick and Safe Time* accrual or frontloading begins on this date: ___Every January 1st.______

6. Deductions that may be made from employee's pay (and amounts if known): standard payroll deductions (i.e. state and federal taxes) and any relevant garnishments

7. Number of days in the pay period: _______14_______ Regularly scheduled payday: _Every other Friday_____

Date employee will receive first payment of wages earned: _January 21, 2024___________





Pay Stub Exercise

- Review the following 9 paystubs
- Highlight/circle/underline any noncompliant elements
- Suggest needed fixes

PERSONAL AND CHECK INFORMATION		
Jose [redacted]		
Soc Sec #: xxx-xx-xxxx	Employee ID: 4874	
Home Department: 30230 Dish / 200 BOH		
Pay Period: [redacted]		
Check Date [redacted]	Check #: 32598	

NET PAY ALLOCATIONS

DESCRIPTION	THIS PERIOD ($)	YTD ($)
Check Amount	[redacted]	[redacted]
NET PAY		

EARNINGS

BASIS OF PAY	DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD ($)	YTD HOURS	YTD ($)
	Hourly	71.42	15.57	[redacted]	486.81	[redacted]
	Service Charge Com			67.51		614 30
	Overtime				4.66	104 86
	Vacation				21.60	324 00
	Total Hours	71.42			513.07	
	Gross Earnings			[redacted]		[redacted]
	Total Hrs Worked	71.42				

WITHHOLDINGS

DESCRIPTION	FILING STATUS	THIS PERIOD ($)	YTD ($)
Social Security		70.61	517.41
Medicare		16.52	121.01
Fed Income Tax	J	14.27	140.58
MN Income Tax	M 0	35.31	267.14
TOTAL		136.71	1046.14

NET PAY	THIS PERIOD ($)	YTD ($)
	[redacted]	[redacted]

Payrolls by Paychex, Inc.

PERSONAL AND CHECK INFORMATION

Antony [redacted]

Soc Sec #: xxx-xx-xxxx **Employee ID:** 2854

Home Department: 30110 Service / 100 FOH

Pay Period: [redacted]

Check Date: [redacted] **Check #:** 32553

NET PAY ALLOCATIONS

DESCRIPTION	*THIS PERIOD ($)*	*YTD ($)*
Check Amount		
NET PAY	[redacted]	[redacted]

EARNINGS

BASIS OF PAY	*DESCRIPTION*	*HRS/UNITS*	*RATE*	*THIS PERIOD ($)*	*YTD HOURS*	*YTD ($)*
	Hourly	27.54	15.57	[redacted]	237.50	[redacted]
	Credit Card Tips			1198.41		7388.78
	Total Hours	27.54			237.50	
	Gross Earnings			[redacted]		[redacted]
	Total Hrs Worked	27.54				

OTHER

Do not increase Net Pay

DESCRIPTION	*THIS PERIOD ($)*	*YTD ($)*
Tips Claimed	113.00	1192.00

WITHHOLDINGS

DESCRIPTION	*FILING STATUS*	*THIS PERIOD ($)*	*YTD ($)*
Social Security		102.65	716.07
Medicare		24.01	167.47
Fed Income Tax	SMS	131.01	912.24
MN Income Tax	S 2	63.19	443.74
TOTAL		320.86	2239.52

DEDUCTION

DESCRIPTION	*THIS PERIOD ($)*	*YTD ($)*
Emergency Fund	1.00	7.00
TOTAL	1.00	7.00

NET PAY	*THIS PERIOD ($)*	*YTD ($)*
	[redacted]	[redacted]

Payrolls by Paychex, Inc.

PERSONAL AND CHECK INFORMATION

Ella [redacted]

Soc Sec #: xxx-xx-xxxx **Employee ID:** 9801

Home Department: 30140 Host / 100 FOH

Pay Period: [redacted]

Check Date [redacted] **Check #:** 32579

NET PAY ALLOCATIONS

DESCRIPTION	THIS PERIOD ($)	YTD ($)
Check Amount	[redacted]	[redacted]
NET PAY		

EARNINGS

BASIS OF PAY	DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD ($)	YTD HOURS	YTD ($)
	Hourly	19.73	13.5000	[redacted]	100.19	[redacted]
	Service Charge Com			11.89		98 07
	Credit Card Tips			26.60		98 39
	Total Hours	19.73			100.19	
	Gross Earnings			[redacted]		[redacted]
	Total Hrs Worked	19.73				

WITHHOLDINGS

DESCRIPTION	FILING STATUS	THIS PERIOD ($)	YTD ($)
Social Security		18.90	96.04
Medicare		4.42	22.46
MN Income Tax	S 0	8.08	33.21
TOTAL		31.40	151.71

NET PAY	THIS PERIOD ($)	YTD ($)
	[redacted]	[redacted]

Payrolls by Paychex, Inc.

PERSONAL AND CHECK INFORMATION
Emma [redacted]

Soc Sec #: xxx-xx-xxxx Employee ID: 3080
Clock ID: 3080

Home Department: 30140 Host / 100 FOH

Pay Period: [redacted]
Check Date: [redacted] Check #: 32580

NET PAY ALLOCATIONS

DESCRIPTION	THIS PERIOD ($)	YTD ($)
Check Amount		
NET PAY	[redacted]	[redacted]

EARNINGS

BASIS OF PAY	DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD ($)	YTD HOURS	YTD ($)
	Hourly	32.34	15.5000	[redacted]	236.88	[redacted]
	Service Charge Com			30.18		316.55
	Credit Card Tips			29.20		303.26
	Total Hours	32.34			236.88	
	Gross Earnings			[redacted]		[redacted]1
	Total Hrs Worked	32.34				

WITHHOLDINGS

DESCRIPTION	FILING STATUS	THIS PERIOD ($)	YTD ($)
Social Security		34.76	265.53
Medicare		8.13	62.10
Fed Income Tax	S 0	39.33	321.50
MN Income Tax	S 0	21.76	171.50
TOTAL		103.98	820.63

NET PAY	THIS PERIOD ($)	YTD ($)
	[redacted]	[redacted]

Payrolls by Paychex, Inc.

PERSONAL AND CHECK INFORMATION
Alyssa [redacted]

Soc Sec #: xxx-xx-xxxx Employee ID: 7951

Home Department: 30240 [redacted] Prep / 200 BOH

Pay Period: [redacted]
Check Date: [redacted] Check #: 32604

NET PAY ALLOCATIONS

DESCRIPTION	THIS PERIOD ($)	YTD ($)
Check Amount	[redacted]	[redacted]
NET PAY		

EARNINGS

BASIS OF PAY	DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD ($)	YTD HOURS	YTD ($)
	Hourly	86	16.0000	[redacted]	261.78	[redacted]
	Service Charge Com			45.92		289.89
	Total Hours	86			261.78	
	Gross Earnings			[redacted]		[redacted]
	Total Hrs Worked	86				

WITHHOLDINGS

DESCRIPTION	FILING STATUS	THIS PERIOD ($)	YTD ($)
Social Security		54.11	277.66
Medicare		12.66	64.94
Fed Income Tax	SMS	37.47	148.99
MN Income Tax	S 0	38.46	190.20
TOTAL		142.70	681.79

DEDUCTION

DESCRIPTION	THIS PERIOD ($)	YTD ($)
Emergency Fund	1.00	6.00
TOTAL	1.00	6.00

NET PAY	THIS PERIOD ($)	YTD ($)
	[redacted]	[redacted]

Payrolls by Paychex, Inc.

PERSONAL AND CHECK INFORMATION

Kenneth [redacted]

Soc Sec #: xxx-xx-xxxx **Employee ID:** 1480

Home Department: 30110 Service / 100 FOH

Pay Period: [redacted]
Check Date: [redacted] **Check #:** 32554

NET PAY ALLOCATIONS

DESCRIPTION	*THIS PERIOD ($)*	*YTD ($)*
Check Amount		
NET PAY	[redacted]	[redacted]

EARNINGS

BASIS OF PAY	*DESCRIPTION*	*HRS/UNITS*	*RATE*	*THIS PERIOD ($)*	*YTD HOURS*	*YTD ($)*
	Hourly	44.07	15.57	[redacted]	258.66	[redacted]
	Service Charge Com					17 86
	Credit Card Tips			1710.89		8782.16
	Event Tips			86.70		151 95
	Total Hours	44.07			258.66	
	Gross Earnings			[redacted]		[redacted]
	Total Hrs Worked	44.07				

OTHER

Do not increase Net Pay

DESCRIPTION	*THIS PERIOD ($)*	*YTD ($)*
Tips Claimed	300.00	1177.00

WITHHOLDINGS

DESCRIPTION	*FILING STATUS*	*THIS PERIOD ($)*	*YTD ($)*
Social Security		164.21	828.46
Medicare		38.40	193.75
Fed Income Tax	SMS	304.51	1243.25
MN Income Tax	S 1	142.34	652.59
TOTAL		649.46	2918.05

NET PAY

	THIS PERIOD ($)	*YTD ($)*
NET PAY	[redacted]	[redacted]

Payrolls by Paychex, Inc.

PERSONAL AND CHECK INFORMATION
Jordan [redacted]

Soc Sec #: xxx-xx-xxxx **Employee ID:** 5087
Clock ID: 5087

Home Department: 30120 Bartenders/ 100 FOH

Pay Period: [redacted]
Check Date: [redacted] **Check #:** 32568

NET PAY ALLOCATIONS

DESCRIPTION	THIS PERIOD ($)	YTD ($)
Check Amount	[redacted]	[redacted]
NET PAY		

EARNINGS

BASIS OF PAY	DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD ($)	YTD HOURS	YTD ($)
	Hourly	90	15.57	[redacted]	266.29	[redacted]
	Credit Card Tips			1295.80		6611.61
	Total Hours	90			266.29	
	Gross Earnings			[redacted]		[redacted]
	Total Hrs Worked	90				

WITHHOLDINGS

DESCRIPTION	FILING STATUS	THIS PERIOD ($)	YTD ($)
Social Security		117.22	616.30
Medicare		27.41	144.13
Fed Income Tax	SMS +$39.62	316.46	1530.03
MN Income Tax	MWS 0	102.44	501.43
TOTAL		563.53	2791.89

DEDUCTION

DESCRIPTION	THIS PERIOD ($)	YTD ($)
Emergency Fund	1.00	1.00
TOTAL	1.00	1.00

NET PAY	THIS PERIOD ($)	YTD ($)
	[redacted]	[redacted]

Payrolls by Paychex, Inc.

PERSONAL AND CHECK INFORMATION

Michael [redacted]

Soc Sec #: xxx-xx-xxxx Employee ID: 2008

Home Department [redacted]

Pay Period: [redacted]

Check Date: [redacted] Check #: 32620

NET PAY ALLOCATIONS

DESCRIPTION	THIS PERIOD ($)	YTD ($)
Check Amount	0.00	[redacted]
Chkg 274	[redacted]	
NET PAY		

EARNINGS

BASIS OF PAY	DESCRIPTION	HRS/UNITS	RATE	THIS PERIOD ($)	YTD HOURS	YTD ($)
	Hourly	71.75	14.75	[redacted]	494.23	[redacted]
	Service Charge Com			68.41		672.81
	Overtime				0.75	10.50
	Credit Card Tips			523.71		3332.73
	Event Tips			92.26		265.58
	Total Hours	71.75			494.98	
	Gross Earnings			[redacted]		[redacted]
	Total Hrs Worked	71.75				

WITHHOLDINGS

DESCRIPTION	FILING STATUS	THIS PERIOD ($)	YTD ($)
Social Security		104.71	694.56
Medicare		24.49	162.44
Fed Income Tax	SMS	134.99	870.60
MN Income Tax	S 0	88.72	578.92
TOTAL		352.91	2306.52

NET PAY	THIS PERIOD ($)	YTD ($)
	[redacted]	[redacted]

Payrolls by Paychex, Inc.

PERSONAL AND CHECK INFORMATION

Alessandro [redacted]

Soc Sec #: xxx-xx-xxxx **Employee ID:** 4561

Clock ID: 4561

Home Department: 30130 Wait Assistants / 100 FOH

Pay Period: [redacted]

Check Date: [redacted] **Check #:** 32573

NET PAY ALLOCATIONS

DESCRIPTION	*THIS PERIOD ($)*	*YTD ($)*
Check Amount	[redacted]	[redacted]
NET PAY		

EARNINGS	*BASIS OF PAY*	*DESCRIPTION*	*HRS/UNITS*	*RATE*	*THIS PERIOD ($)*	*YTD HOURS*	*YTD ($)*
		Hourly	41.98	15.00	[redacted]	325.35	[redacted]
		Credit Card Tips			792.52		5408.43
		Total Hours	41.98			325.35	
		Gross Earnings			[redacted]		[redacted]
		Total Hrs Worked	41.98				
WITHHOLDINGS		*DESCRIPTION*	*FILING STATUS*		*THIS PERIOD ($)*		*YTD ($)*
		Social Security			81.67		587.47
		Medicare			19.10		137.39
		Fed Income Tax	S 5		32.30		259.77
		MN Income Tax	S 5		16.46		128.84
		TOTAL			149.53		1113.47

NET PAY	*THIS PERIOD ($)*	*YTD ($)*
	[redacted]	[redacted]

EMPLOYEE CLASSIFICATION

Exempt vs NonExempt

THREE TESTS

1. Salary Level ($684 wk)
2. Salary Basis (Guaranteed)
3. Job Duties (Primary Duty)

EXEMPT JOB DUTIES

- **Administrative:** *office or non-manual work directly related to the management or general business operations and including exercise of discretion and independent judgment with respect to matters of significance.*
- **Professional:** work requiring advanced knowledge, primarily intellectual in character, and including consistent exercise of discretion and judgment. Knowledge acquired by prolonged course of specialized intellectual instruction.
- **Executive:** managing some part of the business, 2+ FTEs, authority over: hiring, firing, promotions, advancement, etc.

Classification of Employees as Independent Contractors Under the Fair Labor Standards Act

Indicators of an Employee	-OR-	Indicators of an Independent Contractor
Working for someone else's business		In business for themself
Generally, can only earn more by working additional hours		Can increase profit through business decisions
Typically uses the employer's materials, tools and equipment		Typically provides their own materials, tools and equipment and uses them to extend market reach
Typically works for one employer or may be prohibited from working for others		Often works with multiple clients
Continuing or indefinite relationship with the employer		Temporary relationship until project completed
Employer decides how and when the work will be performed		Decides how and when they will perform the work
Employer assigns the work to be performed		Decides what work or projects they will take on

These are general concepts. All relevant facts about the work relationship should be considered as a whole,

dol.gov

EMPLOYEE CLASSIFICATION Con't

Best practices DO's

1. **Review Rules**
   – *MN Rules 3315.0555, 5224.0320-0340, 5224.0020-0312.*
2. **Contract Details**
   – *Clearly describe relationship, responsibilities, and services.*
3. **Control and Scope**
   – *Focus on end result, not work details.*
   – *Define scope and payment clearly.*
4. **Classification**
   – *Avoid classifying as contractors if work is similar to employees.*
5. **Compliance**
   – *Follow tax laws.*

DEPARTMENT OF LABOR AND INDUSTRY

Prohibited Activities DON'TS

- ✘ Failing to classify, represent, or treat an employee as an employee in accordance with the requirements of any law;
- ✘ Failing to report or disclose an employee to any government agency when required to do so under the applicable law; and
- ✘ Requiring or requesting an employee to enter into any agreement or complete any document that misclassifies, misrepresents, or treats the individual as an independent contractor, or otherwise does not reflect the individual is an employee.

EMPLOYEE CLASSIFICATION EXERCISE

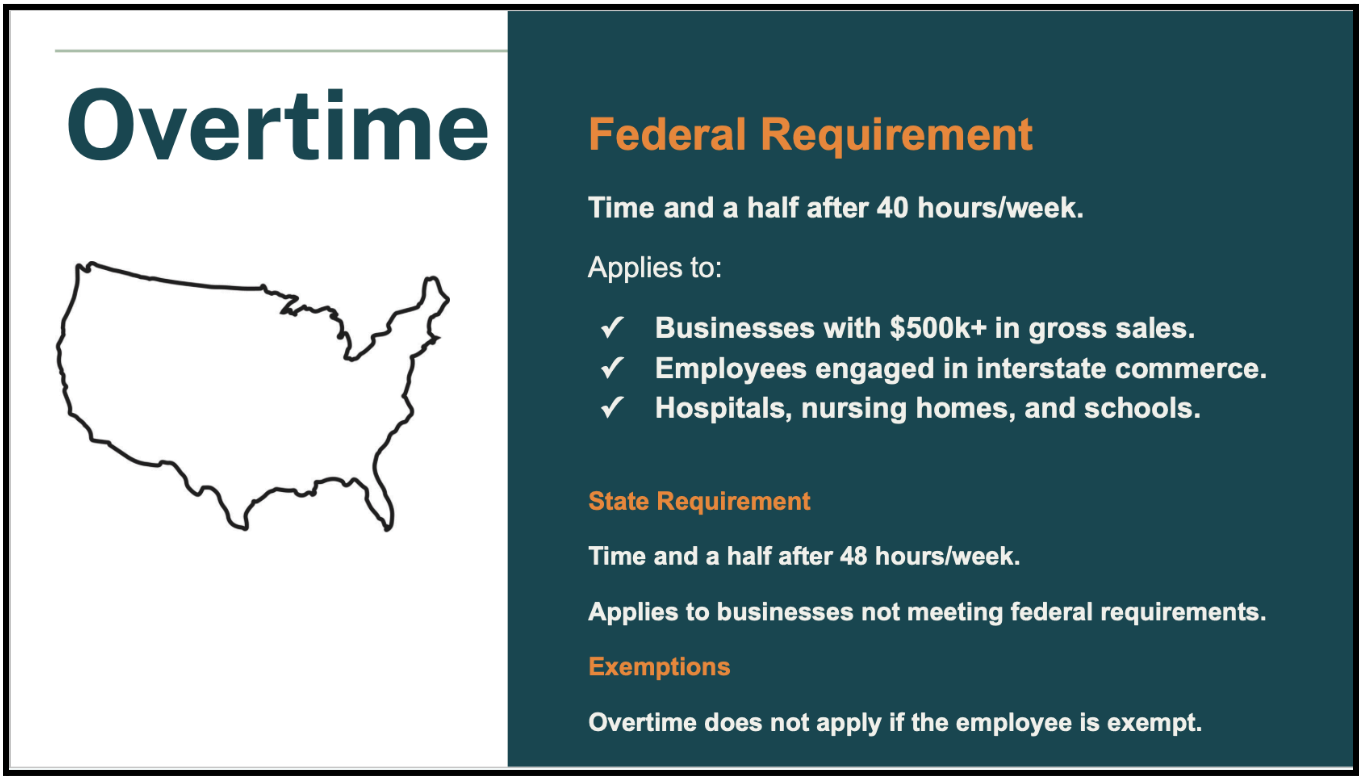
Example 1 - Maria needs wait staff in her new restaurant. She'd like to hire workers who've already shown a commitment to the work. A business mentor suggests hiring wait staff as independent contractors and trying them out for 30 days. **Is this good advice? Why or why not?**

Example 2 - An accounting firm makes most of its money doing payroll for small businesses. All of their bookkeepers work remotely as they don't have a central office. The owner, Diana, thinks the absence of a central office is enough of an indication that the workers should be independent contractors. **What would you tell Diana?**

Example 3 -Abdi is a drywall worker. He has a contract with a construction firm. The firm provides all of his work materials, and he is required to work set hours. Abdi does not have contracts with any other firms and is not looking for any. Once the current project is completed, Abdi expects to work with the same firm on a new project. **Is Abdi misclassified?**

What, if anything, could be true about these examples that could make these workers legally classifiable as independent contractors?

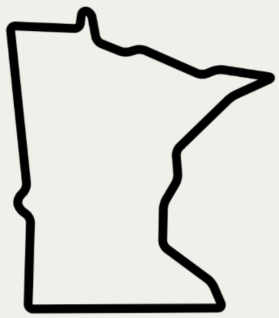
OVERTIME



Notes

TIPS

Tips



MN State Law: Employees' Rights to Tips

Minimum Wage - Employers cannot count tips towards minimum wage payment.

Gratuity Distribution - Tips received via debit, credit card, or electronic payment must be given to the employee by the next pay period.

Tip Sharing - Employers cannot require employees to share tips with the employer or other employees, except in specific circumstances:

- **Banquets:** Gratuities divided among direct service employees.
- **Tip Jars:** Tips divided among direct service employees working the same shift.

Notes

PAYCHECK FREQUENCY & DEDUCTIONS

Paycheck frequency

How often are MN workers entitled to their wages?

a. **Every seven days**
b. **Every 14 days**
c. **Every 31 days**
d. **Every 60 days**

Paycheck deductions

Q - Manny dropped his work computer, damaging it beyond repair. The cost of a new computer is $200. Can the employer deduct this amount from Manny's paycheck?

Q - Sylvie is a new worker at a cleaning company. She is required to wear a uniform. Can the employer deduct the cost of her uniform from her wages?

Slide number

Allowable deductions under MN state law

Written Agreement to deduct insurance payments, union dues, retirement plans, organization or PAC contributions or savings plans

Uniforms & Equipment of up to $50

Consumable supplies used to do your job **and travel expenses** for work

Meal credit: limited to 60% of one hour of state minimum wage a day

Lodging credit: limited to 75% of one hour of minimum wage a day

Purchase or loan: Authorization required, can be made prior to a purchase or loan.

Deductions cannot bring the employee below the minimum wage.

The employer must **reimburse deductions** upon separation.

BREAKS

Breaks

	CURRENT LAW	BEGINNING JAN 1. 2026
Bathroom Breaks	Every four hours worked: Adequate time to use the nearest restroom	Every four hours worked: a rest break of at least 15 minutes or enough time to utilize the nearest convenient restroom, whichever is longer,
Meal Breaks	At least eight hours worked: Sufficient time to eat a meal.	At least six hours worked: A meal break of at least 30 minutes
Payment	Any rest periods of less than 20 minutes is considered hours worked.	*In addition:* Employers are not required to pay the employee during meal breaks. Unless they violate the break law and can be liable for wages and damages

FINAL PAY

Final wages upon separation of employment

- **Employees terminated, discharged or fired**
  - all wages due within 24 hours of a written demand for payment
- **Employees who voluntarily leave employment**
  - All wages due on next regularly scheduled payday
- **Penalties:**
  - Employer may be liable to pay average daily earnings for up to 15 days

Pilot Core Bookkeepers

The PIlot is building partnerships with 20+ community bookkeepers to provide services to their clients including:

- Engage 10+ of their Twin City clients in our PIlot.
- Conduct assessments of clients' bookkeeping and labor law needs.
- Provide up to 14 hours of subsidized bookkeeper & labor law compliance services.
- Meet with PIlot staff and other core bookkeepers to discuss how to improve labor law compliance.
- Receive a stipend and reimbursement approved hourly work with clients.

For more information, contact

Andy Vue - Bookkeeper Coordinator avue@ndc-mn.org
612-517-4880

Dan Fehrenkamp. Project Manager - dfehrenkamp@ndc-mn.org
651-379-8113