

**Title:**

Payroll South Carolina, Unique Aspects of South Carolina Payroll Law and Practice

**Word Count:**

824

**Summary:**

South Carolina payroll has some unique aspects and conditions. Some of the details and laws are set out in this article including information concerning: tax withholding and reporting; unemployment insurance taxes and reporting; wage and hour laws; and child support withholding.

**Keywords:**

Payroll South Carolina, South Carolina payroll, payroll, South Carolina payroll taxes, South Carolina Income Tax, South Carolina payroll withholding, South Carolina payroll service, South Carolina Une

**Article Body:**

<b>The South Carolina State Agency that oversees the collection and reporting of State income taxes deducted from payroll checks is:</b>

Department of Revenue

P.O. Box 125

Columbia, SC 29214

(803) 898-5300

[www.sctax.org](http://www.sctax.org)

South Carolina allows you to use the Federal W-4 form to calculate state income tax withholding.

Not all states allow salary reductions made under Section 125 cafeteria plans or 401(k) to be treated in the same manner as the IRS code allows. In South Carolina cafeteria plans are not taxable for income tax calculation; not taxable for unemployment insurance purposes. 401(k) plan deferrals are not taxable for income taxes; taxable for unemployment purposes.

In South Carolina supplemental wages are taxed at a 7% flat rate.

You must file your South Carolina State W-2s by magnetic media if you are have

more than 25 employees and are required to file your federal W-2s by magnetic media.

<b>The South Carolina State Unemployment Insurance Agency is:</b>

Employment Security Commission  
1550 Gadsden St.  
P.O. Box 995  
Columbia, SC 29201  
(803) 737-3070  
[www.sces.org/ui/index.htm](http://www.sces.org/ui/index.htm)

The State of South Carolina taxable wage base for unemployment purposes is wages up to \$7,000.00.

South Carolina requires Magnetic media reporting of quarterly wage reporting if the employer has at least 250 employees that they are reporting that quarter.

Unemployment records must be retained in South Carolina for a minimum period of five years. This information generally includes: name; social security number; dates of hire, rehire and termination; wages by period; payroll pay periods and pay dates; date and circumstances of termination.

<b>The South Carolina State Agency charged with enforcing the state wage and hour laws is:</b>

Department of Labor, Licensing and Regulations  
Office of Labor Services  
P.O. Box 11329  
3600 Forest Drive  
Columbia, SC 29211-1329  
(803) 734-4295  
[www.llr.state.sc.us/](http://www.llr.state.sc.us/)

There is no provision for minimum wage in the State of South Carolina.

There is also no general provision in South Carolina State Law covering paying overtime in a non-FLSA covered employer.

South Carolina State new hire reporting requirements are that every employer must report every new hire and rehire. The employer must report the federally required elements of:

- Employee's name
- Employee's address
- Employee's social security number
- Employer's name
- Employers address
- Employer's Federal Employer Identification Number (EIN)

This information must be reported within 20 days of the hiring or rehiring. The information can be sent as a W4 or equivalent by mail, fax or electronically.

There is a \$25.00 penalty for a second offense late report and \$500 for conspiracy in South Carolina.

The South Carolina new hire-reporting agency can be reached at 888-454-5294 or 803-898-9235 or on the web at [www.state.sc.us/dss/csed/newhire.htm](http://www.state.sc.us/dss/csed/newhire.htm)

South Carolina does allow compulsory direct deposit but the employee's choice of financial institution must meet federal Regulation E regarding choice of financial institutions.

South Carolina requires the following information on an employee's pay stub:

- Gross and Net Earnings
- itemized deductions

South Carolina requires that employee be paid as designated by employer.

In South Carolina there are no statutory requirements concerning the lag time between when the services are performed and when the employee must be paid.

South Carolina payroll law requires that involuntarily terminated employees must be paid their final pay with in 48 hours or next regular payday (no more than 30 days). Voluntarily terminated employees must be paid their final pay within 48 hours or by the next regular payday (no more than 30 days).

There is no provision in South Carolina law concerning paying deceased

employees.

Escheat laws in South Carolina require that unclaimed wages be paid over to the state after one year.

The employer is further required in South Carolina to keep a record of the wages abandoned and turned over to the state for a period of 10 years.

There is no provision in South Carolina law concerning tip credits against State minimum wage.

In the South Carolina payroll law there is no provision covering required rest or meal periods.

South Carolina statute requires that wage and hour records be kept for a period of not less than three years. These records will normally consist of at least the information required under FLSA.

**<b>The South Carolina agency charged with enforcing Child Support Orders and laws is:</b>**

Child Support Enforcement Division  
Department of Social Services  
P.O. Box 1469  
Columbia, SC 29202-1469  
(800) 768-5858  
[www.state.sc.us/dss/csed/](http://www.state.sc.us/dss/csed/)

South Carolina has the following provisions for child support deductions:

**<ul><li>When to start Withholding?      <b>Next pay period after service.</li></b>  
<li>When to send Payment?      <b>Within 7 days of Payday.</li></b>  
<li>When to send Termination Notice?      <b>Within 20 days of  
termination.</li></b>  
<li>Maximum Administrative Fee?      <b>\$3 per payment.</li></b>  
<li>Withholding Limits?      <b>Federal Rules under CCPA.</li></b>  
</ul>**

Please note that this article is not updated for changes that can and will

happen from time to time.