



Agricultural Employment Guidelines January 2004

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I. Summary of Wisconsin Minimum Wage*

1. Minimum Rates - Agricultural employment (Effective 9/1/97)

- a) Adult employees - 18 years
\$4.05/hr
- b) Minors 17 years of age and under
\$3.70/hr

For State & Federal provisions on opportunity wage, contact Wisconsin Department of Workforce Development (DWD). See address below.

2. Allowance for Board & Lodging*: Where meals or lodging (or both) are furnished by the agricultural employer (and accepted/received by the employee), a deduction from the employees cash wages may be made, but cannot exceed the following amounts (Effective 9/1/97):

	<u>Per Week</u> <u>(7 days)</u>	<u>Per Day</u>
a) Lodging		
Adults (18 yrs.+)	\$32.40	\$4.65
Minors (17 yrs.-)	\$29.60	\$4.25
	<u>Per Week</u> <u>(7 days)</u>	<u>Per Day</u>
b) Meals (3/day)		
Adults (18 yrs.+)	\$48.60	\$2.30
Minors (17 yrs.-)	\$44.40	\$2.10
	<u>Per Week</u> <u>(7 days)</u>	<u>Per Day</u>
c) Lodging & Meals		
Adults (18 yrs. +)	\$81.00	\$11.55
Minors (17 yrs.-)	\$74.00	\$10.55

*Source: WI DWD - Equal Rights Division,
P.O. Box 8928, Madison, WI 53708
Phone: (608) 266-6860
<http://www.dwd.state.wi.us/er>

II. Social Security (SS) and Medicare (MD)

Toll Free Number: 1-800-772-1213
<http://www.ssa.gov>

1. Deduction Rates for Employees:
2004 -6.2% SS up to \$87,900; 1.45% MD on all earnings.

2. General Guidelines (Effective - January 1994):

- a) Each employee (and all dependents claimed, age 2 & over) must have SS number. Use Form SS-5 to apply for SS number.
- b) An Employer Identification Number (EIN) is required. Use Form SS-4.
- c) Deduction is made for all employees if you pay out \$2500 or more per year in agricultural wages. If less than \$2500, then deduct SS and MD from the cash wages of each employee paid \$150 or more per year.
- d) Employer deducts SS & MD from cash

portion of wage (not room & board). The amount is matched by the employer and deposited regularly at your local bank or sent in with income tax payments (See IRS Publ. 51, Circ. A: Agricultural Employer's Tax Guide).

- e) Deduct SS & MD on wages paid to spouse and children 18 and over. You should withhold on all wage earners if incorporated.

3. Rate for self-employed is 15.3% (12.4% SS up to \$87,900 plus 2.9% MD on all earnings) in 2004. One-half is deductible as a business expense.

III. Income Tax Withholding
(<http://www.irs.ustreas.gov>)

Beginning 1/1/90, you must withhold Federal income tax on all cash wages paid that are subject to SS and MD taxes. Employee must provide Form W-4 (See IRS Publ. 51, Circ. A: Agricultural Employer's Tax Guide and IRS Publ. 15, Circ. E: Employers Tax Guide for tax tables). IRS form 1099-Misc. must be prepared on payments of \$600 or more for services performed by or rents paid to persons not treated as employees.

NOTE: Exemption is possible if no tax liability is foreseen. See Line 6 of Form W-4.

IV. Records Required

Employer must keep the following records under the minimum wage law for at least three years for each employee:

1. Name and address
2. Date of birth
3. Dates employment began and ended
4. Time work began and ended each day
5. Time each meal period began and ended (if meal time is deducted from work time and only if work activity does not cease on a regularly scheduled basis)
- * 6. Total hours worked daily and weekly
- * 7. Rate of pay and wages paid for each payroll period
- * 8. Amount and reason for deductions from wages
9. Output of employee, if paid on other than a time basis

* Items 6, 7, and 8 must be clearly stated on each paycheck or pay envelope.

NOTES: Employee records shall be made available for inspection by a duly authorized deputy of the Wisconsin DWD. You must provide the employee a W-2 statement for all compensation (cash and non-cash or benefits paid) by January 31 (or within 30 days of termination of employment). Summarize and submit all W-2's on Form W-3 by the last day of February.

V. Federal Minimum Wage *
Effective 9/1/97 \$5.15/hour

Federal minimum wage rate applies only if you hire 500 worker days in any calendar quarter of the previous calendar year. One worker day is an 8-hour period or any part thereof.

* Ref: Federal Wage/Hour Division
212 E. Washington Ave.
Madison, WI 53703
Phone: (608) 264-5221
(<http://www.dol.gov/dol/esa>)

VI. Wisconsin Worker's Compensation Law*

1. You must provide Worker's Compensation insurance if you hire six (6) or more employees for any 20 different days in the calendar year (contact your liability insurance agent).
2. Family members (parents, spouse, children, brothers, sisters, in-laws) are not deemed to be employees for this purpose.
3. Family farm corporations with all shareholders related (as in 2 above) are exempt, until "outside labor" meets the 6 and 20 stated in 1 above.

* Ref: DWD Division of Worker's Compensation, P.O. Box 7901
Madison, WI 53703
Phone: (608) 266-1340

VII. Federal Child Labor Law
Effective 1/1/92

1. Restricts jobs which minors (under age 16) can perform, except:
 - a) Minors employed on farm owned/operated by parent/guardian
 - b) Minors (14-15) who have successfully completed a training program in tractor/machinery operation

VII. Federal Child Labor Law (Cont.)

2. Prohibits employment of children under age 16 during school hours, with the following exceptions:
 - a) Minors working on farms owned/operated by parent/guardian **and**
 - b) Minors (12-13 yrs.) working for others than parent/guardian only with written consent of parent/guardian, **and**
 - c) Minors under 12 with above written consent if employed on farm exempt from Federal minimum wage.

NOTES: A meal period of no less than 30 minutes is required for minors after 6 consecutive hours of employment (or consistent with regular meal-time hours). A "break time" is optional. However, if given, it is considered work time if breaks are less than 30 minutes. For more information on the maximum hours of work per day and days per week, and permitted time of day which minors can work, see "Employment of Minors Guide" (ERD-4758-P). See address and phone number listed under Section I.

VIII. Wisconsin Act 455

Effective May 1, 1996, no person may direct or permit a child under the age of 16 years to operate a farm tractor or self-propelled implement of husbandry on a public road unless the child has been certified as successfully completing a Tractor and Machinery Certification Course. This law does not apply to the operation of a farm implement or self-propelled implement of husbandry that is crossing perpendicular to the direction of the road. This law applies to both family and non-family members. Penalties for failure to comply with this law took effect starting July 1, 1997.

IX. Federal Unemployment Tax Act

These provisions apply only to agricultural employers who:

1. Pay cash wages of \$20,000 or more in a calendar quarter of the current or preceding year, **or**
2. Employ 10 or more workers at any one time in a period 20 or more different weeks during the year.

X. Immigration and Naturalization (INS)*

Effective June 1, 1987, you may hire only U.S. citizens or aliens authorized to work in the U.S..

1. New employees must complete and sign INS Form I-9 to certify their eligibility.
2. Retain INS Form I-9 for 3 years (or for 1 year past end of employment, whichever is longer).
3. INS or DWD officers may request you to provide INS Form I-9 for review.

*Ref: Immigration & Naturalization Service,
186 Federal Building, 517 E. Wisconsin
Ave., Milwaukee, WI 53202
Phone: (800) 375-5283.
(<http://www.ins.usdoj.gov>)