

# PAYCHEX<sup>®</sup>

## Banker's Bulletin



### Seasonal Employment: What Businesses Should Know

Seasonal employment refers to temporary work positions created and filled to meet heightened business needs during specific times of the year. These positions typically last for less than 6 months and may include industries like retail, hospitality, construction, and landscaping.

#### Misclassification Risks and Legal Consequences

Misclassifying seasonal staff—such as classifying these workers as independent contractors instead of employees—can lead to significant legal penalties for businesses. Employers must provide accurate classifications to ensure:

- Adequate tax withholdings
- Compliance with wage and labor laws
- Appropriate benefit entitlements

#### Laws and Regulations for Seasonal Employment

Compliance with federal, state, and local laws is essential when hiring seasonal employees, including meeting requirements for:

- Minimum wage and overtime
- Child labor laws
- Federal Family and Medical Leave Act and other paid leave

#### Tax Withholding

Seasonal employees are subject to the same tax withholding and reporting rules as full-time employees. This includes Social Security, Medicare, and income taxes.

#### Maximize Your Seasonal Workforce While Staying Compliant

Seasonal employment offers businesses an efficient way to meet fluctuating demands. By understanding the applicable employment laws for seasonal workers, employers can enjoy enhanced operational flexibility and cost savings.

Learn more at [go.paychex.com/bb-hire](https://go.paychex.com/bb-hire).

**Ask how Paychex can help your business client's with seasonal employment today.**

For additional bank resources, visit [pages.paychex.com/bankpartnerresources](https://pages.paychex.com/bankpartnerresources)