paystoric

DATA SHEET · 2026

HCM MIGRATION · BUYER'S GUIDE

Questions to ask your new HCM vendor about your history.

When a new vendor says they can **"handle your historical data,"** the details matter. Use this guide during demos and sales conversations to ask the right questions — and know what a good answer actually sounds like.

12 QUESTIONS

6 COMPLIANCE AREAS

7 yr DEFAULT RETENTION

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HOW TO USE THIS GUIDE

Take it into the demo. Listen for what's actually said — not what's implied.

Vendor sales teams answer in **capabilities**. You need answers in **artifacts**: which files, at what granularity, for how many years, in what format.

Each question below has two columns. The left column tells you what a strong answer sounds like. The right column tells you what's at risk if the vendor can't get there — usually a regulator, an auditor, or a plaintiff's attorney asking for records you no longer control.

Ask all five **Foundational** questions regardless of size or industry. Add the **Full Compliance** set if you're a federal contractor, ACA applicable large employer, run multi-state payroll, or operate a unionized workforce.

> **Note:** *Retention requirements vary by jurisdiction. Customers should consult their legal or HR advisors for specific obligations.*

HOW TO READ EACH QUESTION

Listen for

What a good vendor will say — specific artifacts, retention periods, and granularity.

If the answer is no

The concrete exposure — the audit, claim, or notice that becomes harder to defend.

IN THIS GUIDE

FOUNDATIONAL QUESTIONS

01 Every company should ask these — regardless of size or industry.

5 QUESTIONS

PAYROLL & WAGE RECORDS

Q1 — Q3

Q 01 How many years of payroll records will you retain after go-live?

LISTEN FOR

At least 7 years. Federal law (FLSA, IRS) requires 3–4 years, but many states require up to 7. A vendor who retains less is exposing you to audit risk the day you go live.

IF THE ANSWER IS NO

You may be unable to respond to a DOL, IRS, or state wage audit for prior periods. You could face penalties not for the underlying issue — but for **failing to produce records**.

Q 02 Will you store gross-to-net pay detail — including all earnings codes, deductions, and employer contributions — for every pay period?

LISTEN FOR

Yes, at the transaction level — not just summary totals. You need to be able to reconstruct exactly how any paycheck was calculated.

IF THE ANSWER IS NO

You lose the ability to defend a wage claim or audit. Summary totals are not sufficient — regulators and plaintiff attorneys want **line-by-line detail**.

Q 03 Do you retain the original payroll files, or only data after it has been transformed into your system's format?

LISTEN FOR

Original source files retained alongside transformed data. Transformed data alone may not match what employees or auditors expect to see.

IF THE ANSWER IS NO

If transformation introduced errors — rounding, code remapping, field truncation — you have no way to prove what the original record said. A **serious audit and litigation risk**.

EMPLOYEE DOCUMENTS

Q4 — Q5

Q 04

Will you extract and retain all original employee document files — offer letters, performance reviews, disciplinary notices, I-9s — from our current system?

LISTEN FOR

Yes — as original files (PDFs, scanned images), searchable and linked to the employee record. Not just metadata.

IF THE ANSWER IS NO

Documents left behind in a decommissioned system become inaccessible when that vendor sunsets or you lose access. Creates exposure in employment disputes, **EEOC charges, and I-9 audits**.

Q 05

Do you extract and retain original paystubs as employees received them?

LISTEN FOR

Yes — the actual paystub document, not just the underlying data. Employees and courts often expect to see the original document, not a regenerated version.

IF THE ANSWER IS NO

A regenerated paystub from transformed data may not match the original if any field mapping was imperfect. Undermines your **credibility in a wage dispute**.

02 FULL COMPLIANCE QUESTIONS

Ask these if you have specific regulatory exposure.

6 QUESTIONS

Federal contractors · ACA applicable large employers · multi-state operations · unionized workforces. The five questions you just covered are the floor; the next set is where industry-specific exposure lives.

TIME & ATTENDANCE

Q7 — Q8

Q 07 Will you retain actual punch-in/punch-out records — not just approved totals — and at what level of granularity?

LISTEN FOR

To the minute, for every employee, for the full retention period. Approved totals alone are insufficient for FLSA overtime litigation.

IF THE ANSWER IS NO

If an employee claims unpaid overtime, you need the raw time data to defend the calculation. Approved totals can be challenged as self-serving; **original punch records cannot**.

Q 08 Will PTO accrual history and usage be available back to hire date, or only from your go-live date forward?

LISTEN FOR

Full accrual history from hire date. "Carryover balances" without supporting history cannot be verified or audited.

IF THE ANSWER IS NO

Employees or state agencies can challenge a PTO balance that has no supporting accrual trail. In states with mandatory PTO payout laws, this becomes a **financial liability**.

APPLICANT & HIRING RECORDS

Q9

Q 09 Will you migrate applicant tracking records for positions filled before go-live, including disposition codes and rejection reasons?

LISTEN FOR

Yes — with disposition codes intact. EEOC requires applicant flow data retention for 1–2 years; OFCCP-covered federal contractors must produce applicant flow logs on demand.

IF THE ANSWER IS NO

Without historical applicant data, you cannot defend a disparate impact claim or respond to an OFCCP audit covering the period before go-live. Exposure is highest in the **12–24 months preceding a complaint**.

BENEFITS & ACA RECORDS

Q10 — Q11

Q 10

For ACA compliance, can we produce historical 1095-C data and full-time equivalency calculations for prior years after go-live?

LISTEN FOR

Yes — full 1095-C history and FTE calculations accessible and reportable for prior years. ACA penalties can be assessed years after the coverage period.

IF THE ANSWER IS NO

IRS Letter 226-J penalty notices often arrive 2–3 years after the coverage year. Without historical ACA records, you **cannot dispute the assessment** or demonstrate you offered qualifying coverage.

Q 11

Will historical benefits enrollment records — including waiver elections and qualifying life event documentation — be retained going back to hire date?

LISTEN FOR

Full enrollment history per employee, including waivers. ERISA requires plan records to be retained for at least 6 years from the filing date of the document.

IF THE ANSWER IS NO

If an employee disputes a benefits election or denial, or files an ERISA claim, you need the original enrollment and waiver records. **"We migrated current enrollments" is not a defense.**

MULTI-STATE & SPECIALIZED

Q12

Q 12

For employees who worked across multiple states, will historical records reflect the correct state of employment for each pay period?

LISTEN FOR

Yes — state of employment preserved at the pay period level, not just the current state on file. State wage laws, unemployment, and tax obligations vary significantly.

IF THE ANSWER IS NO

Multi-state payroll errors are among the most common triggers for state audits. If records don't reflect where work was actually performed, you face **back-tax liability and penalties** in multiple jurisdictions.