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### **PAYROLL**

Government Shutdown Could Affect Some Payroll Operations



The federal government shutdown on October 1, 2025, could affect some payroll operations. Due to a lapse in funding, some federal agencies have shut down and services are not available, including E-Verify [E-Verify, E-Verify Is Temporarily Unavailable, 10-1-25]. Employers are unable to access their E-Verify accounts during this time, and customer support is also unavailable.

Employers must continue to complete and retain Form I-9, Employment Eligibility Verification. Employers using an authorized, alternative procedure to perform a remote examination of employees' Form I-9 documents may continue to do so if they remain enrolled in good standing in E-Verify during the shutdown.

Temporary policies are in place while E-Verify is unavailable, including suspension of the "3-day rule" for creating E-Verify cases and an extension of time for employees to resolve E-Verify mismatches.

**IRS Will Continue Operations** 

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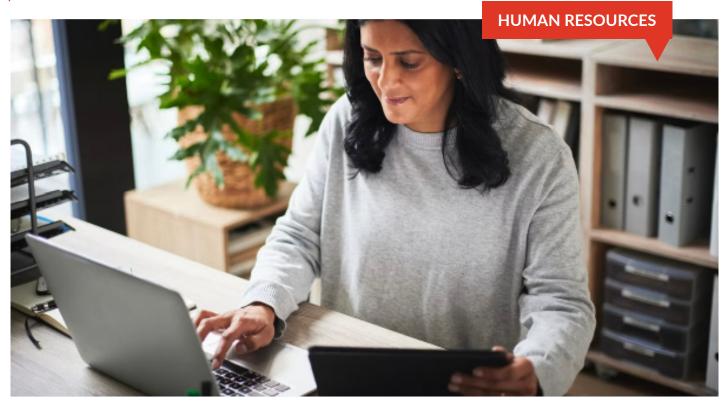
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The IRS published its shutdown contingency plan, which states normal IRS operations will continue 5 business days following a lapse in funding. The plan does not provide information about agency operations if the shutdown continues for more than 5 business days.

Employers can check the IRS's Latest News Releases webpage for updates.

shrm.org



## E-Verify Restored Amid Government Shutdown

#### Employers urged to clear backlogs quickly

The government's employment eligibility verification system is back online after a weeklong shutdown.

E-Verify was restored late in the day on Oct. 7, according to Dawn Lurie, senior counsel in Seyfarth's Washington, D.C., office. The E-Verify system had been shut down since Oct. 1 due to a lapse in federal government funding.

"It is unclear how long it will remain operational or how USCIS [U.S. Citizenship and Immigration Services] managed to restore access during the shutdown, but for now, the system is active," Lurie said.

She recommended employers run their backlogged queries as soon as possible and ensure all new hires are entered into the system without delay.

"It also appears that employers can once again perform related functions such as setting up new accounts, closing cases, and addressing tentative nonconfirmations," she said.

Lurie said she believes that USCIS will not yet start the clock on the three-day submission window for cases

that could not be created during the suspension period.

She said that it is still unclear whether anyone will be available to staff the E-Verify employer and employee hotlines in the coming days and that no official guidance has been posted yet.

"It is not surprising that the administration found a way to return E-Verify to operational status even amid the shutdown," she said. "Given the ongoing emphasis on compliance, worksite enforcement, and employment eligibility verification, reactivating this essential tool aligns with broader policy priorities."

Participating employers use the E-Verify system to compare employee information provided on the Form I-9 with records from the U.S. Department of Homeland Security and the Social Security Administration to confirm employment eligibility.

Lurie reminded employers that "while government shutdowns are disruptive, they do not excuse lapses in legal obligations. In an environment of heightened enforcement, preparation and vigilance remain essential."

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## How Leaders Can Support Employees Through The

Government Shutdown

With the government shutdown well underway, it's up to HR and benefits leaders to steer the workforce through uncertainty.

After failing to agree on budgetary issues at the end of September, many government services were temporarily suspended effective Oct. 1, affecting up to 40% of the federal workforce, which is around 750,000 people. Although the organizations employing those workers can do very little to prevent the repercussions of what's happening at the federal and legislative level, there are still ways in which they can assuage some concerns and provide temporary solutions.

"In an already heightened environment of distrust and uncertainty, people impacted directly or indirectly by this government shutdown may experience a sense of security, progress and trust being shaken," says Jennifer Schielke, CEO and co-founder of career insights company Summit Group Solutions.

The biggest challenge employees could face during the government shutdown is the threat of getting furloughed should their roles not be considered "excepted." Exempted federal workers who are considered critical or whose positions are funded through unaffected departments will still be expected to continue on with their duties, but without pay. However, many of their core benefits, such as Social Security, Medicare, veterans' services and PTO, will continue on uninterrupted, along with Federal employee health and life insurance plans.

But even though employees may still receive their benefits during this time, the shutdown will have an administrative impact, according to Schielke, potentially resulting in delays around benefit enrollments, election or adjustments, as well as delays in processing benefits, claims or reimbursements.

"The shutdown will cause a slowdown and domino effect through every process," Schielke says. "We, as leaders and employers, have the opportunity to step up during times like these and offer clarity, compassion and contingency planning."

#### **Provide Support Wherever Possible**

Thorough and transparent communication throughout the government shutdown is the



most effective strategy for keeping employees productive and engaged, Schielke says. She encourages leaders to inform their teams about the situation at hand as honestly as they can and its potential impact to them, their families and their jobs, before directing them toward the right external resources for assistance, like government websites, benefit consultants, credit unions or community care services. Internally, Employee Assistance Programs can also be a powerful tool for employees who may need financial planning or counseling. Additionally, leaders can also turn to their own budgets for other ways to assist employees.

"If you are a company with the means for financial giving or any other material support, don't wait for a campaign — donate and serve the community now," Schielke says. "Communicate and exercise generosity toward the frustrations that your people may experience."

While there's no exact timeline for when the shutdown will end, the work shouldn't stop there, Schielke says. Companies should continually stay informed on current events and potential headwinds on the horizon so they can better prepare and mitigate any potential risk coming their way.

Schielke suggests leaders take the time after a government shutdown to build cash reserves, and strengthen their relationships with lenders, partners, contractors and advisers and, most importantly, build an information library of regulations, procedures, important resources and contacts. Being proactive in the present could make all the difference should there be another shutdown in the future.

"You don't need to know all the answers," Schielke says. "But you do need to know where to go to get the right information and key people around you to help you lead well during a crisis."

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### **Holiday Payroll & Delivery Schedule**

Federal Banks will be closed Tuesday Nov. 11th, in observance of the Veterans Day Holiday.

All paychecks normally dated for Tuesday Nov. 11th, will be dated Monday Nov.10th, or Wednesday Nov. 12th. There will be NO deliveries Tuesday, Nov. 11th, 2024.

Please submit your payroll no later than 11:00 a.m. on the appropriate day.

To certify new hire information is completed in a timely manner, please submit all new hire information 48 hours prior to submitting your payroll.

Thank you for your service!

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