



## Why Outsourcing Cures Even the Worst Payroll Headaches

**YOU (AND YOUR EMPLOYEES) DESERVE  
A BETTER PAYROLL EXPERIENCE**



THE COOL OF THE MORNING FEELS GOOD AS she unlocks the door. Arriving long before anyone else, as she so often has to, the office is still dark but blissfully quiet—exactly what Tammie needs to start a day like today. Lights on, she sets the double decaf latte next to yesterday’s half-consumed one. Waiting patiently for her laptop to boot, she glances at her phone, tempted to text another instruction to the family. Allie forgets her homework so often, but she knows Dave has the kids under control.

Tammie wears many hats at Freshwise Market. But today, she’ll wear only one—payroll. The company has grown quickly since a small mention in a national lifestyle magazine. Two new stores this quarter and 24 new hires. In retail, employee turnover is high, and Tammie has become proficient at cutting final paychecks and onboarding new hires. Files strewn across her desk speak to how crazy it can get.

But no matter how many mornings she arrives this early, there’s no end to the day-to-day work of payroll. It’s been almost a year since her last vacation, but she’s the only one with the expertise in all the processes and systems. Things have to change if Freshwise is to keep growing at this pace.

But Tammie’s got a plan—one that doesn’t have the high cost of a new hire or two.

According to Indeed.com, salaries for the average payroll coordinator with a year of experience are over \$41,000. An experienced payroll manager commands almost \$70,000, which is often too costly for many small businesses.

## THE PERILS OF PAYROLL ARE MANY— BUT THERE'S HELP FOR THAT

The vital work of payroll rests somewhere between Human Resources and Accounting. Tammie loves finding the right employees, training them and watching them succeed. And in payroll, like HR, confidentiality is important—which is why Tammie's an obvious choice. But just as critical are the detailed bookkeeping and seemingly endless government reporting required to put a paycheck into an employee's hand.

Tammie's been happy to do the job, but she's only one person. Growing retail grocers like Freshwise often have only one person qualified to do this kind of work, two if they are lucky. And when they're ill or on vacation, it falls on management to fill in the gaps.

Tammie knows it's past time to look for other options, and now she's found one. An exciting one that will accurately and securely take care of Freshwise's payroll and government reporting, while letting Tammie get back to nurturing its growing workforce.

## MORE PAYROLL MEANS LESS HR TIME FOR THOSE WHO NEED IT

Computer humming, Tammie triple checks her work from the previous days to make sure all calculations are correct. The manual input of timesheet data into the system took hours, as usual, and always presents potential perils. Employees have been known to miscalculate or round figures in their own favor. Left unchecked, Tammie knows this could cost hundreds or even thousands each quarter. She finds relief in knowing this work will soon be in more experienced hands.

## AUTOMATED PAYROLL INSIGHT MEANS NO MORE PAYDAY SURPRISES

Tammie is not in charge of staff schedules, but she *does* have to report and pay unapproved overtime. And she is the lucky person who communicates the requests for additional funds. Since changing pay periods from weekly to bi-weekly, catching



According to a National Small Business survey, only 30 percent of small business owners who use a payroll service report spending more than six hours per month on complicated compensation issues, federal, state and local tax reporting, and employee paperwork.

Tammie's research has found that many retailers like Freshwise are enjoying the accuracy and convenience of automated time reporting that identify potential problems before the end of the payroll cycle. Common issues such as hours exceeding schedules and unauthorized overtime can be flagged for management approvals.

unapproved overtime has become more difficult. Additionally, and as summer approaches, supervisors need accurate paid time-off calculations in order to approve time-off requests. Better insight and communication would certainly make things go more smoothly for everyone—especially for her.

But Tammie’s research has found a payroll provider solution that sends alerts for schedule changes and unauthorized overtime, before they become big headaches. It also automates PTO calculations to keep employees and their supervisors on the same page with regard to sick time and vacation pay.

### FIXING PAYROLL ERRORS AFTER-THE-FACT—OUCH!

This morning, Tammie finds only 11 total hours of overtime—not bad for the week. But she also found several errors from manual data entry. Jorge’s shift differential shorted his holiday pay, and Jill was credited with 100 hours rather than her usual 10. Yikes!

Messing up someone’s paycheck is often a cause for panic—even if the mistake is an innocent one. A couple of weeks ago, there were far more errors to clean up, and it’s a relief to have found so few today.

Tammie is confident the fear of over- or underpaying employees will disappear with a payroll processing service.

### WILL THAT BE PAPER, PLASTIC OR—BETTER YET—ELECTRONIC?

Now Tammie’s ready to print the paychecks.

Yes, like it or not, most Freshwise employees still get paper checks. Thank goodness the back-ordered checks arrived yesterday—just in time. She knows, however, that practically no one wants to deal with a paper check: a modern employer is expected to seamlessly provide direct deposit.

If only it was that simple. But it will be soon, when Tammie streamlines payroll processing per her plan.

Freshwise is poised to grow beyond its roots on the east coast. By introducing a payroll service solution, Tammie knows many new hurdles to payroll processing as a result of that growth can be avoided. For example, overtime rules vary from state to state, and it is up to the employer to guarantee labor laws are observed in each jurisdiction. Most overtime is calculated per week, however, in states like California, daily overtime rules are in effect. A payroll provider can keep track of such details, so Tammie doesn’t have to.

Payroll errors, regardless of fault, are left to the employer to resolve. Regulations on repayment policies favor the employee. Should such an employee quit before the employer resolves the problem, there is no remedy. Underpaying employees is just as problematic and can quickly lead to fines if not corrected quickly—sometimes in as little as 24 hours.

Today, **95.6** percent of employees want the instant access and convenience of direct deposit over paper checks that can delay fund availability.

## EVEN SIMPLE ERRORS CAN CREATE MESSY PROBLEMS

As the sun begins streaming through her window, Tammie thinks back to a recent incident when Freshwise tried to handle its own direct deposit. A check was mistakenly deposited to the wrong account, and the employee affected was one of Freshwise's most senior managers. Tammie is still working to retrieve the funds but fears she'll never hear the end of it. She often tells her husband, "I'd rather talk to a hundred irate customers than face my boss with another error like that."

That fiasco is still the reason for her early morning treks to the office these days. The quiet and lack of distraction help her to focus. Now Tammie just thinks of the incident as her "last straw" moment to find a solution to a payroll process so desperately in need of change.

Until the new system is introduced, however, a small dedicated printer barely adequate for the task is all she has to process an ever-expanding payroll. In use since employee #2, it makes for slow work.

## PAYROLL HAS A (PAPER) FORM FOR EVERYTHING

As the checks make their way through the printer, Tammie finds a moment to take care of some backburner requests. A transposed number for social security needs to be fixed or Charlie's W-2 will be wrong. Mike has asked for three past pay stubs for his bank loan. And Jesse, just back from maternity leave, submitted a changed W-4.

Payroll has a form for practically everything. A new home means a change of address. Marriage may mean a name change. A baby is a new exemption. Everyone's needs are highly personal and often immediate. Yet employees still have to request the appropriate form, print it, fill it out and return it—hoping the data gets input correctly into the system the first time.

And with a growing staff, payroll can become more complicated. Tammie has added fields to her



More employees are demanding self-serve portals that provide quick access to make changes for address, exemptions and other key personal data, as well as view pay history and print needed documents for financial transactions. Tammie's found a payroll service provider that will save her valuable time by allowing employees 24-hour access from work, home or even a mobile device.

spreadsheet for wage garnishments, reimbursements and allowances. All have unique tax implications for calculations, payments and reporting to federal, state and local authorities. And all are filed for every pay period and at the end of each quarter. Tammie counts 30 reports for the federal government alone. Just keeping up with reports is full-time job for more than one person.

## PAYROLL ISN'T JUST ABOUT NUMBERS—IT'S ABOUT PEOPLE

And yet, with all the details and challenges, Tammie knows that payroll isn't just another business function. She knows payroll is personal, so she takes great pride in doing the best job she can.

The employees at Freshwise are a hardworking bunch, and this is their pay, their livelihood. They deserve a payroll process that is unfailingly accurate, and one that offers them conveniences, like direct deposit, she can't easily offer them right now. She also knows that management deserves a payroll with few surprises. And Tammie herself deserves some much-needed help to get her back to her main focus—finding, training and serving the employees.

With solid growth, complicated labor laws and changing tax tables, Tammie is sure of one thing: payroll at Freshwise won't get any easier. She also knows that with a growing staff, her role in HR will expand as well. But she's convinced she has the right plan—at the right price—to make Freshwise's payroll easier, more accurate and more reliable than ever.

Finally the checks for this pay period are printed. Unable to delegate even this small task, Tammie spends the next hour folding and stuffing the checks securely in envelopes for distribution. In the next day or so, she'll closet herself in her office again to wire tax payments and send mandated reports to federal, state, and local agencies.

As she seals the last envelope, a soft knock on her door alerts her that her solitude is over. The hectic workday around her has begun. But unbeknown to Tammie's boss, the 11 a.m. meeting on his calendar is so she can present her plan. She knows that

outsourcing payroll processing and streamlining Freshwise's payroll and HR process is vital. And she has found a solution that will grow and scale as fast as the company itself.

Confident in her plan, she smiles and heads to his office, thinking it might also be time to inform him she'll need time off to welcome a third child in late November.

She can relax, though. Long before then, she knows payroll will be moving along smoothly, even while she's away...

Payroll taxes must be deposited and reported on a strict, unyielding schedule and additional reports are filed every quarter. Each must be accurate and on time or the company and owners face escalating (2% to 5%) fines.



## YOU (AND YOUR EMPLOYEES) DESERVE A BETTER PAYROLL EXPERIENCE

Payroll is more than a set of monthly transactions. As Tammie knows, it's about correctly and promptly compensating your most valuable assets—your people. It's also about ensuring your business is compliant with local, state and federal regulations. Most employees handling payroll simply don't have the time to keep up with the changing rules, regulations, withholding and overtime requirements. WORX is software-as-a-service that makes it easy to protect your business by ensuring compliance with state and federal tax laws, as well as changing ACA requirements.

Payroll is a function that impacts every area of your business—employees, HR, business services and more. WORX software streamlines communication

by integrating with your other systems for secure transfer of sensitive information, eliminating time-consuming and error-prone manual data re-entry from one system to the next. The advanced reporting options make it easy to meet the requirements of regulatory filings, audits and more.

And with WORX, you can outsource your entire payroll operation. WORX has a full staff right at your fingertips with the latest industry knowledge and complete understanding of your payroll process. No more scrambling when staff is out sick, on vacation, or—as in Tammie's case—on maternity leave during the critical first quarter of the year. Outsourcing payroll has never been easier, and WORX can help put your mind at ease.



## ABOUT WORX

With the WORX Payroll suite of tools, you can manage employee payroll, time & attendance, onboarding, and more from a single portal that provides a comprehensive solution.

With the suite of Human Capital Management solutions by WORX, including payroll, attendance and scheduling, you can increase your retail productivity. Learn more at [www.worxpayroll.com](http://www.worxpayroll.com).

