



## Check the Blind Spots with Mark Pallo

# 10 Questions to Ask When Evaluating Payroll Systems

Payroll problems? You're not alone.

If your company wrestles with the same frustrating payroll problems every single pay period, it's time to see what else is out there. Because when it comes to payroll systems, employers have a dizzying number of options.

So, where to start? These 10 questions can help you narrow the field.

### **Q. Is This Payroll System Cloud-based?**

**A.** Surveys show that 64% of companies that have adopted cloud-based HR platforms have accomplished definable business value from their investments. Cloud-based systems free companies from the need to maintain on-premise software and servers, while greatly simplifying system updates. They also allow payroll professionals to work from anywhere, on any device—a must in today's fluid work environment.

Consider this: many HR tech providers no longer even offer on-premise software, and there are several reasons why cloud data is even more secure than on-premise data, including security management, data encryption and more. If you're truly looking to upgrade and simplify your HR systems, focus on cloud-based solutions.

### **Q. Will This Payroll System End Manual Workarounds?**

**A.** One of the most common payroll problems that employers face is the need to make manual end runs around their payroll system because it can't process all transactions automatically. Even if your staff is adept at jury-rigging your system, it's a risky business. To err is human. Every manual intervention is an opportunity to make errors—and if there's one thing you don't want to mess up, it's your employees' paychecks. When evaluating new payroll systems, find out how they will help you navigate each of your particular challenges.

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### Q. Is This Payroll System Designed for Our Workforce?

A. Another common payroll roadblock is when an employer's system can't adequately handle the specific complexities of its labor environment. If your company deals with things like multiple Federal Employer Identification Numbers (FEINs), shift differentials, blended overtime or union dues, make sure in advance that your prospective payroll system can, too. Tip: If a payroll provider handles similarly sized companies in your industry, it probably speaks your language.

### Q. How Does This Payroll System Handle Taxes?

A. Many employers have concluded that it's in their best interest to offload payroll tax deposits and filings to their payroll service provider. These are time-consuming, time-sensitive tasks that can commonly lead to IRS fines if completed incorrectly. Find out what a payroll service can do for you—W-2s, Form 1000s, quarterly reports—and what guarantees it is willing to make.

### Q. What Kind of Customer Support Does This Payroll System Offer?

A. Inadequate customer support is one of the most common payroll issues by far. If your provider's help desk staff isn't helpful—or closes up shop before you do—that's a problem. When it comes to payroll systems, it's not unreasonable to expect live, 24/7 customer service. Tip: Ask your prospective payroll provider to share its customer retention rate—it will tell you a lot about what customers think of the service provided.

### Q. Does the Payroll System Offer a Self-Service Portal?

A. One payroll challenge that can be overwhelming for HR staffs is fielding questions from employees about pay stubs, paid time off (PTO) balances, withholding and more. Today, any payroll system worth its salt will include an employee self-service portal that's easy to access and use. Employees like them; busy HR departments need them.

### Q. What's the Payroll System's Billing Structure?

A. Feeling nicked and dimed is a common payroll headache for many employers. If you're dinged for every report, garnishment and general ledger edit, that can add up to an unpleasant, budget-blowing surprise. Remember, some payroll providers offer all-inclusive pricing. Tip: Ask the potential provider for sample bills for groups with a similar structure to yours.

### Q. Is the Payroll System Part of an Integrated HCM System?

A. In recent years, it was a common trend to assemble a collection of best-of-breed systems for every facet of HR. Now, employers are moving to integrated Human Capital Management (HCM) systems that eliminate duplicate inputting and ensure records are consistent. Tip: If one of your payroll issues is being able to get prompt, complete time and attendance data over to payroll, an integrated HCM system could be your solution.

### Q. What Type of Analytics Does the Payroll System Offer?

A. Every payroll system should offer some kind of reporting feature. When evaluating providers' reporting capabilities, don't be afraid to get specific. How easy is it for staff to run reports? What standard reports are included, and how do they measure up to your needs? Are custom reports an option, and if so, what is the cost? You can never ask too many questions.

### Q. Will The Payroll Provider Give You a Customized Demo?

A. Several providers will offer you a demonstration, but to get the most value from it, it needs to be tailored to your business. So be ready to share all of your payroll problems and priorities with potential vendors—a truly client-centered payroll provider will want to know this information.



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