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Choosing the right payroll provider for your business

ADP payroll buyer's guide

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What is a payroll service provider?

Running payroll is one of the most important responsibilities of any business owner, but it doesn't have to be the most stressful. When you work with a payroll service provider, you get the peace of mind of knowing you have the resources to help you pay your employees and taxes accurately and on-time. And you get to focus on more important things, such as growing your business. A full-service payroll provider goes way beyond the basics of payroll calculations.

They'll handle third party deductions, including superannuation payments. In this guide, you'll find the essential information you need to decide if a payroll service provider is right for your business, which one best suits your needs, and you'll hear from small business owners and managers like you.

Let's get started.



What can a payroll service provider do for my business?

Of all the options for running payroll, a payroll service provider is your best bet for outsourcing the job while maintaining maximum control over the process. With a payroll service provider, the payroll processing time is drastically reduced because most of the process is automated.

What do you get with a payroll service provider?

Here are some of the services you should expect.

Payroll Processing



A high-quality payroll service provider can help you drastically reduce the time it takes to run your payroll by automating the most labour-intensive aspects, like calculations, tax withholding and payment options. These days, most good providers offer web-based interfaces that allow you to store your employees' information – names, wages, tax file number number and any other required statutory deductions – so all you have to do is enter their hours for the pay period and hit "Run."



Many providers also offer time and attendance solutions that sync with their payroll programs to make the entire process quick and seamless.



"With our previous system, there was always a rush at the end of the month to input and check the data. This has now been resolved with ADP. The extra visibility of having an online system means we have more time to ensure data is accurate throughout the month, minimising the payday panic and giving us greater capacity to focus on other activities."

– Jeni Carr, financial director, Boyes Turner

Calculate, withhold and Pay Taxes



Errors in calculating and paying taxes are among the most common – and expensive – payroll mistakes. A professional service provider helps to eliminate mistakes by automatically calculating and withholding the right amount of taxes for your employees and your business, then forwarding those funds to the appropriate agencies at the proper time.



“By transferring the responsibility for payroll to ADP, we don’t have to worry about delays or errors. We trust ADP to get the job done accurately.”

– Dilanka Kalutota, technical project manager, American Apparel

Compliance



A high-quality payroll service provider takes the lead in developing a payroll system that meets the ever changing employment laws and taxation landscape.



“We found that the ADP solution could resolve issues that were previously resulting in errors. ADP’s reputation for successful implementation reassured us that we would receive a high level of project support.”

– Geoff Evans, head of HR, Rail Safety and Standards Board

Absence management

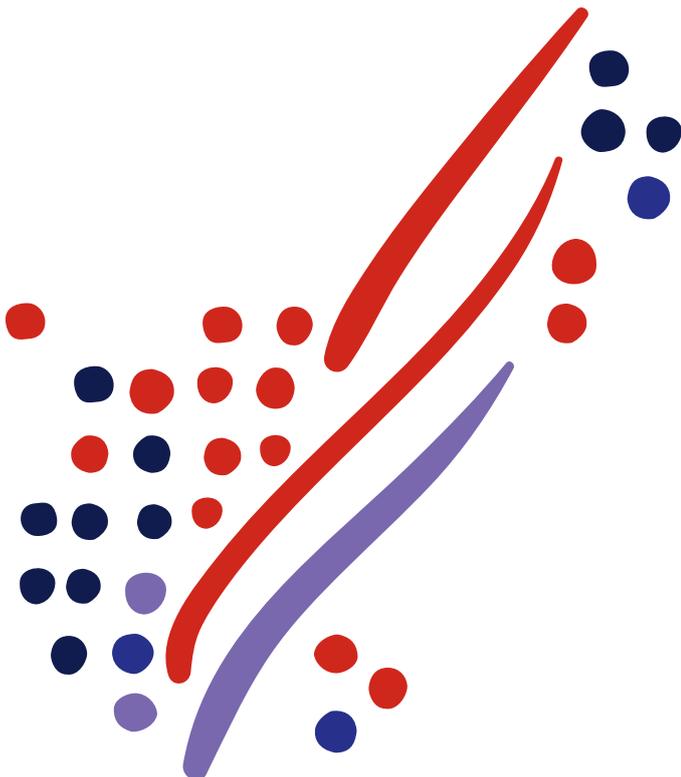


Keeping track of your employees' absence – including annual leave, medical/parental leave and sick days – can be time-consuming and confusing. Payroll service providers can offer automated and integrated systems to help you stay organised with tracking and managing employee absences.



"With ADP's time and attendance solution, all staff are able to book their own holidays and pick hours which feed directly into the payroll system. This aids all staff, whether they work from home or not, as it allows them to keep accurate records and manage their own time."

– Christine Stubbs, HR advisor, Holophane



Employee mobile access



With a payroll service provider, your employees should be able to access their pay details, manage their withholdings and look up their pay information from their mobile devices whenever they need answers. This way, they don't have to wait for you to answer their questions. And, you are spending less time fielding their requests and more time on your business.



"The self-service option was perfect for us as it would not only reduce the administrative burden on HR but also help engage employees through giving them increased control of their personal information. It also offered a valuable solution for remote workers, giving them easy access to their HR details at all times."

– Rachael Merrett, financial controller, Yankee Candle

Integration



Payroll has many moving parts, and nothing helps them work in sync like partnering with a payroll service provider. By integrating related functions like time and attendance, payroll, third party payments, your experienced provider can save you from entering the same information over and over again and help to dramatically reduce errors.



"If I had to do payroll on my own, it might save me money, but it would make me crazy. What takes me five minutes to do, would take me maybe an hour, but I'd always wonder if I did it right."

– Adrienne Fudge, owner, 40 Dreams Catering

Self-assessment

Before you decide if a full-service payroll provider is right for your business, take a moment to consider your priorities. Here are five questions to help you assess your payroll, compliance and benefits needs.

Q: When it comes to processing payroll, which is your scarcest resource?

- A Time B Peace of mind C Staff D Patience

Outsourcing payroll can save time and money: Companies that outsource payroll management save 18% more on average than companies that deal with it in-house.¹

Q: Which of the following represents the greatest pain point for managing payroll for your business?

- A Tax compliance B Payroll management C Calculating withholdings
 D Tracking time and attendance E Employment law compliance

Take advantage of both the payroll technology and local expertise of a full-service provider to ensure you continuously meet security and compliance requirements.

Q: How do you want employees to access their pay information?

- A Business owner will field requests B Payroll manager will field requests
 C Employees should have direct access D Human resources team or specialist will control access

Employees increasingly expect access to their own data. Consider providing a self-service portal to enable your employees to view pay and other HR-related information.



Q: Going beyond payroll, which of the following services do you need help with?

- A** Time and attendance
- B** Compliance
- C** HR/personnel management

74% of businesses now outsource their time and attendance systems, and 79% outsource their HR system of record, according to EY.²

Q: Do you feel confident researching, calculating, and filing all taxes on time?

- A** Very confident
- B** Confident
- C** Somewhat confident
- D** Not at all confident

Don't let the true cost of taxes catch you by surprise! 58% of small businesses say that administering applicable taxes is a bigger burden than actually paying them.³

²[http://www.ey.com/Publication/vwLUAssets/ey-2017-global-payroll-survey/\\$FILE/ey-2017-global-payroll-survey.pdf](http://www.ey.com/Publication/vwLUAssets/ey-2017-global-payroll-survey/$FILE/ey-2017-global-payroll-survey.pdf)

³<http://www.nsba.biz/wp-content/uploads/2017/04/Tax-Survey-2017.pdf>

Questions to Ask

Before you commit to a payroll service provider, it's essential to make sure they offer the services your company needs. Here are some questions to ask of any potential payroll partner.:

Q: How much does all this cost?

A: Different payroll providers offer different pricing structures, but certain factors – how frequently you run payroll, how many people you're paying, how often you add or remove payees, which services you need – will influence the cost. ADP will work with you to determine the right payroll setup for your business, no matter how simple or complex the solution.

Q: Can a payroll service provider integrate with my accounting software?

A: Partnering with a payroll provider shouldn't force you to overhaul your internal process. ADP works with many popular accounting software products to ensure a seamless transition of your data. Check with a payroll provider to make sure they integrate with your preferred program.

Q: What if I need help?

A: When you hit a snag with payroll, you can't wait days for someone to get back to you with the right answer. ADP offers direct access to certified, experienced payroll professionals and if using our managed services we take care of many of the processes for you.

Q: How do you pay employees when a disaster strikes?

A: ADP products are in the cloud, which provides the ability to run payroll from anywhere and allows our clients to pay their employees, regardless of what's going on locally. ADP can help you manage tracking employee leave.

Q: How much time should I expect to spend on payroll with a service provider?

A: There's not much point to working with a payroll service provider that doesn't save you time. If you're doing payroll manually now, you should expect to significantly reduce the amount of time you're devoting to the process. How much depends on which services you choose. Do you want help in automated online payroll processing? Integrating payroll with tracking time and attendance? An ADP representative can explain your options and help you choose the package that best fits your business.

Q: What if I'm already working with an accountant or bookkeeper?

A: If you work with an accountant currently, they'll appreciate that you're using a trusted payroll service provider because it facilitates seamless integration of data, reporting and processing. This empowers accountants to do more work with greater efficiency so they'll have more time to work on strategies to help you run a better business.

Q: Does it matter what time of year I start?

A: While some people have to, or prefer to, wait for the start of a new quarter, or a new year before switching over to a new payroll service provider, ADP can support your move at any time of year. Make sure any provider can give you a clear list of information you'll need to make a smooth transition.



About ADP

Designing better ways to work through cutting-edge products, premium services and exceptional experiences that enable people to reach their full potential. Payroll and Compliance informed by data and designed for people. Learn more at [ADPpayroll.com.au](https://www.adppayroll.com.au)

