

# How to Conquer Common Payroll Challenges

**Boost Performance and Mitigate Risk  
with Cutting-Edge Payroll Solutions**





**With more remote workers than ever before, companies must adapt to survive the rapid changes in today's environment.**

When it comes to payroll, businesses are thinking beyond the basics like automating and going paperless. In particular, when investing in a payroll solution, platforms that have the flexibility to deliver more for the modern workforce are rising above the rest.

It goes without saying that payroll is a crucial business function — the agility it provides (or doesn't) in the areas of calculations, compliance, and reporting has major implications for both your organization's profitability and your employees' morale and function.

Payroll is a team sport, and the difference between surviving and thriving in today's unpredictable business climate comes down to partnering with the right people and using the right technology.

To empower your organization to adapt seamlessly to tomorrow's unforeseen challenges, you'll need a flexible, all-in-one solution with tools that help you keep up with changing regulations, easily report and forecast critical organizational data, and put power back into the hands of your workers through employee self-service options.

The good news? Today's HR and payroll software offer all these capabilities — and more.

# Don't Let Calculations and Compliance Slow You Down

If today's payroll functions have you feeling a little apprehensive, you're not alone. Deloitte's 2018 Payroll Operations Survey<sup>1</sup> revealed compliance and controls as the top area for improvement among respondents, and with good reason. Compliance and tax issues are two of the most complex elements of the HR and payroll function — and can also have the steepest consequences if not done correctly.

One organization<sup>2</sup> that made a seemingly innocuous \$608.05 overtime pay error wound up paying 70 times more in legal fees and penalties<sup>3</sup> than the original error itself. And then there's the undeniable link between payroll errors and employee morale. Over half of employees have had a paycheck issue — inaccuracies in payroll issues don't just mean one bad day for an employee. Automated, digital employee data and document management helps prevent the domino effect of wasted time, money, and energy. Proration and retro pay calculation tools, for example, minimize opportunities for human error and streamline and simplify processes so that teams can stay agile with the ebbs and flows of business and the workforce.

## How Payroll Inaccuracies Impact Employees

**54%** of Americans have had a paycheck issue

**56 million** American workers have paid a personal bill late because of a payroll error

Courtesy of Workforce Institute

**82 million** workers would leave their job if their first paycheck was wrong

**26%** of hourly workers have been paid too little, while 15% report they've been paid too late

**20%** of gig workers have been paid late

**20%** of gig workers have been paid too little

**16%** of gig workers say they've had their paycheck deposited into the wrong account

<sup>1</sup> <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/human-capital/us-2018-payroll-operations-survey.pdf>

<sup>2</sup> <https://law.justia.com/cases/federal/district-courts/texas/txndce/3:2015cv00213/255700/114/>

<sup>3</sup> <https://www.hrmorning.com/news/the-600-payroll-mistake-that-cost-this-company-almost-50k/>

# Stay Compliant with Changing Regulations

Compliance is crucial in protecting your employees and your organization. In addition to keeping pace with local and state regulations, companies must ensure they're up-to-speed with federal regulatory bodies, including the ACA, IRS, and USDOL. Even before the COVID-19 crisis, the trend towards increasingly complex sets of compliance regulations was already accelerating, with new rules springing up, including:

- ✓ **New paid sick leave legislation**
- ✓ **New tax codes**
- ✓ **New ACA policies**

And this is just the tip of the iceberg. This trend of complicating compliance mandates is only expected to continue growing.

Today's HR and payroll solutions have come a long way and offer some truly impressive compliance capabilities and technologies that empower your company to react quickly to curve balls. For instance, select platforms now provide capabilities that keep organizations up-to-date on regulations coming from all avenues, including check stubs, time off, retirement plan limits, tax limits, wage-based limits, and even hyper-specific, current organizational needs, like PPP loan forgiveness applications.

Modern tools like these help you get payroll right the first time, while keeping you compliant with regulations at all levels. When done right, compliance provides the stability and assurance your company needs to grow, scale, innovate, and attract top talent.

[Learn about our Compliance Dashboard.](#) →



# Master Tax Functions with Expert Tax Assistance

While they say death and taxes may be the only certainties in life, the same could certainly be said about *changes* to tax laws and regulations. Accuracy and efficiency are crucial for business and the solutions you rely on to provide flexibility and agility. Yet for many businesses, tax regulations can be a major obstacle.

A 2018 survey by Deloitte revealed tax regulations are a hurdle for organizations, with respondents reporting struggling with three main tax compliance issues:<sup>4</sup>

- Employee mobility and determining tax withholding
- Reporting of local, payroll taxable income
- Year-end processing

With complex structures and rules that are difficult to navigate, it's no surprise organizations struggle with these aspects of payroll and taxes.

It's past time to reconsider solutions that do more than simply keep you on pace with core payroll functions and include advanced tax assistance capabilities that address and streamline tax issues and processes – protecting companies like yours from costly mistakes, penalties, and audits. Some will even offer tools that keep you current with changes in state and federal tax laws as they happen – without the need for manual intervention.

These platforms provide the flexibility for rapid development and multiple, customizable deployment options in these critical areas to ensure your HR and payroll solution can evolve with your organization and meet the ever-changing needs and requirements of your business.

[Learn about our Tax Services.](#) 

<sup>4</sup> <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/human-capital/us-2018-payroll-operations-survey.pdf>



# Stay Above-Board with Contract Workers

In addition to the large number of moving parts already in place, compliance has become even more critical — and complex — with a global pandemic ushering an exponential increase in the number of independent contractors and independent contractor roles.

“Besides the threat of class action lawsuits, misclassification of workers can lead to liability for unpaid tax withholdings, unemployment insurance taxes, workers’ compensation premiums, overtime, minimum wages, sick and vacation pay, among others. Penalties and interest may also be assessed,” writes Lisa Higgins of HR Daily Advisor.<sup>5</sup>

In a landscape where an increasing number of workers are scattered across the country, it’s critical to employ a system designed for multi-state tax filing and multi-entity accounting.

This way, you can equip yourself with tools and assistance that protect your organization from misclassification errors, including tools that furnish and file 1099-MISC forms (employee and employer copies), and provide quarterly and year-end reporting through our dashboards, making it easy for HR pros to visualize year-end tasks.

<sup>5</sup> <https://hrdailyadvisor.blr.com/2017/04/04/worker-misclassification-freelance-economy/#:~:text=Misclassification%20of%20workers%20can%20be,and%20vacation%20pay%2C%20among%20others.>



# Empower Employees with Self-Service

HR professionals these days have the overwhelming job of covering basics, like payroll, while also developing strategies and initiatives to drive their companies forward and keep their organizations competitive. Put simply: it's too much for one person to handle.

But when employees have access to their own information, they can answer their own payroll-related questions and autonomously perform actions that would have historically eaten up precious HR labor hours, including

- Viewing online pay statements
- Viewing annual tax documents
- Updating their banking details (direct deposit)
- Updating their home address
- Updating personal and emergency contact information
- Electing and/or updating voluntary deductions.

Employee self-service portals not only save time for HR professionals, but also provide workers with the type of consumer-driven experience they crave. In fact, Deloitte's 2018 Payroll Report<sup>6</sup> found that "89% of respondents offer online payroll self-service with a 21% increase in the option to elect and/or update voluntary deductions online in the past three years."

Supervisors benefit, too, with the ability to approve schedule changes or time-off requests. The time your employees (and you) save with modern solutions enabling the self-service function is a win-win for everyone involved.

[Learn about Employee Self Service.](#) 

<sup>6</sup> <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/human-capital/us-2018-payroll-operations-survey.pdf>

**"It used to take multiple staff members close to three full days to process and reconcile payroll every period. With Paylocity, it takes one team member no more than 90 minutes to complete it from start to end."**

Peter Chen | Vice President, Finance,  
The Kennedy Group

# Tell Your Organization's Story with Cutting-Edge Reporting

In a world that's been flipped upside-down by a global pandemic, quick, effective decision-making is critical to the survival of an organization. But effective decision-making needs to be driven by so much more than gut instinct.

The key? Data.

"Just as marketing became a data-centric function about 25 years ago (the beginnings of market segmentation, customer scoring, customer relationship management), so is HR beginning to go down the same path," writes Bersin by Deloitte founder, Josh Bersin.<sup>7</sup>

High-impact organizations are well ahead of their competitors when it comes to analytics and workforce planning, he says, pointing out that "These companies are already making the shift toward 'datafying HR'."

In other words, for your company to be truly successful, data must be at the core of your organization's forward-looking HR and payroll strategy.

[Learn about our Data Insights.](#) 

<sup>7</sup> <https://www.forbes.com/sites/joshbersin/2013/07/19/the-datafication-of-human-resources/>



# Keep the C-Suite in the Loop Without Wasting Time

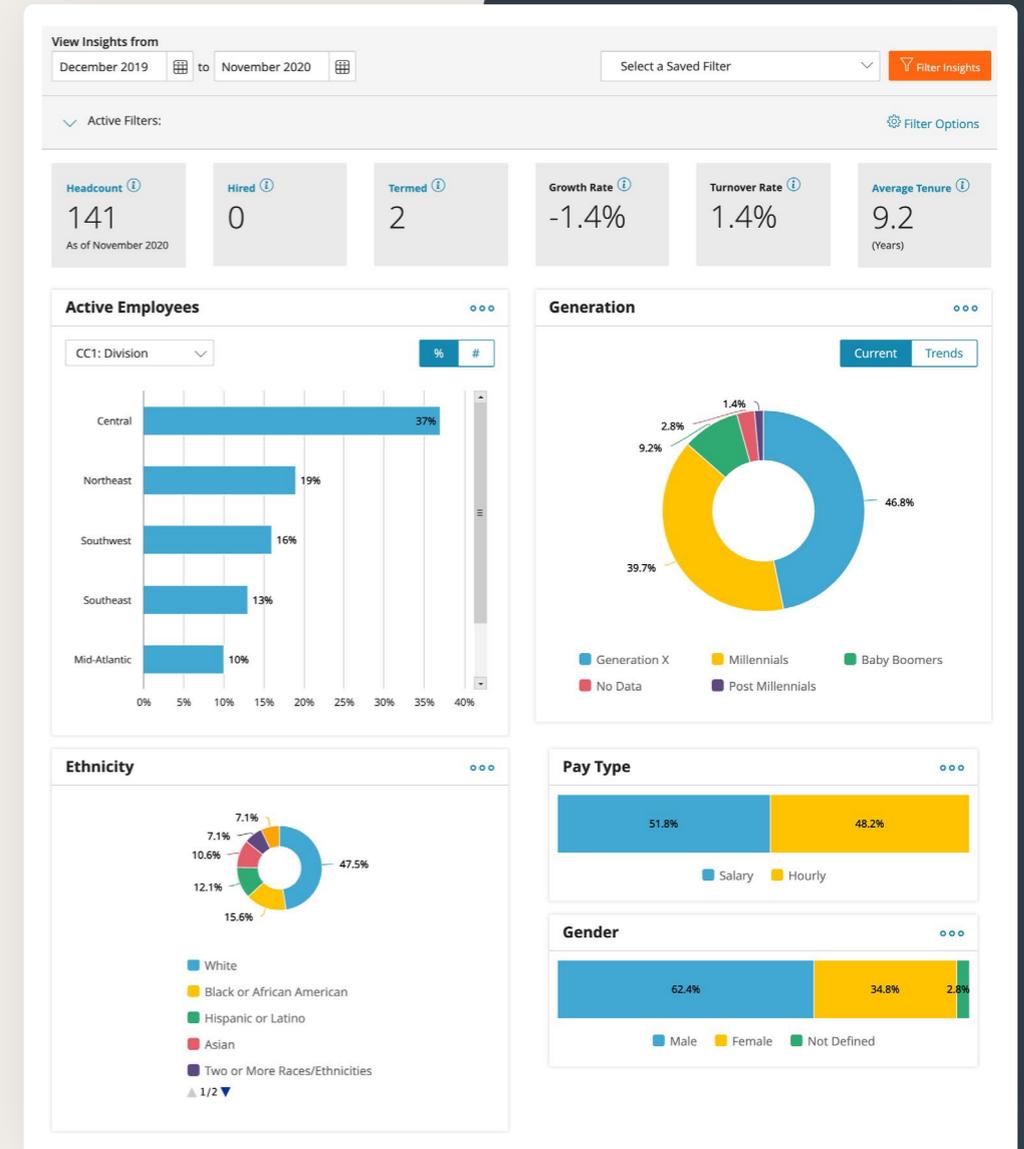
Easy access to meaningful data helps drive your company forward. Organizational leaders want to see a clear picture of how costs like labor, cash requirements, turnover, and other critical metrics are affecting the bottom line, but they don't have time to sift through or interpret spreadsheets.

Advanced reporting and data visualization capabilities make the difference between information that exists and information that impacts. The right HR and payroll solution will allow you to easily forecast and visualize critical payroll data, including:

- Turnover and separation trends
- Monthly and annual payroll trends
- Overtime and headcount information
- Workforce demographics
- Employee pay and salary distribution
- Labor expense management
- And many more

"We are an inherently visual world, where images speak louder than words. Data visualization is especially important when it comes to big data and data analyzation projects," writes Adam Heitzman of Search Engine Journal.<sup>8</sup>

However your workforce is comprised – operating remotely or in a single location, salaried or hourly – the key to making impactful decisions is in intuitive reports with tables, graphs, and other visualizations that tell an easy-to-understand story about your organization.



<sup>8</sup> <https://www.searchenginejournal.com/what-is-data-visualization-why-important-seo/288127/#close>

# Go Beyond Payroll

Payroll is complex and time-consuming, but it's a team sport. Ensuring your payroll function is accurate, compliant, and effective in driving your organization forward is more than one person can manage. Enlist the support of a powerful solution that keeps up with the changing demands of today's complex business landscape backed by service partners committed to your success.

## Today's HR leaders can leverage all-in-one HR and payroll solutions to:

- Automatically stay compliant with local, state, and federal regulations
- Leverage tax assistance capabilities that keep you current with changes in state and federal tax laws as they happen — without the need for manual intervention
- Keep you above-board with independent contractors through multi-state tax filing and multi-entity accounting
- Save labor hours and improve employee experience with employee self-service
- Access and manipulate data
- Present polished, easy-to-digest payroll reports and information to stakeholders at all levels of the organization



## Powered by our culture of caring, our modern workforce solutions set you up for success today and well beyond tomorrow.

Paylocity solves today's employee lifecycle and collaboration challenges and helps drive future organizational success by expanding meaningful HCM experiences through the highest-caliber technology and service. Our all-in-one HR and payroll solutions combine next-generation collaborative video, engagement, and education tools with traditional HR, payroll, and regulatory expertise. Together with our best-in-class reputation for service, you have the partner you need every step of the way to meet and exceed modern workforce expectations while driving engagement, productivity and the bottom line.

Forward Together.

Want to learn more about Paylocity's HR and payroll solutions?

**[Click here to get a guided tour of Paylocity in action with a solutions expert.](#)**

