Thinking about switching payroll providers?

Critical questions you should ask right now



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Is it time to switch to a new payroll provider?

You shouldn't have to worry about whether your payroll is accurate, efficient or easy to complete, especially if you're spending money on a payroll provider. You also shouldn't have to worry about whether your provider can help you address today's common HR challenges, such as hiring and keeping top talent. **How do you know when it's time to make a change?**

Effective payroll management remains a challenge for many employers. But did you know that finding qualified employees is currently the top challenge for both small and midsized businesses? Retaining employees is also a top 10 concern.[1]

Wouldn't your workflow significantly improve if you could better address today's payroll and HR challenges simultaneously? Unfortunately, partnering with the wrong provider — a provider that can't merge the two well — can backfire. For more on the benefits of integrating payroll and HR, skip to switch-worthy HR features you shouldn't ignore.
For now, let's focus on payroll.



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Questions to ask yourself

Am I paying for my provider's mistakes?

When it comes to payroll, mistakes can get costly in a hurry, from tax penalties to miscalculated garnishments and more. If you're still getting communications from the Internal Revenue Service (IRS) after outsourcing payroll, consider looking for a new provider.

Taxes — and compliance and regulatory issues — are among the top 10 challenges for small and midsized businesses, respectively.[1]

Prioritize a provider that can automatically calculate and file your payroll taxes, plus calculate deductions for benefits and retirement. Additionally, ask yourself if they can help you keep up to date with the latest state and federal tax laws and HR regulations by providing automatic updates applicable to your state. Additional capabilities worth exploring include garnishment payment services and hassle-free access to legal and compliance services, which can help you abide by regulations, stay current, respond to mishaps and prepare for legislative events.

Is my provider taking advantage of technology?

Modern professionals rely on the convenience of mobile apps, web portals and other digital tools for every aspect of their business. Payroll shouldn't be the exception.



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Ask yourself these 10 questions to evaluate your provider's technological state:

1. Does my provider make us send over employee hours every week?
2. Are we still receiving paychecks or stubs through the mail?
3. Does my provider offer direct deposit?
4. Can we fund payroll with a credit card and extend payment for up to 30 days if needed?
5. Does my provider offer mobile payroll management via an application or internet browser and a mobile portal where employees can manage pay, taxes and time tracking?
6. Do they provide data-driven salary benchmarks that help us respond to the downstream effects of pay transparency laws and competitive salary offers?
7. Do they offer personalized, flexible payment options and financial perks for employees, including pay cards, earned wage access (EWA) and financial wellness?



95% of employers say employee financial wellness positively impacts productivity, and nearly 75% of employees want to work for a company that cares about their financial well-being.[2]

8. Do they offer a freelance management system that helps us pay contingent workers efficiently and compliantly?
9. Do they offer time-tracking tools with employee scheduling and physical time clocks to help us manage labor costs?
10. Do they offer state unemployment insurance (SUI) solutions that help us manage unemployment claims, audit unemployment insurance benefits charged to our SUI account, inform hiring and termination best practices, contest erroneous claims, prepare for hearings and appeals and analyze and reduce our SUI tax rate and liability?

If the answers to these questions are unsatisfactory, your provider may be lagging technologically. Don't settle for inefficiencies when your time and energy matter so much.



Am I spending too much time on payroll?

Saving time is one of the primary reasons businesses partner with a payroll provider. If you still feel payroll demands too much of your time, even after hiring a provider, you should be bold and ask why. Explore other providers if the answers are unsatisfactory. Remember, you hired a provider to save time. Your workday is too short to compensate for your provider's outdated, poor, inefficient processes. You have better things to do.

Ultimately, you can save time by ensuring your provider offers perks such as:

- The ability to process payroll from any device, anywhere
- Same-day automated clearinghouse (ACH) payments

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- Two-day processing cycles with no assigned direct deposit limits
- The option to automate payroll for salaried staff and employees with standard hours
  Set it up once and run it on autopilot until you decide otherwise.
- Error detection with artificial intelligence that learns your payroll and proofs your data, flagging potential errors before they happen

These capabilities can help you rest easy sooner, knowing that your people will be paid quickly, accurately and on time. You'll continue losing time if your provider offers none of these

Am I getting the support I need when I need it?

Sometimes, we have questions about payroll, even outside of regular business hours. Your provider should be ready to answer these questions when they arise. Contacting a provider during your time of need, only to find out they're closed, can be infuriating. Discovering that no one's there can feel like abandonment or betrayal. If you're paying a provider for their products, services and support, but they can't help you when you need them most, that's not a good sign.

Providers with 24/7 phone and chat support can help you anytime — unlike providers that offer support during prescribed weekday hours or that close early on weekends. Also, suppose your provider doesn't provide support via a mobile application. In that case, you're missing out on the ease of modern-day issue resolution — and wasting time and energy getting the help you need.

Am I happy with the value I'm getting from my investment?

Working with a provider must make sense for your bottom line. If the money you're spending on a provider isn't buying you time, convenience or peace of mind, what are you paying for? You should be receiving thousands of dollars in added value beyond what you get with other providers — for example, HR services that can help you grow your business, hire new staff and train teams. These helpful HR tools can be incorporated into the right solution with no problem.



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As mentioned, hiring and retention are top challenges for today's small and midsized businesses. Effective payroll management is crucial, but you need a solution with additional features to thrive in today's highly competitive talent environment.

A provider that effectively combines HR and payroll technology can help you reduce inefficiencies and maintain a consistent technological experience across both disciplines, supporting ease of access and helping you address related tasks quickly and more effectively.

Answer the questions below to identify your areas of need. You may think they're irrelevant to payroll, but if HR can effectively enhance the employee experience — and employees can resolve HR and pay issues proactively — you won't have to worry as much about fielding needless inquiries, which can save you time and energy.



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Questions to ask yourself or HR

Talent acquisition — go deeper

- Can we access data-driven salary benchmarks that help us create more competitive job offers and comply with pay transparency laws?
- Can we access a job description wizard?
- Can we quickly post roles to job sites with high candidate visibility?
- Can we access an applicant tracking system (ATS) to improve end-to-end hiring?
- Can new hires access a personalized, mobile onboarding experience that reduces physical paperwork, makes them feel welcome and lets practitioners track progress?
- Can we quickly initiate background checks using a single, easy-to-use platform?

Talent management and activation — go deeper

- Can employees and leaders access a strengths-based, data-driven check-in platform that helps increase employee engagement, enhance leadership and drive team performance?
- Can employees access online courses about HR record keeping, workplace harassment, diversity, equity and inclusion (DE&I) and more?
- Can we successfully prepare for the future with succession management tools?

HR services and management — go deeper

- Can we print labor law posters at no extra fee?
- Can we access an employee handbook wizard that prepopulates handbooks by state and jurisdiction and that helps us manage and document employee acknowledgments?
- Can we search, compare, activate and pay for handy HR and payroll add-ons?
- Can we access professional services to get help with specific projects?
- Is HR taking advantage of intelligent self-service features that help employees proactively resolve standard HR (and payroll) issues, saving leaders precious time?
- Can we effectively capture employee feedback and sentiment throughout the employee lifecycle to gain insight into what employees want and need?

People analytics and insights — go deeper

- Can leaders access data-driven insights on overtime, turnover cost and risk and DE&I to better monitor labor-related expenses and retention, increase diversity, quantify pay gaps by gender, race and ethnicity and estimate the costs to close those gaps?
- Can leaders access data across various benchmarks, including workforce changes, demographics, time and attendance and pay?

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Benefits and perks — go deeper

- Can employees access counseling, dependent care options, financial referrals and other forms of employee assistance?
- Can employees access a discount program for brand-name products, daily essentials and travel purchases?
- Can employees use decision support technology to select personalized benefits plans and undergo a simple, guided enrollment process that saves leaders time?
- How do we feel about simplifying benefits enrollment and administration, engaging top talent with attractive benefits and keeping up with the latest benefits trends?

Retirement plan options are also essential in today's talent market, particularly when addressing financial wellness, which employees say they want from companies,[2] and when managing SECURE 2.0 Act compliance. The SECURE 2.0 Act adds valuable benefits for retirement plan sponsors and their employees. From expanding coverage to simplifying plan rules, it aims to make offering retirement plans and improving employees' retirement outcomes more attractive to employers. Ask yourself if your provider offers retirement planning services, a complimentary SECURE 2.0 Act retirement plan review and whether they can help you benefit from SECURE 2.0 Act incentives.

73% of midsize businesses and 43% of small businesses say retirement plans are important to **attracting** talent. 72% of midsize businesses and 42% of small businesses say they're important to **retaining** talent.[1]



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Additionally, health benefits have become increasingly popular since the COVID-19 pandemic. Does your provider offer access to health benefits, plus advice from licensed professionals? Integrating such benefits with payroll can optimize administration and simplify deductions.

60% of midsize businesses and 34% of small businesses say offering lower out-of-pocket medical costs is important to **attracting** talent. 72% of midsize businesses and 32% of small businesses say it's important to **retaining** talent.[1]

An all-in-one ecosystem across payroll, HR, recruitment, time and attendance, talent, learning management, benefits and retirement optimizes efficiency. The right provider will offer these services and integrations because they understand that HR and the employee experience can impact payroll, too. For more on integrations, read What services can be integrated with payroll?



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Payroll is vital to your business, so feeling nervous about anything that threatens to interrupt it is natural. When switching to a new provider, knowing what information you need early can help streamline your transition, minimize disruptions for your employees and preserve your peace of mind.

What you'll need will depend on which services you're taking advantage of. Transitioning to a new provider offers a convenient opportunity for businesses that still need to integrate their payroll with other services. For example, in a recent survey, 86 percent of businesses said they saved time by integrating ADP's retirement services with its payroll administration.[3] Overall, businesses have found that greater integration helps them manage compliance requirements and save time and money while improving the employee experience and access to information.



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3 areas to consider when starting with your new provider

1 People

New-client onboarding support can help ensure a seamless switch. Your new provider should supply you with an implementation team and help you assemble a project team to manage the transition. Team size will depend on your business's size and the number of services you use — for example, small businesses may only need a key stakeholder. Here are some typical internal roles your new provider may ask you to assign:

Key stakeholder

Someone to identify priorities, allocate resources and advocate for the project internally

Project manager

The chief decision maker and product leader who sets milestones and provides progress updates

Security officer

Someone to manage passwords and maintain the security of your system during the transition

Payroll professional

A point person for ensuring the accuracy and timely handover of all payroll information

Benefits professional

Someone to gather and provide all benefits information, including plans, rates, dependents, eligibility and account structures

2 Data

If you're already working with a provider, you should have access to all the information you need to switch. A high-quality provider will be able to give you a clear and comprehensive list of all the data required for a timely and error-free transition.

Job information

To set up payroll, you'll need to provide essential employment information for all workers, including, but not limited to, job titles, worker classifications, exempt statuses, compensation, hire dates, work locations, tax withholding information and wage garnishments.

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Personal information

Essential information like names, home addresses, dates of birth, Social Security Numbers (SSNs) and marital statuses for every employee may be required. Do''t forget employees who were terminated this year, or they won't receive their Forms W-2.

Business information

Your federal, state and other tax ID numbers, plus year-to-date and quarter-to-date totals.

Payroll information

How often do you run payroll? When is your next payday? When does your workweek begin and end? Your new provider will need this information to ensure a seamless transition. Be sure to review any applicable state and local requirements.

Beyond payroll

Customers taking advantage of benefits and retirement, recruitment or other services will need to provide information specific to those tasks. Here's a sample list to give you an idea of what your provider will need:

- **Benefits**: Benefits summary plan description and monthly insurance rates
- **Recruitment**: Job descriptions and employment applications
- **Talent management and activation**: performance appraisals and review forms
- **Retirement and 401(k)**: most recent Form 5500 and prior-year nondiscrimination tests and top-heavy tests

3 Training

Before you switch, ensure your new provider offers the training and attention you will need to become proficient on their platform. Every provider uses their own system, and some are easier to learn than others. Expect any high-quality provider to offer digital learning tools, dedicated account resources and in-product demos.



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Before switching providers, you must ensure you're getting the best fit for your business. Here are some questions you should ask any potential provider before proceeding:

How much time will the transition take?

How quickly you switch to your new provider depends on your business priorities, the services you're using and how quickly you can access the required data. With ADP, some customers can be operational in 10 days or fewer, while others choose to transition over a more extended period. Services beyond payroll, such as retirement, insurance and recruitment, may take longer to set up. Regardless, a well-done switch should never disrupt your payroll.

Does it matter what time of year I start?

Though some prefer to wait until the start of a new quarter or new year before switching, ADP can support your move anytime. A high-quality provider should be able to give you a clear list of forms and information you'll need to make a smooth transition.

How much time should I expect to spend on payroll?

If you're doing payroll manually now, you should expect to reduce the time you devote to the process. How much time depends on which services you choose. Do you want help tracking time and attendance or assistance with background checks? Will you automate check signing? An ADP representative can explain your options and help you choose the package that best fits your business.

How much does all this cost?

Different providers offer varied pricing structures, but certain factors — how frequently you run payroll, how many people you're paying, how often you add or remove payees and which additional services you need — will influence the cost. ADP will work with you to determine the correct setup for your business, ranging from the most basic framework to completely outsourced payroll and HR. Learn more about ADP's outsourcing services.

What if I need help, especially before or after business hours?

When you hit a snag, you can't wait days for someone to get back to you with the correct answer. ADP offers direct access to certified, experienced professionals available 24/7. Clients can also email questions at any time.

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How do you pay employees when a disaster strikes?

Using a provider whose products are in the cloud is a good idea. This lets you run payroll anywhere and pay your employees regardless of what's happening locally. ADP can help you manage leave during and after a disaster and advise you on benefits, policies and programs to help your employees recover.

How do you secure my sensitive data?

You and your employees have sensitive data that requires protection. Ensure that your provider is willing to discuss data security and other areas of data management, such as data privacy. Ask them to provide specific examples and certifications and to simplify complex concepts. ADP delivers services and technology for data security, privacy, fraud and crisis management — all so you can stay focused on your business. Learn more about data security at ADP.

What are the different employee payment options?

Regarding wage distribution, today's employers have more — and smarter — choices than ever. ADP offers four main options: physical checks, direct deposit, pay cards and earned wage access, or EWA. Schedule a consultation to determine your best fit.



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As you compare providers, know that ADP **leads the pack.**

Voice of the leader

"Gusto's lack of flexibility caused a problem pretty quickly. When it came to paying contractors, the fastest option Gusto gave me was three to five days. [I switched to] ADP [since it] just felt like the best fit for what I needed. Not only did they give me the option to pay my contractors faster, but they have all these other services I can take advantage of as I grow."

—**Derrick Fisher**, CEO, YSL Tech

"ADP Workforce Now® is simply way more user-friendly than Paylocity ... Paylocity's interface was just way too complicated and old-looking; for that alone, we decided to go with ADP...to avoid having to deal with employee confusion and poor onboarding."

—**Meir Brodsky**, HR specialist, DSV

"The Paychex service was not user-friendly. If I were entering payroll and got called away, the data wouldn't autosave, and I would have to start all over again...Once I had a chance to dig into RUN Powered by ADP®, it was night and day. And [ADP] made the migration easy — I didn't really have to do any of the legwork. Now, you couldn't pay me to go back to Paychex."

—**Maurice Kelly**, owner, Matchbox Charlottesville

"With Paycom, they were not very helpful, and we always felt like we were given the runaround. We were always transferred in a circle to try and get someone to help or answer our questions. The ADP representatives have always been available to assist us and walk us through any issue we may have."

—**Deborah Martinez**, accountant II, First Community Bank

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Are you a small business?

(1–49 employees)

Explore better payroll and HR

Are you a midsized business?

(50–999 employees)

Discover what you've been missing

Are you a large business?

(1000+ employees)

Reveal your options now



1. ADP, Small Business at Work Fall 2022 Outlook: Preparing for a Changing Landscape, 2022
2. Earned wage access: Tapping into the potential of flexible pay for today's world of work, ADP, 2022
3. ADP, internal survey of 1,776 RUN Powered by ADP customers, 2022
4. ADP, service integration analysis, 2018

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