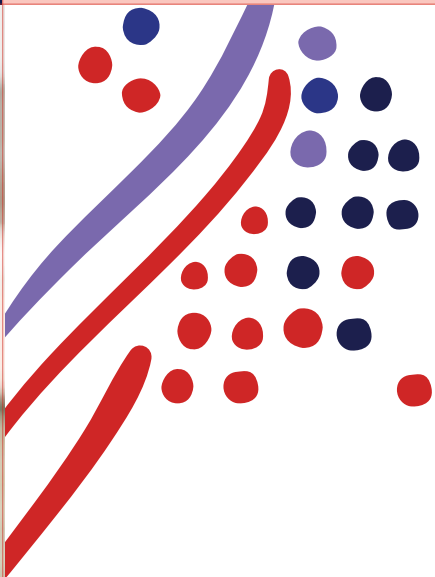


Midyear Payroll Conversion Guide



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Many companies that want to change payroll providers believe they must wait until the beginning of the year — or at least that it's easier to make a change then. You can actually change payroll providers at any time of year, and this guide will help you navigate the process and make a smooth transition.

Common Concerns About Midyear Switches

Will it disrupt my business?

You may wonder if you have the time and resources to convert to a new payroll provider midyear, without taking away from essential business functions. The right payroll provider should be able to guide you through the process smoothly and efficiently, with minimal disruption of your day-to-day operations.

Can they handle our complicated payroll processes?

Whether you have multiple pay frequencies, different employee classifications, a time and attendance system that isn't integrated with your payroll system, or other software or manual processes, an effective payroll service provider should be able to handle your company's complex payroll and manage input from multiple sources during implementation, including any business software or systems you already use. They should also run checks to ensure that your data has come into their system correctly and that you are set up for successful payroll processing prior to your first pay run.

Will it affect the timely filing of my taxes?

Payroll taxes are a big part of payroll administration. Full service payroll providers will guide you through the process of migrating your tax history and will help ensure your taxes are administered seamlessly going forward. Your new provider will assess your previous quarter's taxes to make sure your payments are correct and up-to-date. Once you have made the switch to the new provider, make sure to discontinue service with the old provider, if applicable.

What to Look for in a New Payroll Provider

The right payroll provider should be able to deliver accurate and timely payroll and tax services backed by expert knowledge and integrated technology.

- Payroll processing that integrates with your accounting system, if needed
- Payroll tax filing
- Employee self-service anytime, anywhere, from any device
- Employee pay options including direct deposit and paycards
- Year-end processing, including W-2s and 1099s



- Wage garnishment processing
- Payroll and custom reporting
- Employee recordkeeping
- New hire reporting
- Payroll manager and employee training on new payroll system
- Accessible client support

Getting Started with a New Provider

Once you sign a contract, the implementation team at your new provider will be able to guide you through the setup process and secure transfer of your data, but here is an overview of what to expect.

STEP 1

Prepare your data

You will need to provide the following company and employee data to your new provider.

Employee Data

- Employee list with Social Security Numbers and addresses
- Direct deposit information for each employee
- Copies of employee W-4s
- Copies of any garnishment orders
- Deduction list for any employee deductions (i.e., health insurance, 401(k))
- Employee email list
- State unemployment rates for all states that you report

Company Data

- Company tax ID numbers (federal, state, and local)
- Company bank account information

Payroll and Tax Data

To get this data, you can either run a Payroll Summary Report from the previous provider's system or request a copy from them.

- Copies of current year Form 941 payroll filings (if available)
- Year-to-date payroll summary by employee, by quarter
- List of any outstanding issues with federal, state, and local agencies with copies of all correspondence

STEP 2

Tax history verification

The new provider should check your tax history from the previous quarter for any errors. They can help you correct errors and pay any taxes owed.

STEP 3

Run test payrolls

Once all of your data has been imported into the new system, the provider should run a parallel payroll along with your old provider prior to your first live payroll to ensure everything is processing correctly.

STEP 4

Close out old payroll and tax services

After your new provider successfully runs your first payroll, you can close out your contract with the old payroll provider. If you use a separate entity to pay your taxes, you will need to cancel with them as well to avoid double-payment.

Food for Thought: Is It Time to Consider a Full-Service HCM Solution?

To get the most from your payroll provider, maximize talent and efficiency, and enable data-driven strategic business development, you may want to consider a provider that offers a full-service HCM solution, including:

Benefits Administration

Benefit plan creation, enrollment management and employee self-service, COBRA administration, ACA and healthcare reform compliance, broker enablement



Talent Management

Recruiting, onboarding, development, engagement, retention, performance management and compensation

Workforce Management

Time and attendance, analytics and reporting for strategic insights

Technology

Mobile self-service, integration of full range of HCM component systems

Are you ready to make a change?

Learn more about how to evaluate payroll service providers, including how to assess your business needs and payroll challenges so you can choose the right one. Read [Switching Payroll Providers Made Easy: ADP Payroll Switcher's Guide](#).



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