

# Compliance Buyer's Guide





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# What is compliance and why is it important?

Maintaining compliance with a host of changing regulatory requirements is a complex undertaking. New regulatory demands arise frequently and the window for compliance is sometimes short. Not only do requirements change often, but they also vary widely, depending on the states and localities in which you operate.

**Compliance is a task that's more challenging for businesses now than ever before thanks to a combination of:**



**Growing complexity**  
of organizational structures  
and processes applicant tracking



**Ever-changing**  
legislation and regulations at the  
local, state, national and global level



**The struggle to manage** all this change with  
existing technology and methods

**While your specific challenges will depend on your circumstances, many compliance demands are generally consistent across businesses of all sizes.**

# How can the right compliance solution support your business?

As your operations grow in scale and complexity, staying compliant can feel like a near-impossible task. That's why many organizations swap manual, labor-intensive human capital management (HCM) processes for consistent, scalable operations and expertise to help them keep everything under control.

## The benefits of adopting a strategic approach to compliance include:

1. HCM-related compliance across the board
2. Reduction of unexpected costs from noncompliance
3. Less burden on internal resources
4. Strategic growth

If this sounds like a change that could benefit your organization, keep reading.



Of all the business owners surveyed, **40%** indicate that they have experienced unintended expenses as a result of noncompliance with government regulations.<sup>1</sup>

1. Midsized Businesses: Poised to Lose Balance in a Time of Uncertainty, ADP, 2017.

# Identifying your company's needs

What is the current state of compliance operations in your organization? To begin to understand what type of compliance solution would work best for you, consider which of the following areas present your main challenges.

1. Switching from another HCM or payroll provider
2. Looking for an integrated compliance solution
3. Experiencing compliance issues, such as penalties
4. Adding locations
5. Mergers and acquisitions
6. Increasingly dispersed and diverse workforce

# Critical components of a compliance solution

## Payroll and payroll tax filing

Ensuring employees are paid in a secure, efficient and timely manner is one of the fundamental roles of an employer. So, making sure you have the systems in place to properly manage the payroll process is vital. Further, compliance with employment tax payment and reporting rules with each of the various local, state and federal agencies is critical to avoid stringently enforced penalties.

## Wage garnishment

One in 14 employees today has some type of wage garnishment<sup>2</sup>. As federal, state and local laws and regulations become more complex, the risk of errors begins to fall on employers, who can be penalized up to the full amount of the employee's judgment debt for missed or improper calculations, notifications, payments or other errors in processing or responding to a wage garnishment order.

Increase accuracy, reduce risk and help keep your company compliant with a compliance solution that includes wage garnishment administration. A full-service wage garnishment solution can help manage every step of the process, from initial wage garnishment order processing to contacts with garnishing agencies, creditors and their attorneys.

2. ADP Research Institute®, The U.S. Wage Garnishment Landscape: Through the Lens of the Employer, January 2017.

## **Electronic pay and paycards**

Your responsibility for payroll tax and wage and hour compliance is the same with electronic pay methods as with any other payroll method.

## **Multistate operations**

Multistate employers must comply with varying state labor laws. You want to make sure that your HCM compliance vendor can help you stay compliant with regulations and state laws where you operate now or may operate in the future.

## **Employment verification**

From loans to mortgages and credit card applications, employees often need to have their employment status and income verified. Look for a solution that can help to expedite this process and protect your employees' privacy.

## **Tax credits**

Companies generally claim tax credits when they file their income tax returns. Tax credit programs often require records that document fulfillment of the credit requirements. Businesses need to plan for tax credit reporting requirements and calculations in advance, and keep records to prove compliance.

## **Unemployment claims**

Unemployment claims are an inevitable part of running an organization. Responding to these claims can be complicated and time-consuming. Having a vendor manage your unemployment claims can help reduce risk, cost and the burden on your staff.

## **ACA compliance**

The Affordable Care Act (ACA) is complicated. Potential penalties can be steep for companies that aren't compliant. Look for a HCM compliance provider that can integrate with your existing HCM system or other systems of record to help you efficiently meet the demands of the ACA's employer mandate and federal and state health coverage reporting requirements.

# What do ADP's HCM compliance solutions offer that other companies don't?

**How do you choose an HCM compliance solution** when many offer similar capabilities? An area where some compliance partners are differentiating their offerings is in technology-forward and service-oriented solutions that can help put you at the forefront of global workforce transformations. These vendors stay abreast of not only regulatory changes, but trends in workforce management, employee engagement and retention, global corporate expansion and compliance, and technology-assisted data analytics. They develop scalable solutions that allow for integration with existing HCM tools and vendors, more effective team collaboration and administrative tools that help increase compliance.



## Direct integration with leading payroll platforms

Many organizations rely on multiple systems from different vendors and manual processes to manage HCM compliance needs. This can create inefficiencies and errors. For a successful end-to-end compliance experience, ADP® has robust integrations with, not only ADP platforms, but also with vendors like Workday, Oracle, SAP, Infor and others. These partnerships help create a tightly integrated extension to your chosen HCM platform. These integrations help eliminate manual workflows and duplicate data entry to make your processes more agile and efficient, while minimizing risk.



## Purpose-built compliance workspace

Constantly shifting HCM compliance requirements are requiring you to manage growing volumes and types of data, notices and activities. With ADP, you can manage all compliance from a single system, using a shared, connected platform to monitor compliance processes, view action items, post and retrieve information and collaborate on tasks. Your teams will collect and monitor all the information they need in a single, intuitive dashboard that offers complete visibility and proactive notifications. Each user will have a targeted, role-specific user experience to track critical tasks and monitor active and resolved agency notices, amendments and exceptions.

Your staff can also use the dashboard to easily monitor compliance workflows to which they have access. They can see which tasks are urgent and which can wait; track work being done by ADP on your behalf; and engage with compliance specialist teams via phone, real-time chat and other tools. With the ability to compile, review and act on real-time compliance data, you'll be armed to make more confident business decisions. The business intelligence and data analytics your teams can access will allow you to achieve a holistic view of your compliance work and streamline day-to-day activities.



## Automated compliance processes

Complying with regulations in today's dynamic compliance environment requires you to execute processes with many steps that involve participants across numerous departments. The processes are often manual and involve many person-to-person and department-to-department handoffs. Without structured workflows and integrated quality assurance steps, you face an uphill struggle to effectively maintain compliance without facing a heavy burden of cost, risk and inefficiency.

With ADP, your teams can leverage integrated processes and workflows that save time, reduce steps and automatically flag inconsistencies. Because regulatory requirements are built directly into these workflows, your teams will be able to continue their day-to-day work with minimal changes while the system flexes on the backend to address any changes. ADP has the technology to simplify and automate specific compliance processes, so your staff can concentrate on more strategic work – which may also improve employee morale and productivity. Optimizing compliance efforts can lower cost, reduce unnecessary overhead, minimize risk and position your company for both compliance and growth.



## Breadth of portfolio

ADP provides access to a comprehensive suite of services across key HCM compliance processes. That means you can rely on a single provider for your major compliance functions. Your teams will have better visibility and insight to make better decisions faster. You can quickly scale your operation either up or down to meet evolving business needs.

With ADP, you'll gain tremendous flexibility, accuracy and insight across the full scope of HCM compliance. We are one of the largest providers of HCM services in North America, Europe, Latin America and the Pacific Rim.



## Agency relationships

Staying current with regulatory requirements from agencies at all levels is difficult. As your business evolves, you may also encounter unanticipated regulations you have not faced before. ADP's relationships and automated interfaces with government agencies at the local, state and federal levels allow for timely updates. With processes and tools that adapt when legislative changes occur, you'll minimize your compliance burden and improve your team's efficiency and effectiveness.





### **Compliance service experts**

Get the full support of specialists with domain expertise in every area of HCM compliance working proactively on your behalf. Your team can connect with specialized staff by phone, online chat and secure support systems for answers to complicated compliance questions. Save time on research and troubleshooting. Leverage our tenured experts and support teams across the legislative and regulatory landscape.



### **Business continuity support**

Whether it's an unforeseen external event like a natural disaster or a planned internal event like a merger, any change can create compliance headaches. ADP supports you with people, processes and technology to help support your business during disruptions. Even if your workforce is displaced, you can continue to meet your compliance needs.



### **Compliance everywhere**

Whether you are expanding into new geographical markets, facing new pay requirements or dealing with a scattered workforce, ADP can help you remain compliant wherever your business takes you. Our tools and processes are designed for federal, state and local compliance across the United States.



### **Financial security and stability**

Help to ensure stability by working with one of the market leaders in HCM compliance. ADP is a trusted partner of 90 percent of Fortune 100 firms and is one of the largest, publicly traded providers of cloud-based HCM services. We also offer stability and fiscal transparency, along with the resources created by continuous investment in technology advancements and ongoing research into developing best practices.

## What clients are saying about ADP's compliance solutions

“ ADP is very organized with really great, talented people; everyone from the account management team, to the project managers who have that deep expertise in each one of states. They work seamlessly with one another. On a number of occasions, they've come back with creative ideas on other ways to structure incentive awards, or have been willing to look at incentive applications or program agreements and give their feedback. I don't see them as just a vendor; I really do see them as a much broader business partner. ”

Eric Westphal, Senior Director of Global Corporate Affairs, Cognizant

“ Since we are already using ADP for other services, we knew it would be easy for us to have them do our employment tax deposits and returns. Once our staff was reassured that their jobs were still needed and that ADP was adding a layer of expertise, they really saw the value in having ADP complete the filings for us. ”

Mary Beth Short, Payroll and HR Operations Division Director, King County

“ ADP was able to provide us with a plug-and-play solution for our Infinium ERP system. The solution worked right out of the box. A lot of the competition didn't have an integration available. ”

Steve Baumann, Payroll controller, Seminole Gaming, Hard Rock Support Services

“ I'm most impressed with the seamless integration between [ADP and Oracle]. A lot of payroll systems have add-ons, but this integration with the employment tax filing service truly seems like it is one with our in-house system. I've been very impressed with the interfaces and how well they work. ”

Steven Holdaway, Payroll Manager, Fred Hutchinson Cancer Research Center

“ We have been able to increase productivity and efficiencies by using ADP SmartCompliance® to manage our tax filing process. ”

Melissa Cypher, Payroll Tax analyst, Carnegie Mellon University



**“ I am very impressed with how ADP blended their technology, data insights and tax credits expertise. ”**

Todd Prigal, Assistant Controller, Geico

**“ You need to hire ADP. They have a fantastic reputation. Your company can get fined millions of dollars if you're non-compliant. Why would you put your company in a situation like that instead of outsourcing with a company that can do it right and do it right every single time? ”**

Mary Beth Giroux, Benefits Manager, Cantor Fitzgerald

**“ There are a lot of nuances to the data associated with expanding and investing in new capital and job creation and identifying and capturing incentives related to those activities. ADP has done a tremendous job of helping us to better organize that data internally, allowing us to be nimbler in managing the compliance requirements associated with our incentive portfolio. ”**

Eric Westphal, Senior Director of Global Corporate Affairs, Cognizant

**“ Previously, we would have to use different platforms to import the data. I said, we can't do this alone — so I made ADP work for me. My account manager and I sat down and discussed what we needed to get the job done. We realized we had functionalities of the program we weren't yet using. ”**

Ken Choy-Sing, Payroll Administrator, ABB Optical

**“ There are only a handful of organizations out there who are truly experts on reporting requirements. Once you understand that ADP is the organization that holds that credibility and has created a depth of resources, people and systems to make that happen, you recognize that there is no amount of money that can't justify the investment to receive ADP's level of expertise. ”**

Mary Beth Short, Payroll and HR Operations Division Director, King County

**“ The data from the ADP ACA platform always feeds cleanly over to our ADP Vantage HCM® benefits platform. It makes my job and my team's job so much more seamless. ”**

Anjie Masset, HR Manager, BevMo!

**“ With respect to the WOTC tax credit, we switched over from another service to ADP in 2018 because ADP had a much more automated approach. We have been so satisfied with the customer service that ADP brings. Automating the WOTC process through ADP has resulted in an increase in productivity. ”**

Lynda Meyers, Tax and Compliance Manager, TMX Finance

**“ ACA compliance can be extremely intimidating. ADP has taken what many consider to be a problematic and complicated process and made it seamless. ”**

Kimberly Henderson, Benefits Manager, Agility

## Why ADP?

At ADP, we offer compliance support across all aspects of the employee lifecycle in two key ways. First, you get the benefit of the compliance features and security built into our solutions. Second, you're encouraged to leverage the specialists behind the technology who are focused on staying ahead of the changing regulatory landscape and the potential impact to our solutions. So, whether you want to extend your existing technology, upgrade from another system or fully outsource the function, we can help.

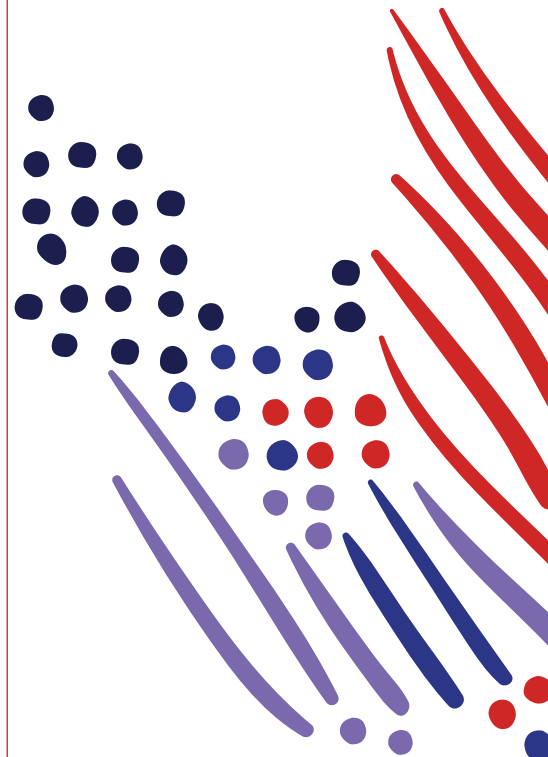
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