



The Latest in Payroll Technology

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Employers eager to reduce the vast administrative effort, cost and liability associated with using traditional paper paychecks are now looking to electronic payment devices as their solution. In the past, direct deposit was the answer for many companies. However, payroll technology has advanced to include electronic payment instruments that offer even greater convenience and flexibility. Known as “payroll cards” or “paycards,” this innovative option is catching the attention of employers and employees alike.

“Payroll cards are hard-working payment instruments,” says Patience Griffiths of ADP’s Product Marketing team, “For example, with ADP’s TotalPay Card, an employee has the option of immediately accessing all funds, using it as a debit card to buy groceries and get cash back, or using it for signature-based transactions. This kind of one-stop-shopping technology is quickly gaining awareness and acceptance.”

The Paycard Advantage – for You and Your Employees

Paycard technology offers abundant benefits for both you and your employees. Paycards can help you:

- reduce your accounting fees and bank fees
- streamline your reconciliation
- limit your liability for lost/stolen checks
- eliminate escheatment

Your employees also will benefit, because paycards can:

- provide immediate access to their funds
- replace the need for checking accounts and credit approvals
- eliminate check cashing fees and loss liability
- increase security and reduce risk

What to Look for in a Paycard

While all payroll cards are accompanied by a basic menu of convenient benefits, be sure to ask your vendor what kind of extras, if any, are offered by their paycards. Other questions to ask include:

Is the card branded? “Our research shows that employees really like the prestige that comes with a branded card, so ADP’s paycard is VISA-branded. This makes it more usable than other types of payroll cards in the market, because it boosts consumers’

purchasing power for remote transactions, catalog sales, restaurants, department stores, rental cars, and such,” reports Griffiths.

Does it offer any additional security measures? “Our studies found that employees appreciate the convenience and security of electronic paycards because the technology prevents them from spending more than their balance,” says Griffiths “ADP’s TotalPay Card is specifically designed to prevent overspending. When the balance of the card is expended, the card is empty.

Who is liable if a card is lost or stolen? Terms of liability can vary with the type of paycard used. Look for a card where the cardholder is not responsible if a signature-based card is lost or stolen.

Can anyone other than the cardholder access funds? Again, terms of joint usage will vary depending on the type of paycard used. The ADP payroll card offers added convenience because it enables spouses to use a “joint account” card for instant access to funds.

Griffiths concludes, “With all the benefits and flexibility payroll cards offer, employers and employees are finding that it’s a smart option worth a closer look.”

To learn more about the benefits and advantages ADP’s TotalPay Card can offer you and your employees, please [click here and send us an email!](#)

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