

Title:

Payroll Outsourcing, Top 9 Reasons

Word Count:

983

Summary:

Payroll outsourcing makes sense to most companies. This article explains some of reasons why a company should consider outsourcing its payroll.

Keywords:

Payroll, payroll outsourcing, paperless payroll, internet payroll, payroll service, payroll check fraud, payroll experts, tax credits, payroll debit cards, payroll outsource provider, internet payroll

Article Body:

Do you want any of the following?

-  Get the best in payroll processing for less.
-  Deflect unwanted and unwarranted government interference.
-  Protection from check fraud artists who could/would raid your bank account.
-  Take advantage of Tax Credits that you may not even know exist.
-  Upgrade privacy for you and your employees.
-  Take a vacation
-  Call on payroll tax experts at no charge.
-  Save time.
-  Save money.

A payroll-outsource company is constantly upgrading and improving their ability to provide the best service for you. They upgrade their software and systems on a regular basis. They of course have to keep up with the changes in the law of all 15,000 plus payroll-taxing entities as they happen. A payroll outsourcing company must be able to print out any updated form as needed or they will have to do it by hand. This is a chore they do not want to undertake with many clients to complete them for.

Occasionally everyone misses a deposit or filing deadline, forgets a form or otherwise makes a mistake that results in a penalty that YOU have to spend a great deal of time resolving and usually end up paying the penalty anyway. Outsource payroll companies greatly minimize the chance that your company will

pay any penalties or interest due to missed deposits, late filings, bad calculations or other clerical and computational errors of your payroll taxes. If a payroll outsourcing company makes a mistake, THEY are responsible for the research and costs. They have much more practice in doing this kind of work and make very few mistakes; otherwise, they do not last very long in the business. A good outsource payroll company should deposit your payroll taxes and file all your payroll tax reports - on time, every time. After all, they are not processing taxes for just one company; they are filing for hundreds of companies.

When you use a payroll company to process your payroll, you reduce the number of checks that you write substantially. This not only lowers your accounting costs by reducing the size and complexity of your bank reconciliation; it can also reduce your banking fees. It reduces the checks that can fall in to the hands of check fraud specialists. Check fraud is the largest dollar value crime in the country year after year. The Nilson Report indicates that check fraud exceeds \$20 billion dollars a year and the American Bankers Association recently stated that check fraud losses are growing by 25% per year. Payroll processing companies hire specialists to consult about reducing fraud. A good outsourcing company should be able to discuss numerous devices that they use to protect themselves and their clients from fraud.

Tax credits for your employees: The Federal government and many states have set up a large variety of tax credits depending on the employees you hire. This can range from a few hundred to over \$8,000.00 per employee. In the convenience store industry the average nationwide is that 20% of employees qualify for one or more of these credits when hired. These are normally direct credits, not deductions, against your federal or state tax payments. If you are not taking advantage of this you should be. A competent payroll outsource company should be able to set you up in a few days and get you started in receiving these tax benefits. In the tax credit industry you should only pay on success. If you do not accrue credits you should not have to pay. Normally you only pay a portion of the credits you earn, making this a no-lose proposition as long as you have a profitable business in which to use the credits.

By outsourcing your payroll with a paperless payroll system you increase your privacy immensely. The only information available is password protected in your computer. If you need to print anything, you print only what you need and destroy it when you are done. No reams of paper, stacks of books, and files for unwelcome eyes to pry through. No huge stack of files to maintain for the government if they decided they want to look at the last four, five or whatever years of payroll.

Technology is now making payroll easier to enter. In the last few years Internet

interfaces have been perfected. These let you enter and review your payroll from any Internet connect computer around the world. It is now possible to review, tweak and submit your payroll from the beach in Hawaii or anywhere else! Timekeeping technology is in the same overhaul. Many companies collect time only through electronic means now. This can mean a seamless movement of pay information from the store to the employee bank account without a piece of paper being generated.

A truly professional payroll outsource provider will have CPAs on staff that you can consult with. When you have a complex or unique question about payroll you don't want a clerk you want a professional. When the IRS sends a notice you don't want to be told by your payroll provider to talk to your CPA, if he were up to date on payroll, he would be doing it. A CPA at a payroll company deals with the tax aspects of payroll on a daily basis. He should be able to address your concerns and questions and help keep you out of trouble with the IRS.

There are many other issues that can affect your decision to outsource payroll that can be discussed with a payroll provider. Ask about Direct Deposit, Stored Value Debit Pay cards for the unbanked, custom reporting for management purposes, HR compliance issues, pay as you go workers compensation, delivery cost savings, reducing unemployment taxation, child support garnishments, cafeteria plans under Section 125, 401(k)'s and more. All the options above add up to substantial saving of your time as a business manager and will save the business a lot of money as well.