

Going Paperless with ePayslips

Helping your business

Move from Paper Payslips to ePayslips

Background:

The White Paper aims to examine the different & alternative methods available for communicating pay-related information to employees. Additionally explaining the Technology, Financial, Legal, Social affects electronic payslips can have on a modern business.

Contents

- Contents.....Page 2
- Introduction.....Page 3
- 1. Let’s Define the term Payslips.....Page 3
 - 1.1 The movement of electronic Payslips.....Page 3
 - 1.2 Common misconceptionsPage 4
 - 1.3 Legalities of electronic payslips.....Page 4
- 2. Compelling reasons for upgrading to paperless.....Page 4
 - 2.0 Going Green or more commonly promoted as.....Page 4
 - 2.1 Change in work routines.....Page 4
 - 2.2 Technology advances.....Page 4
 - 2.3 Financial.....Page 5
 - 2.4 Deployment Options.....Page 6
- 3. ePayslips Vs Modern The Business.....Page 7
 - 3.0 Payroll System and infrastructure changes.....Page 7
 - 3.1 Access and distribution Security (Multichannel distribution).....Page 7
 - 3.2 Training and ConsultingPage 8
 - 3.3 Administration.....Page 8
 - 3.4 Key benefits for your business.....Page 9
 - 3.5 Key benefits for your employee.....Page 9
- Conclusion.....Page 10
- About the Author.....Page 11
- References.....Page 12
- Offices and locations.....Page 13

Introduction

1.0 Let's define the term Payslip

First and foremost we must define the term Payslip and in more recent times, the term ePayslip. As stated the term "payslip" is also referred to as a pay stub, pay advice, or paycheck stub.

Payslips are defined by the Collins English dictionary as "a piece of paper given to someone who is employed to show how much money they have earned and how much tax has been taken away"

Electronic Payslips or better known as ePayslip (Which will be of reference throughout the White Paper) can be defined as; "Electronic distribution of a digital payslip for access by a company's employees" *Pay and Benefits Article (2012)*.

So, at this point if we were to disregard, how an ePayslip solution could help give your employee's better autonomy and you're Finance or Payroll department less paper work, the initial paper document holds much value; when considering the relationship between the employer and employee and the statutory law rights. In *The Guardian News Article (2009)*, it explains in great detail that employees must understand their payslips and the different deductions such as tax code, pension payments, Gross pay and other deductions which may apply.

1.1 The movement of Electronic Payslips

Now with the ever changing social, working and technology habits, the paper payslip is starting to be phased out, and more than ever businesses are looking for new ways to distribute their payslips to their internal and external contractors and employees.

Fig 1.0 – shows the different examples of what a payslip looks like. It is down to the employer to explain the different tax deductions from your payslip.

Company Name	Period No.	N.I. No/Catgy	Tax Code	Taxable Pay	Div/Dept	Emp. No.			
	04/30/13 01		123Y	1837,67		1012			
name: Frau Sandra Grundig									
Code	allowances	hours	Rate	Period	Code	Deductions	Period	Bal/YTD	Net Pay
Salary		162,37	10,264	1666,67	Income Tax			-207,20	1502,47
Sales commission			0,04	46,00	N.I.			-128,00	
Sales com bonus			0,03	125,00					
Travel Allowance									
Method of Payment: BACS Amount Payable									
Total Allowances				1837,67	Total Deductions		335,20	1502,47	

Payslip					Period Number: 04/30/13 01				
Employee Name	Emp. No.	Div/Dept	Tax Code	Taxable Pay	Per/Period	YTD			
Frau Sandra Grundig	1012		123Y	1837,67		1837,67			
Code	Allowances	Hours	Rate	Period	Code	Deductions	Period	Bal/ YTD	Net Pay
Salary		162,37	10,264	1666,67	Income Tax			-207,20	1502,47
Sales commission			0,04	46,00	N.I.			-128,00	
Sales com bonus			0,03	125,00					
Travel Allowance									
Method of Payment: BACS Amount Payable									
Total Allowances				1837,67	Total Deductions		335,20	1502,47	

1.2 Common Misconceptions

A common misconception of the ePayslip solutions, is that the old process is now redundant. This is not true, you can keep your original paper based process in place, such as HR\Payroll distribute the payslips as well as resend duplicate copies, but instead of being paper based its digital. The aim of ePayslips is to improve and streamline your processes not to make them redundant.

1.3 Legalities of electronic payslips

For many businesses looking to move to electronic forms of payslips, and other pay related documents there has always been the question of legalities, and is electronic distribution legally accepted and recognised. From the 2010-11 tax year onwards a form P60 can be provided on paper or electronically.

2. Compelling Reasons to Upgrade To Paperless

2.0 Going Green or more commonly promoted as



Please consider the environment before printing this email

Over the recent years there has been increasing pressure put on businesses to re-evaluate their carbon footprint, and to take more responsibility for the environment. So much so there are financial incentives put in place to encourage such practices

The first steps for any business looking to improve their “Green” credentials is to reduce and cut down on the amount of paper consumed, and to move to Paperless based solutions and processes.

2.1 Change in work routines

The way we work has considerably changed in the last 20 years, it’s quite the norm to hear phrases such as remote workers, home workers, contractors and in the field, especially now as many businesses move away from the traditional office working environments. In fact it’s quite possible that your only 1to 1 interaction with your boss is at social events.

So in short as working routines change, businesses need to find new ways to communicate with their external employees, and this includes distribution and 24\7 access to financial documentation such as payslips and P60s.

2.2 Technology advances

Technology is the fastest paced sector of the 21st Century, and every day we are presented with a more efficient quicker way to complete our tasks and achieve our goals.

Businesses and their employees can work anytime, anywhere through the advances of the internet. We expect to be able to access information and documents when we want, and in the format we want. Our Banks, insurance, photos are all easily accessible online from multiple device types so why shouldn't our payslips and p60s be too?

According to the Office of National Statistics there is a clear movement in the way we access the internet. *Fig: 1.1 Office for National Statistics 2013*

2.3 Financial

Many modern companies have the fear of moving from payslips to ePayslips for many different reasons, however some of these reasons could be.

- **Set-up costs** – Implementing a new software
- **Employee upset** – Giving employee's total autonomy of accessing their ePayslips online could cause various issues or delay
- **Tradition** – All though we live in a modern society, Employees are used to getting their payslips via post or by hand.

Phrases such as, spend freeze, squeezed, on hold, on the back burner is an all too common occurrence these days within businesses, who are looking at ways of spending less but achieving more, or generally saving.

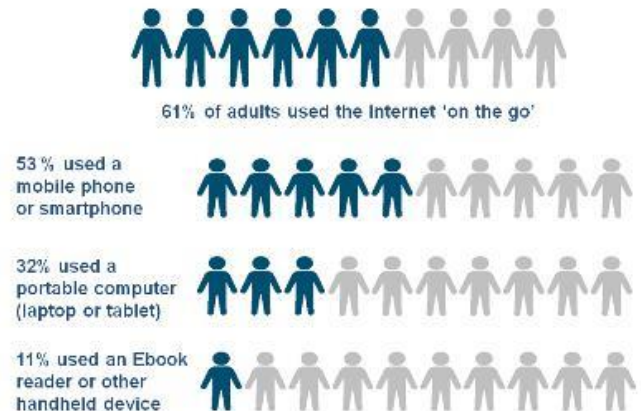
One way of making substantial savings is to move to electronic forms of communication

The average paper payslip is now costing close to £2 to process and distribute, and that's not taking into consideration error corrections and duplicates.

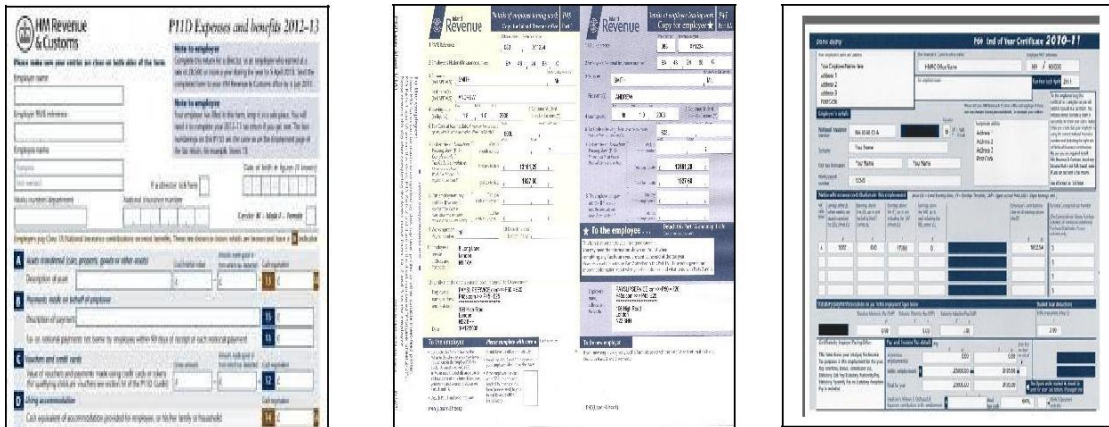
Moreover, when considering the traditional methods of payslips the environmental and financial costs also play a huge role such as:

- Cost of running the printers – Time, Paper, Ink, Electricity
- The stamps/ postage costs
- Labour costs
- Error costs
- Other considerations: P60'S, P11's
- Historical payslips

Figure 7: Internet use, 'on the go', 2013



Employee Financial documents fig 1.2 Ref HMRC (P11d, P45 and P60)



2.4 Deployment options

So the decision has been made, and your business is moving to ePayslips. However you're faced with a dilemma, should we outsource the process or should we keep it in house? These are the two main scenarios faced by businesses, and there is no wrong or right answer, but there are definitely pros and cons to both scenarios.

Below are a few examples of pros and cons for both scenarios.

Outsource

Pros

- No IT expenditure needed from your business
- No internal administration needed
- Problems dealt by outsource company
- Cheap and quick to implement

Cons

- Can't make changes on the spot, less control
- Can work out more expensive in the long term
- Sensitive information being handled by 3rd parties
- Can be difficult to move supplies due to historical payslip access

In-house

Pros

- Full control of your payslips
- Cheaper in the long term - higher ROI
- Flexibility with access & distribution methods
- In-house support

Cons

- IT expenditure required
- Administrator needed
- Issues dealt with in-house
- Longer implementation process

3. ePayslips vs the Modern Business

3.0 Payroll System and infrastructure changes

Regardless of the solution you choose it should seamlessly work with your current Payroll application, if this is not the case you should be prepared for additional implementation costs and time to ensure seamless integration.

This brings up the question what happens if I move payroll systems, or a version upgrade occurs? Will you have to budget to bespoke or reconfigure your ePayslip solution, to fit in with your Payroll application? If this is the case the ROI could be seriously affected.

In brief when investing in a new ePayslip solution you should make sure its future proofed for payroll changes and updates for at least the next 3 years.

3.1 Access and distribution Security (Multichannel distribution)

As discussed businesses want simple quick 24/7 access to their data and documents, whilst at the same time better security. So it's important to have the balance between simplicity and security when deciding on your payslip distribution and access technology. For example you would not send a PDF payslip attached to an email. Firstly this is not a secure way to keep prying eyes away from sensitive personal documents, and it would also cause a bandwidth nightmare, if you were to send 3000 payslips at 1+ mb over your network.

Most common ways to access ePayslips

- 1) **Online Portal**, This is one of the most common access methods for ePayslips, employees can log on using credentials and password to view their payslips and eP60s.



- 2) **GUID link**, This is a secure link embedded within a email or SMS, users click the payslip link and a digital hand shake takes place to authenticate access, together with a private password. This is a newer smarter secure technology for instant ePayslip access.



- 3) **Mobile access**, Both GUID and dedicated smartphone apps are available for the majority of ePayslip applications.



- 4) **Paper, Post** – This is probably the most important method of payslip distribution to bear in mind when deciding on an ePayslip solution. Remember not all employees are tech savvy or have access to the internet. So it's important that whatever solution you choose it's intelligent enough to distinguish between employees who want ePayslips and ones that want traditional. If this is overlooked you could end up with additional unwanted administration.

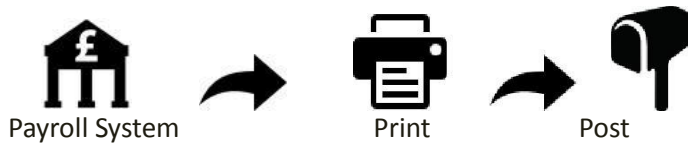


Fig: 1.3 Payslip Portal example. List historic payslips for easy access from the web.

The screenshot shows a web interface for managing ePayslips. It includes a search bar, a sidebar with 'E-Payslips', and a main table listing payslip records. The table has columns for File name, Archiving Date, Client, Creation Date, and EMP_NO.

File name	Archiving Date	Client	Creation Date	EMP_NO
Payslip 1049 110410.pdf	12/12/2013 12:04:16	800	12/12/2013	1049
Payslip 1049 111202.pdf	22/10/2013 11:12:06	800	22/10/2013	1049
Payslip 1049 120914.pdf	01/05/2014 13:09:20	800	01/05/2014	1049
Payslip 1049 123408.pdf	22/10/2013 12:34:11	800	22/10/2013	1049
Payslip 1049 131145.pdf	28/08/2013 13:13:04	800	28/08/2013	1049
Payslip 1049 134117.pdf	28/08/2013 13:41:21	800	28/08/2013	1049
Payslip 1049 142909.pdf	26/09/2013 14:29:13	800	26/09/2013	1049

3.2 Training and Consulting

With all new business solutions you should take in account any training and resources needed during the implementation and live stage. Your new ePayslip solution should be a seamless transition for your employees, so choosing a user friendly and intuitive solution is imperative. This also applies to your Payroll team there should be no additional processes added to their daily tasks, the only change is where the payroll will be sent or distributed to.

3.3 Administration

In order to keep your ePayslip solution in good order you should implement a "House Keeping Process" This can be as simple as removing old accounts, or even analysing the preferred ways to access payslips for business analytics. The standard way to setup such a procedure is to grant hierarchy /administration access to the HR/Payroll team.

3.4 Benefits to your business

- Reduce costs on paper and postage
- Quick and easy to implement
- Reduce carbon footprint and be a more Green Business
- Improve efficiency and reduce time spent on payroll
- Improve communications between your business and employees
- Securely communicate with your staff
- Launch an employee self-service solution

3.5 Benefits to your employees

- Payslips always on time
- Historical payslips always available
- 24/7 access to financial documents P60s,P11ds , Payslips
- Accessible on all internet connected devices
- More secure way to store payslips
- Faster delivery

Conclusion

As technology changes the way we work and communicate, it's important that the solutions we invest in are flexible enough to meet employee needs and business changes, but most importantly future proofed to keep costs down and ROI high.

About The Author



Simon Tilbury is the Sales Manager at Symtrax Limited UK. Simon has been involved in multiple consulting projects related to Document Output Management since 2013. He has a degree in Computer Sciences and Business (Hon)

His direct interaction with Customers and Prospects in various industries using various ERP's such as SAP, AX, Oracle and IBM, has enabled him to offer customers the best of class OMS solution for their business.

References

Websites

GOV.UK, (2014), *Payslips: Employee Rights*, Available from: <https://www.gov.uk/payslips>

Collins (2014) payslip definition

<http://www.collinsdictionary.com/dictionary/english/payslip?showCookiePolicy=true>

Online Articles

Great Britain, Pay & Benefits (2012), *Online Article by Tony Joannou "Electronic Payslips: To "e" or not to "e"?"*

<http://www.payandbenefitsmagazine.co.uk/pab/article/electronic-payslips-to-e-or-not-to-e-12329651>

The Guardian News (2009) Online Article by Giles Morris, *"if you only do one thing this week ... understand your payslip"* <http://www.theguardian.com/money/2009/nov/30/payslip-checking-tax-national-insurance>

Contact Us Locations and Offices

Symtrax USA, West Coast: sales@symtrax.com
Toll free: 800 627 6013

Outside the US: +1 (310) 216 9536
Symtrax USA, East Coast: sales@symtrax.com
Toll free: 866 640 9615
Outside the US: +1 (617) 391 5800

Symtrax UK: sales@symtrax.co.uk
Tel: +44 (0)207 533 6616

Symtrax France: salesfr@symtrax.fr
Tel: + 33 4 66 04 54 05

Symtrax Germany: vekauf@symtrax.de
Tel: 06227/381-155

Symtrax Europe: sales@eu-symtrax.com
NL: +33 4 66 04 54 19
EN: +33 4 66 04 54 05
DE : 0800 / 183 38 38
AUT : 0800 / 29 12 12

CH : 0800 / 83 00 53 SP: 900 97 33 97

Symtrax APAC: salesapac@symtrax.com
Tel: +91 22 40 76 55 55

All Rights Reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher, Symtrax Corporation. Whilst every care is taken to ensure the accuracy of the information contained in this material, the facts, estimates and opinions stated are based on information and sources which, while we believe them to be reliable, are not guaranteed. In particular, it should not be relied upon as the sole source of reference in relation to the subject matter. No liability can be accepted by Symtrax Corporation, its directors or employees for any loss occasioned to any person or entity acting or failing to act as a result of anything contained in or omitted from the content of this material, or our conclusions as stated. The findings are Symtrax's current opinions; they are subject to change without notice. Symtrax has no obligation to update or amend the research or to let anyone know if our opinions change materially. © Symtrax. Unauthorized reproduction prohibited. This report is a licensed product and is not to be reproduced without prior permission