



Integrating Benefits and Payroll

— the Simple Solution that Saves Time & Money



Employee benefits eligibility, reporting and compliance depend on employment status and hours worked each month. When your HR, payroll and benefits platforms are separate YOU are responsible for the double or triple keying data and keeping the systems in sync.

If your organization's payroll platform is separate from benefits, you should consider 'upgrading' your systems to an integrated platform.

Benefits administration data shared with payroll:

- Medical, dental and life insurance
- Retirement plan
- Disability insurance
- Leave/absence/PTO
- Workers' compensation
- Employee assistance programs

Payroll data shared with benefits administration:

- Employee compensation
- Involuntary withholding, such as taxes and wage garnishment
- Voluntary deductions for employee benefits
- Payroll deposits
- Employment tax filing
- W-2 processing

You may still be using error-prone, paper-based systems to accomplish data sharing between departments. Or, you may have a primitive interface that requires manual uploads of data from one system to another, which, unfortunately, can also result in errors.

True system integration means the HR, payroll and benefits functions work as one, sharing the same database with data reflected immediately in all modules.



Top Reasons to Integrate Benefits and Payroll

1. Eliminate Double Entry

With integrated systems, it's not necessary to retype information from one application into another or even manually upload the information. Data is automatically shared. Employee participation plan deductions can be auto-populated in your payroll system. Employee life events that effect coverage selection are automatically communicated with benefits administration and payroll, as well as with the healthcare coverage carrier.

Integrated systems give you an efficient, accurate way to manage benefits eligibility for your entire employee population. Some solutions even allow employees to self-service data entry for specific data elements – for example uploading proof of a current driver's license or picture for the employee profile page.

2. Onboard More Efficiently

The onboarding process can monopolize much of a new hire's time once they become eligible for benefits — and a lot of the HR department's resources and time. By integrating benefits and payroll, the new employee's information is entered once and shared with all departments. A cloud-based system may also give you the option to allow new hires to log in to a web portal and provide all necessary information before the first day on the job, so training can begin immediately.

3. Real-Time Data

When benefits administration and payroll use paper-based systems, there is always lag time until records are updated. It takes at least as long as printing out forms, entering information, and then typing it into the separate systems. With an integrated system, new information is shared instantaneously. So, if an employee changes healthcare plans with a different contribution amount, the payroll system has that information immediately. Real-time data is especially important for activities where your employees must make choices within a firm enrollment window or when your staff needs to make changes in time for the next payroll.

Real-time data also means real-time visibility into your organization. With integrated systems, reports reflect the true state of labor costs and activity, not only estimates. Accurate, up-to-date data helps corporate decision-makers guide the organization more profitably and effectively.





4. Reduce Paper Consumption

Another advantage of integrated systems is paperwork reduction. Benefits administration no longer has to print out information to communicate it with payroll. Furthermore, if you implement employee self-service, there may not be the need for paper at all — you could eliminate the reams of paper used during open enrollment by collecting information through a web portal, which is also linked to your benefits and payroll system. An integrated system can also easily generate documents for electronic payments and tax filings, streamlining processes and reducing paperwork even more.

5. Use Compliance Tools

Affordable Care Act (ACA) reporting requirements use information from both benefits administration and payroll, so an integrated system makes preparing IRS forms 1094 and 1095 a much more efficient process.

Integrated systems also provide accurate, real-time information so you can effectively use ACA compliance tools. Data from both benefits and payroll can help you determine if you are an applicable large employer and estimate your liability for the employer shared responsibility payment. For small businesses, this information can help determine your eligibility for the Small Business Health Care Tax Credit.

6. Leverage Carrier Connect

Carrier Connect is a round-trip data feed from payroll to benefit carriers that automatically transmits employee medical, dental, vision, life and disability insurance benefit eligibility to the carrier. Integrated benefits and payroll systems simplify eligibility reporting to carriers. Furthermore, it minimizes eligibility errors and prevents carriers from overcharging employees who should be termed or added to the benefit program.

7. Enhance Security

The risk of a data breach continues to grow for businesses of all sizes. In fact, Verizon's 2018 Data Breach Investigations Report states that 58 percent of data breach victims last year were small businesses. By integrating your benefits administration and payroll systems, you reduce the number of staff members that have access to sensitive information such as social security and bank account routing numbers. In addition, a single, integrated system is easier to protect from cyberattack than multiple, disparate systems.

8. Reduce IT Costs

A single software platform is easier for your IT staff or service provider to maintain. Software requires updates to optimize functionality and security patches to eliminate vulnerabilities a hacker could exploit. If you have individual applications for benefits administration and payroll, IT will have to maintain both separately.

A single platform also makes it easier to integrate with new software to give your business added functionality. Integrating with diverse applications requires more work and development time than adding new functions to an integrated platform.

9. Simplify Employee Self-Service

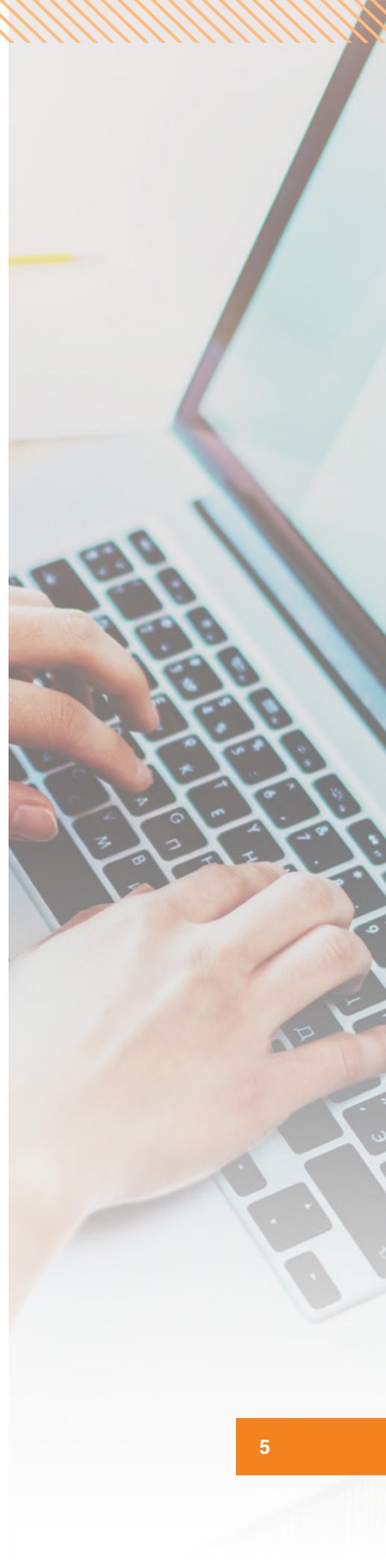
It's easier for employees to log into one portal to find information they need on vacation or health plan benefits as well as to find answers to payroll-related questions such as tax withholding or amount of overtime pay. Not only does this provide workers with an added convenience and instant answers to their questions, which can improve job satisfaction, it also reduces the burden on your benefits and payroll staff because they no longer need to spend their time resolving employee issues.

10. Centralize Management

Benefits integrated with payroll streamlines management. HR supervisors can access all information pertaining to an employee and make changes, if necessary, by logging into one system with a single user profile. It also makes oversight easier and provides greater visibility into employee performance in HR, benefits, and payroll departments. The world of benefits is changing rapidly to a more streamlined efficient environment.

No More Silos

With rising costs and competitive pressures to improve productivity, businesses are looking for ways to operate more efficiently and cost-effectively. Breaking down silos between benefits administration and payroll to save time and money is a logical choice to make. Integrated systems free your staff from hours of data entry to focus on more valuable ways to use their time. They also reduce paper consumption and minimize errors, and give everyone, from employee to upper management, easier access to accurate data.





Are you ready to learn how to integrate benefits administration and payroll for your organization? Contact Paypro.

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About Paypro

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