

OUTSOURCING PAYROLL

A FORTUS GUIDE



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FORTUS GUIDE TO OUTSOURCING PAYROLL

With constant changes in legislation, it can be hard for SME businesses to provide consistent and compliant payroll services. Big businesses can afford to maintain whole payroll departments. But for SMEs, an in-house payroll department can often be difficult to maintain and can cost significant money. If you consider the full cost of employing people, maintaining payroll skills, software costs, ongoing training costs, documentation, payslips etc. it often doesn't make sense for an SME to build this function in-house.

This guide is designed to walk you through the benefits of outsourcing your payroll and things to consider when deciding if outsourcing is for you.

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BENEFITS OF OUTSOURCED PAYROLL

Reduced costs

There's often a chance to save money by outsourcing payroll. Have you accurately worked out the direct cost of processing your payroll in-house? Sit down and work out how many hours are spent on payroll-related activities in your business.

This should include:

- Salaries and other employment costs.
- Cost of recruitment.
- Time in calculating payroll.
- Checking, producing and distributing payslips.
- Software costs.
- Maintenance.
- Training & support.
- Keeping up to date with regulation.
- Reporting to HMRC.

Business owners are often surprised when they compare the cost of in-house payroll to outsourcing to a third-party provider, as outsourcing can often be a cost-saving option to many businesses.

Time saving

Regardless of the number of people employed by your business, payroll can demand a great deal of time and attention to detail, especially if you don't have dedicated people in the business to do it.

Ask yourself if your people have time to keep fully up to date with legislation and process everything each month, when they have so many other things to do? Could these team members be better employed doing more essential tasks?

Avoids penalties

Many business owners don't realise the myriad of penalties if elements of payroll are done incorrectly. For example, areas such as RTI, PAYE and auto enrolment. It's quite simple – as a business owner you need to do all you can to make sure you don't get it wrong. Outsourcing alleviates this pressure and will undoubtedly avoid you getting it wrong, forgetting to do something and incurring hefty penalties.

Guaranteed resourcing

The reliability and resourcing in-house often falls to one key person. Outsourcing means you don't have to worry about sick leave, holidays or loss of your payroll person, meaning no resource being available to process the payroll. It can be extremely difficult to find both short-term and long-term replacements, causing a logistical nightmare come payday. Covering for these eventualities in house is one of the biggest challenges in many SME businesses.

Outsourced payroll can also provide better scope for expansion of your company with scalable services suited to your business, without the need to recruit more in-house resource.

Training & experience

For SMEs where the payroll function isn't enough to justify a full-time person, you may have to use people (like your bookkeeper or accounts person) to also train in payroll. Some types of employment and individuals' situations can lead to complicated payroll requirements. People who work full time in outsourced payroll functions providing services to a wide variety of businesses, are more likely to have the training and experience to deal with every type of payroll scenario. It's unlikely that a small in-house payroll department or part-time person in-house will have the breadth of training and experience of full-time outsourced payroll teams.

Speed & accuracy

Payroll mistakes can lead to stress, upset and pain for both the employee, your payroll staff and you, the business owner. Full-time payroll specialists can provide quick turnaround times and are far less likely to make errors. You'll pay an outsourced provider for their expertise, knowledge and checks & procedures they have in place to avoid mistakes.

Flexibility

A good outsourced provider will offer flexible packages to meet your payroll needs as they flex and change. You might employ seasonal workers, take on new people when acquiring other businesses or your business may simply be growing. A flexible arrangement that can change quickly as your business does ensures you don't pay for something you don't need, or you haven't missed key features you require.

Security

Payroll processing's a complex and a potentially risky operation. Even with long-time, trusted employees, there's always an element of risk around fraud. There could also be a risk around how safe and secure your payroll data is. An outsourced payroll provider will invest in state-of-the-art systems for storing and protecting data.

Complete confidentiality

Often employees feel uncomfortable knowing another in-house employee knows their income and they feel less able to discuss things with that person. Can you guarantee this information remains confidential in your business and doesn't cause problems between employees?

Less stress

As a business owner, with so many things to think about day to day, there's a lot to be said for the peace of mind you get knowing your payroll obligations are met efficiently, correctly and within the law. You'll also have happier employees if your payroll's processed correctly and on time every week or month.

HOW DO I EASILY SWITCH PAYROLL PROVIDERS?

So many business owners think switching payroll providers is hard and time consuming. We guarantee this isn't the case. Our team at Fortus can manage the entire process of switching payroll providers for you and you'll enjoy a seamless, hassle-free transition.

HOW CAN FORTUS HELP?

When people think of payroll teams, their first thought is that they ensure employees are paid accurately and on time. And it's true – but there's a lot more to payroll than you may realise. It's crucial for legal compliance, financial planning and overall business success. We play a vital role in ensuring accurate tax calculations, as well as reports to authorities.

Our team also provides:

- Pension calculations and deductions
- Flexible payment dates
- Real Time Information submissions
- Year End processing
- P45s and statutory communications, together with a reporting pack to ensure you have all the relevant financial information for your business.

A fully outsourced end-to-end payroll service - BACS payments by qualified CIPP-trained professionals

We can now make payroll even less painful for your business. We are able to facilitate BACS payments to all your employees and can also keep your PAYE payment up to date with HMRC. All payments are pre-authorised by you before submission, making sure your employees are always paid on time.

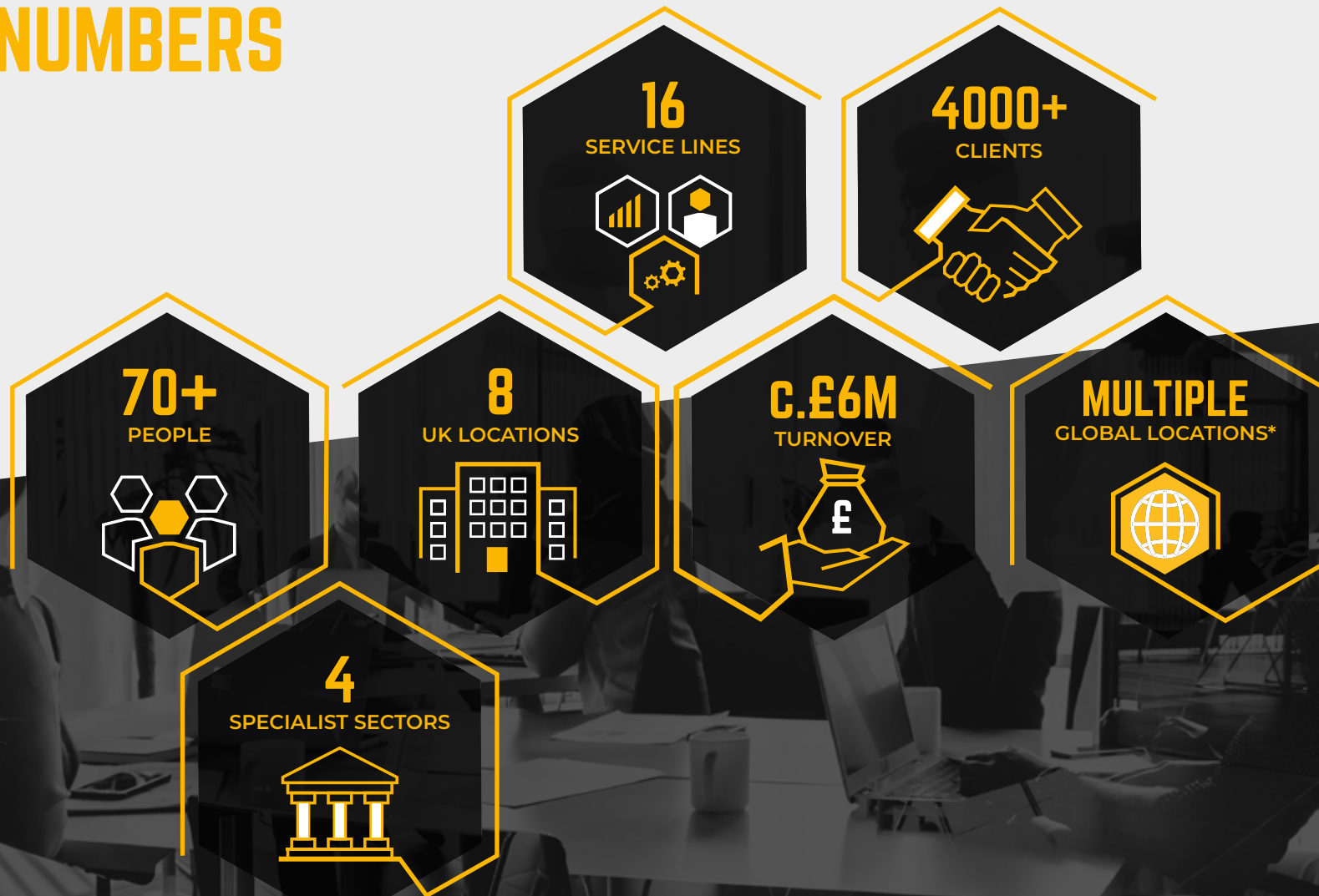
PAYROLL OUTSOURCING CHECKLIST

Ask yourself these questions:

Is in-house payroll costing you too much money?	Yes / No
Does your current payroll resource need to focus on other things?	Yes / No
Have you incurred any penalties in the past for payroll?	Yes / No
Do you want guaranteed resourcing throughout the year?	Yes / No
Is payroll compliance & administration becoming a nightmare?	Yes / No
Have mistakes been made on your payroll previously?	Yes / No
Is your payroll resource struggling to cope as your business grows and changes?	Yes / No
Is security and confidentiality a worry with your payroll provider?	Yes / No
Do you feel stressed about the responsibility of payroll?	Yes / No
Is your existing payroll provider letting you down?	Yes / No

If you answered yes to any of the questions above then **contact us** today to discuss how Fortus can make your payroll more accurate, timely and efficient.

FORTUS IN NUMBERS





OUR SERVICE LINES

Business ownership's complex and so are the questions our clients face every day.

Challenges range from financial management, recruiting and retaining people, to managing property, funding growth or strategic planning. A single speciality is no longer what's expected from business advisors and accountants.

That's why at Fortus, we offer a full range of advisory services. We're one team, with many talents, helping our clients deliver on their ambitions.

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