



Payroll Webin@rs

An APA Webinar: Going Electronic With Payroll

Date: Tuesday, April 3, 2012

Time: 1:00 – 2:00 p.m. ET • 12:00 – 1:00 p.m. CT • 11:00 a.m. – 12:00 noon MT • 10:00 – 11:00 a.m. PT

Webinar Leaders:

Dan Tyrrell, Director of Financial Services, DineEquity Inc.
Anthony Peculic, Senior Director of Product Management, ADP ALINE Payments Solutions

Upcoming Webinar:

Global Payroll Journey – Strategy and Governance – Wednesday, April 11, 2012
For more information: <http://www.americanpayroll.org/course-conf/webinars>

Helpful Tips when participating in Webinars:

- Be prompt: the program will start on time at 1:00 p.m. ET.
- To avoid missing the beginning of the webinar we suggest you connect to the program at least 10 minutes prior to start time. You will be allowed to connect up to 15 minutes prior to the scheduled start time.
- The audio portion of this webinar will be streamed to your computer. To ensure all connections will work prior to the program, please click on the *Test Your System* link in your event notification e-mail. We recommend you test the connection two days prior to the program but no later than 30 minutes prior to the beginning of the program.
- If you encounter problems while testing your connection, please contact *WebEx Technical Support* at (866) 229-3239.
- If you have difficulty hearing the audio portion of the webinar, please click the Raise Your Hand icon (on the toolbar, click the Participant icon, then the Raise Hand icon) and the APA online moderator will contact you.
- To make sure that you can see a response from the APA online moderator, please click on the **Chat** icon as noted in the display on your screen.
- There will be question and answer opportunities throughout the program. To ask a question, simply click on the Question and Answer icon.
- An online Evaluation Survey with the Certificate of Participation will be e-mailed to you within 24 hours of the program.

THANK YOU! To thank you for joining us for this educational session, we're offering to waive the \$35 enrollment fee if you become a member within 30 days. Members enjoy many benefits, including discounts on all APA education and publications, timely compliance updates sent by email, print and online newsmagazines, and much more. To join, please go to www.americanpayroll.org/promo and enter promotion code: WBNWELCM to take advantage of this special offer.

If you have any questions following this webinar, please contact APA's Hotline at (210) 224-6406, or at www.americanpayroll.org and login with your member ID.

Continuing Education Units

- The registered participant will receive 0.1 CEU and 1 RCH for participation in this webinar upon completion of the Evaluation Survey.
- You will receive your Certificate of Participation upon completion of the Evaluation Survey.

American Payroll Association Membership Services • 660 North Main Avenue, Suite 100
San Antonio, TX 78205-1217 • Phone: (210) 224-6406, Monday – Friday 8 a.m. – 6 p.m. CT

The Nation's Leader in Payroll Education



Going Electronic With Payroll

The information and materials provided in this webinar are for informational purposes only and not for the purpose of providing legal advice. Attendees should contact their attorney to obtain advice with respect to any particular topic.

© API Fund for Payroll Education, Inc.



Payment Industry Trends



◆ 2010 Federal Reserve Payments Study

- The number of checks paid declined 7.1 percent per year and Prepaid card transactions... represented the fastest growing payment type, increasing 21.5 percent annually

	Number of Noncash Payments (2006-2009)		
	2006	2009	CAGR*
Total (billions)	95.2	109.0	4.6%
Checks (paid)	30.5	24.5	-7.1%
ACH	14.6	19.1	9.4%
Credit card	21.7	21.6	-0.2%
Debit card	25.0	37.9	14.8%
Prepaid card	3.3	6.0	21.5%

Figures may not add due to rounding.
*CAGR is compound annual growth rate.

Source: The 2010 Federal Reserve Payments Study: Noncash Payment Trends in the United States: 2006 – 2009



Four Universal Objectives



◆ HR & Payroll departments are focused on:

- Increasing operational efficiency
- Minimizing financial and compliance risk
- Attracting and retaining quality employees
- Reducing environment impact

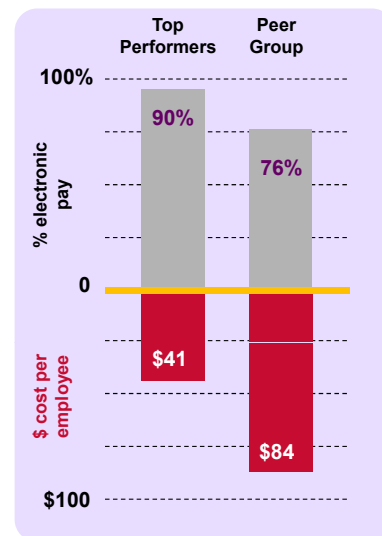


Best in Class Companies Use Electronic Pay to Cut Costs



◆ An APA published study revealed:

- Top performers attain 90% electronic pay distribution that costs \$41 per employee
 - ◆ Versus 76% by peer group that costs \$84 per employee!
- Top Performers save over 50% in payroll processing costs



Sources: The Hackett Group, Payroll Performance Study, 2009. American Payroll Assoc. Workforce Management and Payroll Performance Studies, 2010.



So Why Aren't More Companies at 90% Electronic?



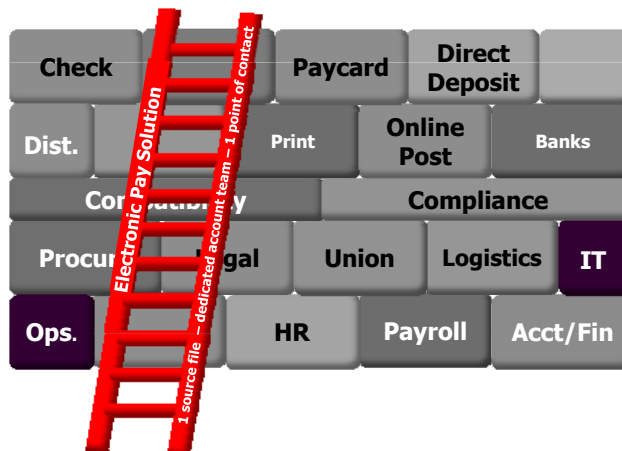
- ◆ Many companies hit a ceiling when going electronic
- ◆ A segment of employees don't have traditional banking relationships
 - No means to do direct deposit
 - Some simply prefer physical check payment
- ◆ Expanding to this group is perceived as a daunting task
- ◆ Many cautious about process interruptions and complications
- ◆ Hesitation with presenting new solutions to Unions



Obstacles to Expanding Electronic Pay



- ◆ Need to coordinate a cross-functional team
- ◆ Must address federal and state compliance issues
- ◆ Involve multiple vendors to execute
- ◆ Satisfy employee needs



The Future of Electronic Pay – Where Are We Going?



◆ **By 2015, it's estimated that checks will make up less than 1% of total disbursements with shift to direct deposit and card** *(Source: Aite Group 2010)*



◆ **Payroll legislation will continue to force the industry to respond with new and revised product offerings**



◆ **More focus on employee services and benefits to drive greater education and adoption**



◆ **New products/innovations will bring new opportunities to the market – Mobile Applications, Mobile Payments, EMV Chip**

The Nation's Leader in Payroll Education



Implementing Paycards at Applebee's





◆ Largest full-service dining company in the world

• Locations:

- 2,000 Applebee's
- 1,500 IHOP

• Company-owned data:

- 244 - Applebee's locations
- 10 - IHOP locations
- 14,000 employees



New! Belgian Waffle Combo



©2013 American Franchise Association

Paycard Overview

◆ Earnings automatically loaded onto card

◆ Applebee's chose a VISA debit card

◆ Use everywhere VISA debit cards are accepted, including:

- ATM withdrawals
- Cash back at VISA-branded banks

◆ Applebee's partnered with ADP

©2013 American Franchise Association

Prior to Paycards:



- ◆ **Fewer than 25% of hourly restaurant associates were using direct deposit**
- ◆ **Paychecks for hourly restaurant associates were:**
 - Sorted and bundled into overnight packages
 - Sent in overnight packages to each restaurant
 - Distributed to associates by the restaurant managers



Business Case Objectives



- ◆ **Move Applebee's associates to electronic pay**
- ◆ **Provide Internet access to pay information via ADP**
- ◆ **Provide capability to print a pay advice on a Point of Sale (POS) receipt printer in the restaurant**
- ◆ **Reduce weekly overnight payroll packs to restaurants**
- ◆ **Eliminate distribution of paychecks by restaurant managers**



Business Case – Benefits



◆ Corporate

- Approximately \$140K/year savings through reduced check printing costs and reduced weekly overnight payroll packages
- Reduced costs associated with replacement of lost checks
- Reduced volume of uncashed checks that must be escheated
- Reduced labor associated with internal check handling – \$20,000 savings

◆ General Managers

- No more checks to pass out – \$250,000 savings (redeployed labor)
- No more follow-up on lost/delayed UPS packages
- No more follow-up on lost checks



Business Case – Benefits



◆ Employees

- **No longer have to make a trip to the restaurant to get checks**
- **Faster access to their money**
- **No lost checks**
- **Monthly account statements available or mailed to their home address (if requested)**
- **For associates without credit or debit cards, the VISA-branded paycard provides them a way to make phone/Internet payments**



Project Management Timeline



◆ Pre-design Timeline

- Vendor selection – RFP process/6 months
- Company costs & employee fee focused

◆ Technical Timeline

- Pre-March Selected paycard provider (ADP) and created high-level design
- 3/20 – 4/14 Design and develop
- 4/17 – 5/17 Test changes and interfaces
- 5/30 – 6/19 Alpha test in one restaurant
- 6/19 – 7/10 Beta test in 5 restaurants
- 8/14 – 8/28 Technical changes rolled out to remaining 500+ restaurants
- 9/1 Go-live



Project Management Resources



- ◆ Project Manager – 50% entire project
- ◆ HRIS Business Analyst – 25%
- ◆ Payroll Manager – 25%
- ◆ Payroll Representative – 25%
- ◆ Communications – 25%
- ◆ PeopleSoft Developer – 50% through Alpha
- ◆ Point of Sale Developer – 50%
- ◆ QA Analyst – 75%
- ◆ Implementation Analyst – 25% test → go-live



Technical Changes



◆ PeopleSoft

- Changes to new hire interface from POS
- New interface to POS with pay stub info
- New interface to ADP for new hires
- New interface to ADP for store info
- New interface from ADP for errors
- Changes to existing payroll interface to ADP



Technical Changes

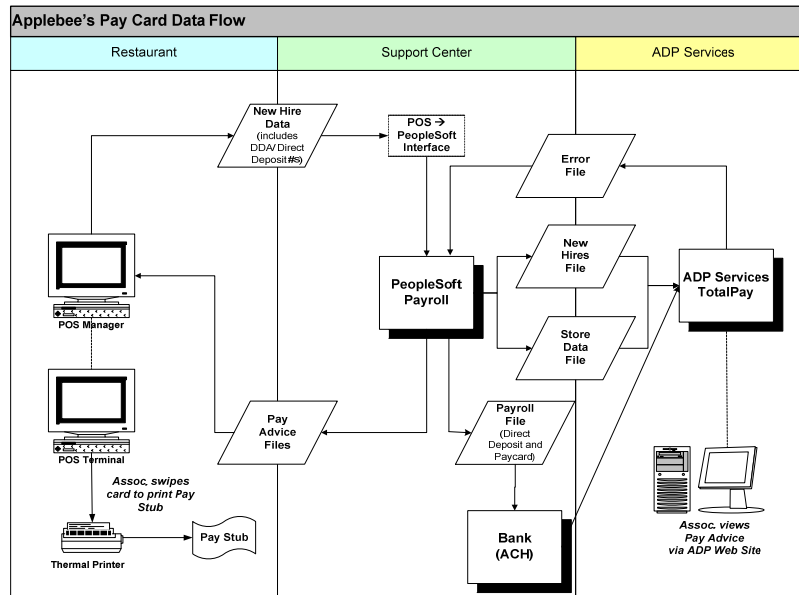


◆ Point of Sale

- Changes to POS – new hires
- New load of pay info onto POS
- New pay stub report on POS/printer



Applebee's Pay Card Data Flow



POS – Pay Advice Example



068003 Emplid: 00003451 SSN:				Other Benefits and Information	
Pay End Date: 02/18/2007 Check Date: 02/23/2007				Cash Sales	943.48
Net Pay: \$80.76				Charge Sales	1149.78
Earnings				Charge Tips	183.20
	Rate	Hours	AmT	Cash Tips	91.80
02/12/2007 - 02/18/2007				vac balance	0.00
Regular	4.65	32.30	150.20	2008 Benefits Eligibility	
Gross		32.30	150.20	10/01/06 - 09/30/07	
Additional Deductions				Total Hours:	491.47
Total Add'l Ded: 0.00				Average Hours:	32.76
Tax Deductions				Please verify that your address is correct. Notify your manager if a change is needed.	
Fed Med/EE/tip			3.99	For more detail or previous statements go to www.ipay.adp.com	
Fed withholding			27.14	Questions or concerns, call 866-HEY-NEIGHBOR (866-439-6344)	
Fed OASDI/tipEE			17.05	*****	
Fed MED/EE			2.18		
Fed OASDI/EE			9.31		
VT withholding			9.77		
Total Taxes:			69.44		
+ Taxable Benefit				Great franchises. Great brands.	
* Excluded from Taxable wages				dineEquity	
Federal Taxable wages are \$425.20				Applebee's IHOP	
YTD Gross:			639.49		
YTD Net:			331.94		

Communications



- ◆ Introduced at General Manager Conference
- ◆ Posters at restaurants (English & Spanish)
- ◆ Multiple check stuffers (English & Spanish)
- ◆ Applebee's portal – information & FAQ's
- ◆ Letters to General Managers
- ◆ Pre-shift directionals
- ◆ Updated new hire packages



Results



Electronic Pay Participation		Before Paycard Project	After Paycard Project
Support Center & Field Managers	direct deposit	95.23%	97.01%
Field Hourly Associates	direct deposit	24.48%	55.38%
ALL Associates	direct deposit	30.35%	58.87%
Support Center & Field Managers	paycards	n/a	2.47%
Field Hourly Associates	paycards	n/a	41.49%
ALL Associates	paycards	n/a	38.22%
Support Center & Field Managers	total electronic pay	95.23%	99.48%
Field Hourly Associates	total electronic pay	24.48%	96.87%
ALL Associates	total electronic pay	30.35%	97.09%

Challenges



- ◆ **State restrictions**
 - **Vermont, New Hampshire, and West Virginia**
- ◆ **Communications**



Lessons Learned



- ◆ **There is no such thing as “over-communication”**
- ◆ **Needed more communication directly to associates rather than filtering down through General Managers**
- ◆ **Publishing FAQ’s was well-received**

ADP is committed to assisting businesses with increased compliance requirements resulting from rapidly changing legislation. Our goal is to help minimize your administrative burden so that you can focus on running your business. Neither the content nor the opinions expressed herein are necessarily the thoughts or opinions of ADP or its employees. The content provided as part of this seminar is provided as a courtesy to our clients and should not be construed as tax or legal advice. ADP encourages interested readers to consult with appropriate legal and/or tax advisors.

The ADP Logo and ADP are registered trademarks of ADP, Inc. © 2012, ADP, Inc.
In the Business of Your Success is a service mark of ADP, Inc.

All other marks are the property of their respective owners.



This material is distributed with the understanding that the publisher and author are not engaged in rendering legal, accounting, or other professional services. If legal advice or other professional assistance is required, the service of your attorney or certified public accountant should be sought. Readers are encouraged to consult with appropriate professional advisors for advice concerning specific matters before making decisions affecting their individual operations. The publisher disclaims any responsibility for positions taken by practitioners in their individual cases or for any misunderstanding on the part of readers.

©2012, API Fund for Payroll Education, Inc.

All rights reserved. No portion of this text can be reproduced without prior written permission of the API Fund for Payroll Education, Inc.



The Payroll Source®

A TEXT AND DESK REFERENCE
2012 Edition

The 2012 edition of *The Payroll Source*® is a comprehensive text bringing you the essential information you need to keep your company in compliance with major tax law changes affecting health care reporting on Form W-2, social security and unemployment tax rates, and much more.



Thousands of payroll professionals rely on the latest edition of this comprehensive text to be their compliance lifeline. *The Payroll Source* is also a proven study tool to prepare for the Certified Payroll Professional exam.

For more information and to order, visit
offers.americanpayroll.org/prswb

The Payroll Source® includes the hardcover text, softcover appendix with answer key and federal forms, and CD with a CPP practice exam and other resources. A spring supplement brings you the latest updates since publication.

Prove yourself. Improve yourself.



Use Payroll Knowledge Assessments to:

- Determine the right courses for you
- Set a course of study for the CPP and FPC exams
- Evaluate employees or an entire department

Assessments are only \$29.95 each!

Enjoy volume discounts on assessments:

1 - 10	\$29.95 each	11 - 50	\$28.95 each
51 - 100	\$27.95 each	101 - 250	\$26.95 each
251 - 500	\$25.95 each	501 plus	\$24.95 each

**Go to www.PayrollKAC.com
to measure your payroll knowledge in minutes.**

Pick the assessment that's right for you.

There are 5 levels of assessment:

- **Concepts and Terms** – for the beginning payroll practitioner
- **Fundamental Payroll Practices** – for mid-level payroll professionals
- **Compliance, Operations, and Administration** – for experienced payroll professionals
- **Preparing for the Fundamental Payroll Certification Exam**
- **Preparing for the Certified Payroll Professional Exam**

Your Individualized Assessment Results

Immediately after completing your assessment, your confidential assessment results are displayed and you will receive an email with the results.

Your Individualized Assessment Results

You will receive training recommendations specifically targeted to the knowledge gaps identified in your assessment results. Use these recommendations to design your training plans.

Group Assessment

- **Screen multiple job candidates**
- **Evaluate departmental performance**
- **Save training time and money using the assessment's targeted training recommendations**

Department managers and certification study group leaders can purchase assessments in volume and designate a Group Administrator. The Group Administrator will receive each individual's assessment results, each individual's targeted training recommendations, and a composite assessment and recommendations for the group.

APA's web-based Payroll Knowledge Assessment is supported by all popular web browsers.
One hour is allotted for each 50-question assessment. Patent Pending.