



A Guide for Selecting a Payroll Tax Solution Partner

How to Gain More Control of Your Payroll Tax Processes



What should you consider when evaluating payroll tax solution vendors?



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Where to Start



Payroll departments of all sizes struggle with the same issues. So, you're not alone. You may be asking yourself "**How do I maintain compliance with the constantly changing federal and state regulations?** **How can I minimize risk?** **How can I reduce my costs and hours of manual work?** **Is there a better way I can serve our employees?**" Frequent changes in your employee pool, an overwhelming amount of state and local regulation updates, and too many manual processes can leave you and your team feeling overworked.

When searching for a payroll tax management solution, seek a provider with decades of experience, a proven track record of success, and an abundance of confidence managing compliance and regulatory updates. Prioritize what is important to you and your team before beginning your search and keep in mind the end-results you want to achieve.



How to Evaluate a Vendor

Research is important when selecting a payroll tax solution provider. Check to see what sort of **reputation** a company has and their **longevity** in the payroll industry. Determine what the company is well-known for, such as **innovative solutions**, **Fortune 500 customer list**, and **partner alliances**. Review information offered on their website and at trade show events.



As a part of your due diligence, be sure to ask the following questions:

- ☐ Which of your customers can attest that they have improved their payroll processes?
- ☐ Do you offer consultation, professional installation, integrations, training programs, and help desk support?
- ☐ How many years of experience do you have in the payroll tax industry?
- ☐ How will your solutions scale when my company grows?
- ☐ Who are your partners?
- ☐ Is your company devoted exclusively to providing payroll tax solutions, or do you also offer other product lines?
- ☐ Are your solutions optimized for internet-connected mobile devices?
- ☐ How does your company stay abreast of legislative activities?
- ☐ How do you manage security?
- ☐ Do you offer solutions that are bundled together in addition to being offered separately?



Identifying Goals & Desired Gains

Begin your search with the end in mind.

What end results and benefits do you want to achieve? The best payroll tax management solutions solve problems and streamline processes, while reducing manual work and costs.



Check all the goals that apply to you.

- ☐ Reduce my labor time and costs
- ☐ Minimize compliance risks
- ☐ Improve workforce productivity
- ☐ Increase employee satisfaction
- ☐ Simplify my payroll tax processes
- ☐ Gain more control of my payroll tax processes
- ☐ Not have to outsource to a third party
- ☐ Improve my remittance processes – reduce penalties and fines
- ☐ Automate tax withholding setup for new employees and changes for existing employees
- ☐ Automate W-4 submissions to include electronic Federal, State, Local, and other related tax forms

A Measurement of Quality

Your evaluation of payroll tax solution providers and solutions will necessitate many questions. Narrow your focus to the areas of greatest importance, such as **experience**, **accuracy**, **coverage**, **security**, **compliance**, and **scalability**.



As you navigate through your options, consider these aspects:

- ☐ Look for a provider with solutions that offer the features and benefits that match your needs
- ☐ Look for a provider who is reputable, has a solid customer base, and expertise in the payroll tax industry
- ☐ Look for a provider who can become a single source for your payroll tax management needs
- ☐ Look for a provider who understands all phases of the payroll process
- ☐ Look for a provider who stays abreast of legislative activity, analyzes newly enacted regulations, and applies this knowledge to its solutions in real time
- ☐ Look for a provider who can offer consultations, professional implementation, integrations, system configuration, training programs, support, and help desk analysts
- ☐ Look for a provider who offers solutions that integrate with your payroll system



Experience Matters

In business, experience matters. In your most crucial moments, **you'll want a payroll tax solution partner who's seen it all.**



Consider these questions when evaluating vendors:

- ☐ How long have they been in business?
- ☐ How many clients do they serve?
- ☐ Do they have a user community and what is said about their products?
- ☐ How is data managed?
- ☐ What is their security policy?

Research Begets Success



Keeping up with ongoing regulatory changes is a full-time job and a major challenge for employers. When considering a payroll tax provider, **seek out an expert who has the capabilities to research authority payroll tax compliance data on a regular basis**, providing you with the latest, up-to-date information.

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Coverage for Tax Authorities

First and foremost, organizations need to be sure that their payroll tax partner can manage and calculate U.S. payroll taxes for **Federal**, **State**, **Local** and **Territory** tax authorities. Partial coverage simply won't do!



When interviewing potential vendors, ask...

- ☐ Do your solutions handle Garnishment Withholding and Remittance processes?
- ☐ Do your solutions manage Pension withholding requirements?
- ☐ Does your coverage handle all complex tax authorities and jurisdictions?
- ☐ Do your solutions handle non-resident reciprocal authorities, including both formal and informal agreements?

Why Security is Important

Ensuring the safety, security and confidentiality of your payroll data is of utmost priority. One of the key responsibilities of payroll and IT departments is to **know that sensitive information remains safe** and secure.



When speaking to payroll tax providers, ask...

- ☐ What controls are in place to minimize the possibility of security breaches?
- ☐ Do you configure your software to limit access to confidential data to help protect it from both external and internal threats?
- ☐ Do you rely on data centers which offer built-in redundancies that are important for protecting sensitive account data?
- ☐ Do users get prompted to change their password regularly to reduce the risk of password hacking?
- ☐ Have you received a SOC (Service Organization Control) audit report with an unqualified opinion - verifying your established security policies, practices, and procedures?
- ☐ Which multi-tenant cloud service hosting vendor have you partnered with to support your solutions?
- ☐ Is Personally Identifiable Information (PII) encrypted?
If so, at what points?
- ☐ Is PII stored in your systems?
- ☐ Is digital certificate authentication required in addition to usernames and passwords?



Compliance Needs Vary

Companies have unique compliance needs based in part on the footprint of their office locations, number of employees, the make-up of their employee groups, and many other factors. **An experienced payroll tax provider can help address these complex issues**, along with many others. Here are some examples of items to keep in mind when searching for the right payroll partner.

Year-End Tax Statements - While much emphasis is placed on enabling employee self-service through online management of compliance forms, most year-end statements are still delivered via print. It's essential to understand a compliance provider's capabilities for delivering employee W-2s.

Garnishments - Employers need a way to streamline their garnishment remittance processes. Be sure to ask your provider about a tool that offers organizations a simplified, organized single view of withheld garnishment monies, ideally in a self-service environment, built on authority-regulated rules, payment requirements and reporting.



Finding Solutions that Grow with Your Company

When searching for the ideal solution, you should consider not only your current needs, but also your organization's future needs.

Whether your company is small, mid-sized or large, scalability is always a consideration.

Look for solutions that are flexible enough to scale as your company grows.



And remember to ask the following questions:

- ☐ Is a merger or acquisition on the horizon for the provider?
- ☐ Is the solution I am considering scalable to meet my current and future growth requirements?
- ☐ Does the provider state that its solutions are scalable?



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Don't settle for anything less than the best solution for your needs. **Learn more how BSI can help you achieve your payroll tax solution goals.**



Look to

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to help

simplify the **burdens**

and **close** the **gaps**

in your

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processes



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