



What is the Service?

Payroll Services administer payroll activities in accordance with union agreements, Council policies and relevant legislation. The primary goal of payroll services is to ensure that all employees are paid accurately and on-time, with the correct withholdings and deductions, and to remit withholdings and deductions within specified deadlines.

Specific objectives include:

- Production of Pay – Calculate and process one time and on-going payments and deductions to employees
- Balancing General Ledger – Prepare journals and reconcile gross/net pay to payroll registers
- Payment and Reconciliation of Payroll Liabilities – Statutory tax withholdings and voluntary/mandatory deductions
- Internal and External Reporting – Management reports, Records of Employment, T4/T4A
- Auditing Payroll Data – Reconcile gross to net pay calculations
- Payroll Technical Systems Configuration – Setup and maintain payroll system

Influencing Factors:

Organizational Form: Centralized vs. Decentralized. Costs related to time and data entry have been excluded for comparability. Any costs associated with benefits administration and employee master data maintenance have been excluded from these results.

Policy and Practices: In-house vs. external contracted out services, and differences in payroll structure and responsibilities.

Processes and Systems: Differences in the number of pay periods (i.e. weekly vs. bi-weekly, etc.); Multiple pay schedules for various groups within the organization; Number of manual cheques issued for adjustments and reversals and/or multiple direct deposits and payments and/or adjustments made under separate advice.

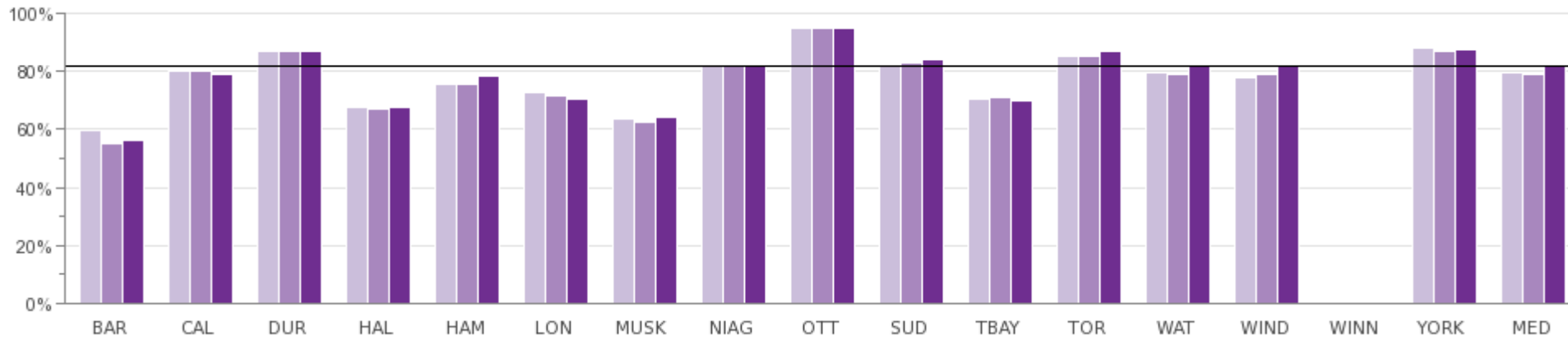
Staff Mix: Salary vs. hourly rate and/or part-time vs. full time complement and the corresponding demand for support.

Unionization: The number of unions, union contract settlements resulting in retroactive payments, complexity of the Collective Bargaining Agreement terms, and Corporate Policies may be a factor in the creation of replacement payments and demand for service.

Payroll

What percent of staff are unionized?

Fig 22.1 Percent of Staff that are Unionized (Staff Mix)



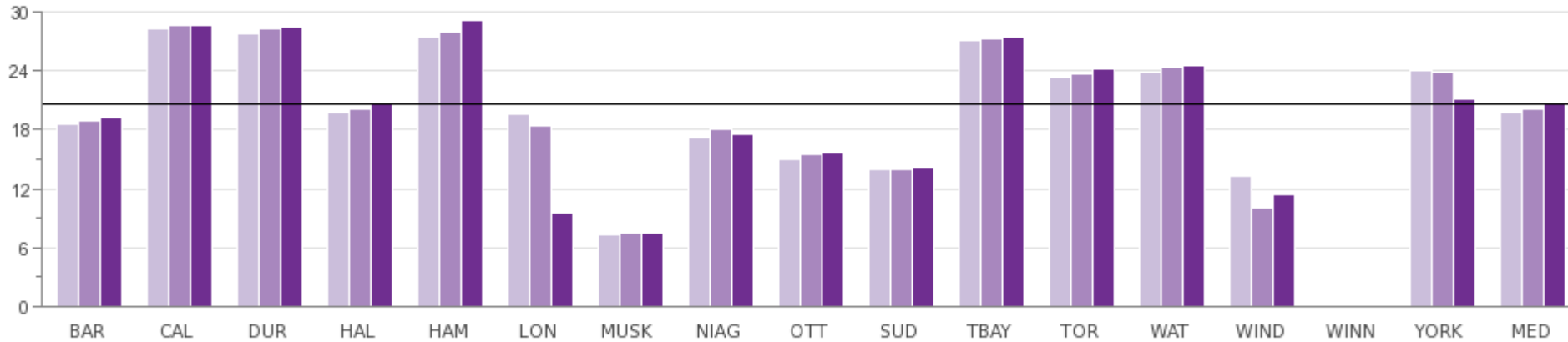
2010	59.5%	80.4%	86.9%	67.5%	75.6%	72.8%	63.9%	82.1%	95.1%	82.7%	70.6%	85.6%	79.8%	78.1%	N/A	88.4%	79.8%
2011	55.0%	80.2%	87.2%	66.9%	75.8%	71.4%	62.8%	82.3%	95.2%	82.8%	70.9%	85.4%	78.9%	78.9%	N/A	86.9%	78.9%
2012	56.4%	79.0%	87.3%	67.4%	78.3%	70.5%	64.5%	82.0%	95.2%	84.0%	69.7%	87.1%	82.2%	81.8%	N/A	87.5%	81.8%

Source: FPRL225 (Service Level)

How many payroll direct deposits and cheques are processed?

Fig 22.2 Number of Payroll Direct Deposits and Cheques per Finance Payroll FTE

(In Thousands)

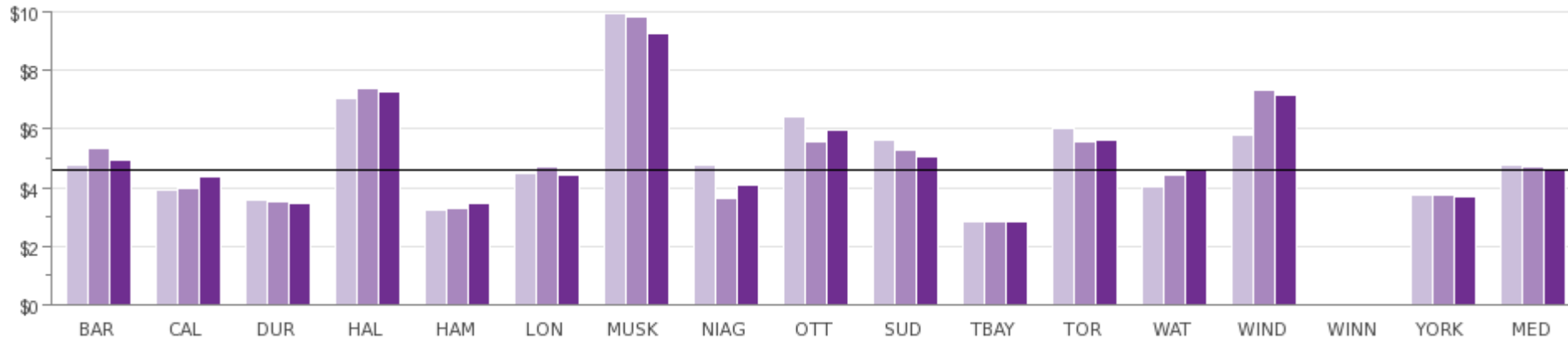


2010	18,536	28,323	27,840	19,714	27,441	19,533	7,363	17,179	14,977	13,921	27,067	23,450	23,826	13,205	N/A	24,077	19,714
2011	18,931	28,615	28,336	20,166	27,966	18,367	7,427	18,126	15,431	13,998	27,230	23,749	24,393	9,950	N/A	23,976	20,166
2012	19,321	28,763	28,467	20,675	29,211	9,549	7,540	17,528	15,687	14,190	27,439	24,281	24,576	11,434	N/A	21,203	20,675

Source: FPRL317A (Efficiency)

What is the operating cost to process a payroll direct deposit or cheque?

Fig 22.3 Operating Cost per Payroll Direct Deposit and Cheques



2010	\$4.75	\$3.89	\$3.57	\$7.04	\$3.23	\$4.50	\$9.97	\$4.79	\$6.41	\$5.63	\$2.85	\$6.05	\$4.04	\$5.79	N/A	\$3.73	\$4.75
2011	\$5.32	\$4.00	\$3.53	\$7.39	\$3.26	\$4.70	\$9.82	\$3.65	\$5.56	\$5.30	\$2.85	\$5.56	\$4.45	\$7.32	N/A	\$3.76	\$4.70
2012	\$4.93	\$4.37	\$3.45	\$7.29	\$3.45	\$4.40	\$9.29	\$4.10	\$5.99	\$5.05	\$2.84	\$5.65	\$4.58	\$7.15	N/A	\$3.69	\$4.58

Source: FPRL306A (Efficiency)

Comment: Halton outsources part of their payroll processing to a third party payroll provider.