



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 and are included in those of Human Resources.

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

Processes and Systems: Differences in the number of pay periods, e.g. 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.

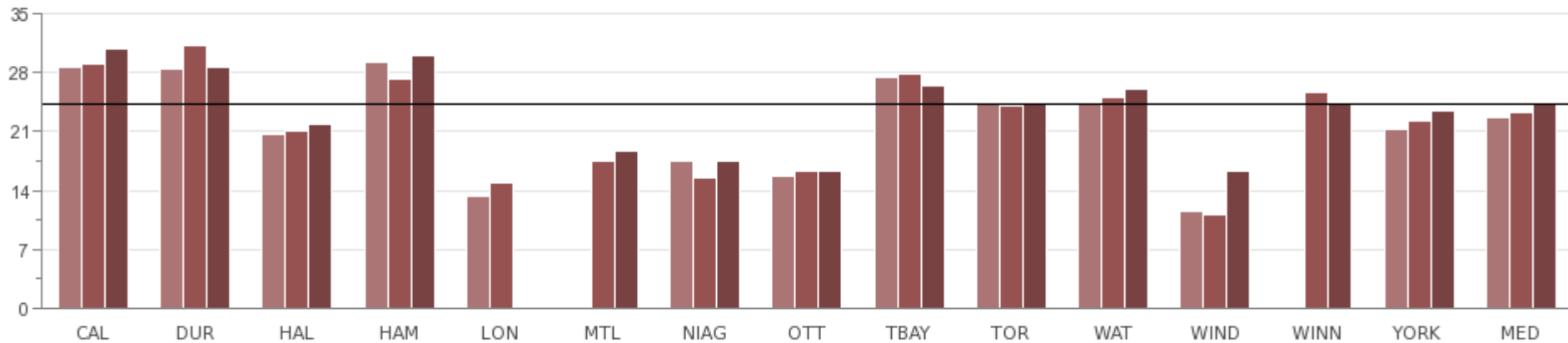
Unionization: Number of unions, union contract settlements resulting in retroactive payments, complexity of the Collective Bargaining Agreement terms, and Corporate Policies may be a factor in the creation of replacement payments and demand for service.

Payroll

How many payroll direct deposits and cheques are processed?

Fig 23.1 Number of Payroll Direct Deposits and Cheques per Finance Payroll FTE

(In Thousands)



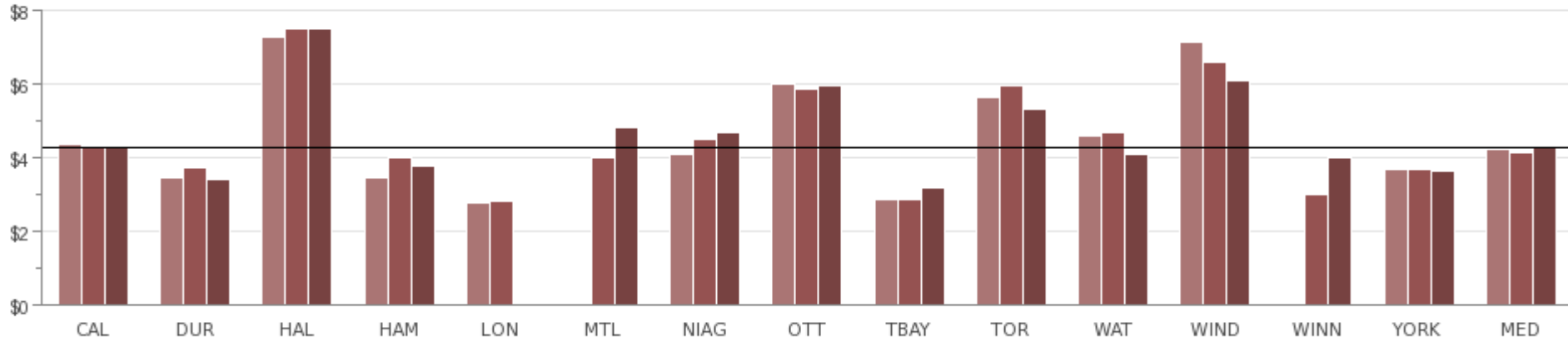
2012	28,763	28,467	20,675	29,211	13,369	N/A	17,528	15,687	27,439	24,281	24,576	11,434	N/A	21,203	22,742
2013	29,073	31,247	21,081	27,255	14,960	17,437	15,477	16,379	27,835	24,074	24,981	11,044	25,621	22,357	23,216
2014	30,818	28,716	21,877	30,157	N/A	18,663	17,538	16,346	26,556	24,230	26,048	16,306	24,439	23,482	24,230

Source: FPRL317A (Efficiency)

Comment: The City of Windsor took over processing Transit Windsor's payroll (approximately 260 employees) effective January 1, 2014 which contributes to the 47.6% increase.

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

Fig 23.2 Operating Cost per Payroll Direct Deposit and Cheques



2012	\$4.37	\$3.45	\$7.29	\$3.45	\$2.78	N/A	\$4.10	\$5.99	\$2.84	\$5.65	\$4.58	\$7.15	N/A	\$3.69	\$4.24
2013	\$4.26	\$3.74	\$7.52	\$4.01	\$2.83	\$4.01	\$4.51	\$5.86	\$2.88	\$5.97	\$4.67	\$6.59	\$3.01	\$3.67	\$4.14
2014	\$4.28	\$3.40	\$7.52	\$3.76	N/A	\$4.82	\$4.70	\$5.96	\$3.18	\$5.34	\$4.08	\$6.12	\$4.02	\$3.64	\$4.28

Source: FPRL306A (Efficiency)

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