

# 23 Payroll



## 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.

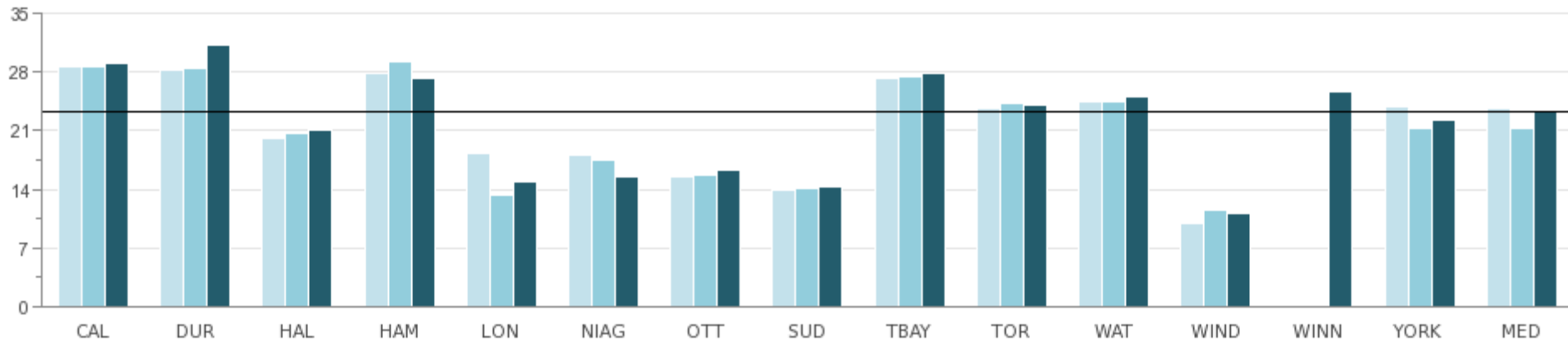
**Unionization:** Number of unions, union contract settlements resulting in retroactive payments, complexity of the Collective Bargaining Agreement terms, and Corporate Policies may be a factor in the creation of replacement payments and demand for service.

# 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)

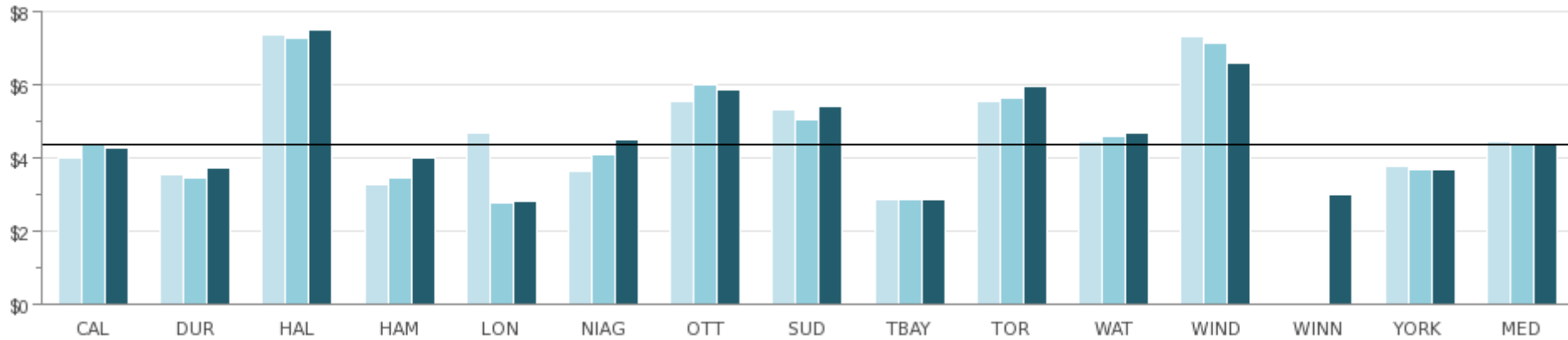


<b>2011</b>	<b>28,615</b>	<b>28,336</b>	<b>20,166</b>	<b>27,966</b>	<b>18,367</b>	<b>18,126</b>	<b>15,431</b>	<b>13,998</b>	<b>27,230</b>	<b>23,749</b>	<b>24,393</b>	<b>9,950</b>		<b>23,976</b>	<b>23,749</b>
<b>2012</b>	<b>28,763</b>	<b>28,467</b>	<b>20,675</b>	<b>29,211</b>	<b>13,369</b>	<b>17,528</b>	<b>15,687</b>	<b>14,190</b>	<b>27,439</b>	<b>24,281</b>	<b>24,576</b>	<b>11,434</b>		<b>21,203</b>	<b>21,203</b>
<b>2013</b>	<b>29,073</b>	<b>31,247</b>	<b>21,081</b>	<b>27,255</b>	<b>14,960</b>	<b>15,477</b>	<b>16,379</b>	<b>14,257</b>	<b>27,835</b>	<b>24,074</b>	<b>24,981</b>	<b>11,044</b>	<b>25,621</b>	<b>22,357</b>	<b>23,216</b>

Source: FPRL317A (Efficiency)

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

Fig 23.2 Operating Cost per Payroll Direct Deposit and Cheques



2011	\$4.00	\$3.53	\$7.39	\$3.26	\$4.70	\$3.65	\$5.56	\$5.30	\$2.85	\$5.56	\$4.45	\$7.32		\$3.76	\$4.45
2012	\$4.37	\$3.45	\$7.29	\$3.45	\$2.78	\$4.10	\$5.99	\$5.05	\$2.84	\$5.65	\$4.58	\$7.15		\$3.69	\$4.37
2013	\$4.26	\$3.74	\$7.52	\$4.01	\$2.83	\$4.51	\$5.86	\$5.42	\$2.88	\$5.97	\$4.67	\$6.59	\$3.01	\$3.67	\$4.39

Source: FPRL306A (Efficiency)

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

