

Paychex Celebrates National Payroll Week by Highlighting the Benefits of Outsourcing Payroll

Frequent regulatory and legislative changes underscore need to receive expert service, guidance and assistance

ROCHESTER, N.Y.--(BUSINESS WIRE)-- As America's small businesses prepare for changes related to health care reform and the Defense of Marriage Act (DOMA), many employers are already taking a proactive step to reevaluate the way they handle payroll reporting, administration, and employee benefits. To help business owners navigate their options and prepare for the implementation of provisions such as employer shared responsibility (ESR), Paychex, Inc., one of the nation's leading providers of payroll, human resource, insurance, and benefits outsourcing solutions for small- to medium-sized businesses, has outlined some of the major advantages of outsourcing common payroll administration tasks.

"National Payroll Week is a perfect time for business owners to take a closer look at how they process their payroll and the potential impact of issues like health care reform and the U.S. Supreme Court's DOMA decision," said Martin Mucci, president and CEO of Paychex. "By partnering with a reputable payroll-processing organization like Paychex, business owners can streamline payroll reporting and administrative tasks, reduce the chance of errors, and gain greater confidence in knowing that they're keeping on top of the latest regulatory changes and requirements."

Major Benefits of Outsourcing Payroll Processing

- Navigate Through the Complexity of Payroll:
For accurate compensation, employers are responsible for tracking employee hours, overtime, holidays, and vacations. Each check must also account for a number of employee-paid taxes, including federal income tax, social security and Medicare taxes, and state and local income taxes. To compute these complicated calculations, businesses can outsource their payroll tasks and have employee wages and deductions handled automatically through their payroll provider.
- Enjoy Peace of Mind with Tax Returns:
Employers are required to file federal and state tax returns, produce Forms W-2, and pay federal and state unemployment taxes. In fact, many small businesses could be required to pay 32 tax deposits or more and file close to 16 returns each year. This degree of complexity increases the risk of errors and subsequent penalties. A payroll provider can shift some of these duties off of the business owner by filing tax payments and returns in accordance with federal and state filing deadlines.

- Ensure More Accurate Reporting:

Two of the most common payroll tax mistakes are filling out tax forms incorrectly and calculating and paying inaccurate payroll tax deposits. Making any of these errors can quickly lead to close scrutiny from the IRS, resulting in possible penalties and back payroll taxes. Payroll providers have professionals on hand who understand the nuances of payroll, payroll taxes, and regulatory reporting to help ensure businesses report payroll information with greater accuracy.

- Safeguard Employee Information and Confidential Business Data:

Security of employee data is important to a business owner. Payroll providers invest heavily in state-of-the-art solutions to store and protect sensitive information. For instance, Paychex protects customer data from unauthorized access through a number of best practices including encryption, malware detection, firewalls, employee training, access limitation, and heightened workplace security awareness.

- Experience the Convenience of Paperless Payroll System:

There are a number of ways employers can pay their workers. The time a business owner spends on payroll can be significantly reduced through a paperless payroll system. With direct deposit, employees enjoy greater flexibility knowing that their compensation will be automatically available, and employers can minimize unnecessary costs, like purchasing checks and envelopes or re-issuing checks and stopping payments. For added convenience, online payroll systems also provide business owners with access to their important payroll information at any time, from anywhere.

- Increase Overall Business Productivity – By outsourcing payroll to a qualified provider, business owners can reduce the amount of time they spend on this administrative aspect of their business and find more time to focus on their goals, products, services, and customers.

Making the Decision

Armed with the right information, business owners can make the best decision on whether payroll outsourcing is right for their company. To learn more about Paychex payroll, HR, and benefits outsourcing solutions, visit www.paychex.com.

About Paychex

Paychex, Inc. (NASDAQ:PAYX) is a leading provider of payroll, human resource, insurance and benefits outsourcing solutions for small- to medium-sized businesses. The company offers comprehensive payroll services, including payroll processing, payroll tax administration, and employee pay services, including direct deposit, check signing, and Readychex®. Human resource services include 401(k) plan recordkeeping, section 125 plans, a professional employer organization, time and attendance solutions, and other administrative services for business. A variety of business insurance products, including group health and workers' compensation, are made available through Paychex Insurance Agency, Inc. Paychex was founded in 1971. With headquarters in Rochester, New York, the company has more than 100 offices serving approximately 570,000 payroll clients as of May 31, 2013. For more information about Paychex and our products, visit www.paychex.com.

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