

# Your Happie Guide in Changing Payroll Providers



# Introduction

Outsourcing payroll to an experienced specialist can be a huge benefit for busy HR or finance departments, but finding a cost-effective provider you can count on isn't always so simple.

Between payroll accuracy, compliance, data management and client service, you need an outsourced payroll service that runs like a well-oiled machine. If you're thinking about making the switch from your current provider, chances are you already know that some companies promise a lot but don't always live up to expectations.

The good news is that it's easier than ever to transfer from one service to another, providing you manage the process correctly, carry out the necessary due diligence and follow every step to ensure the smoothest possible changeover. If you're worried about potential downtime then rest assured that countless organisations have made the switch to a payroll service that better suits their needs with no disruption to the day-to-day running of their business.

This guide is a great starting point for any company weighing up their options and is designed to help you achieve a seamless transition that keeps potential obstacles in check every step of the way.



# Common Pitfalls When Outsourcing Payroll

There are many reasons why organisations feel the need to change or upgrade their payroll provider, especially if they've been stung by poor service or recurring errors.

Businesses must address any causes for concern quickly if they want to stop these problems from snowballing into bigger issues over time. Even a single instance of inaccuracy or non-compliance should be enough to set alarm bells ringing when you consider the damage this can do to a company's bottom line and employer brand.

Here are some of the most common issues that prompt businesses to start looking for an alternative supplier:

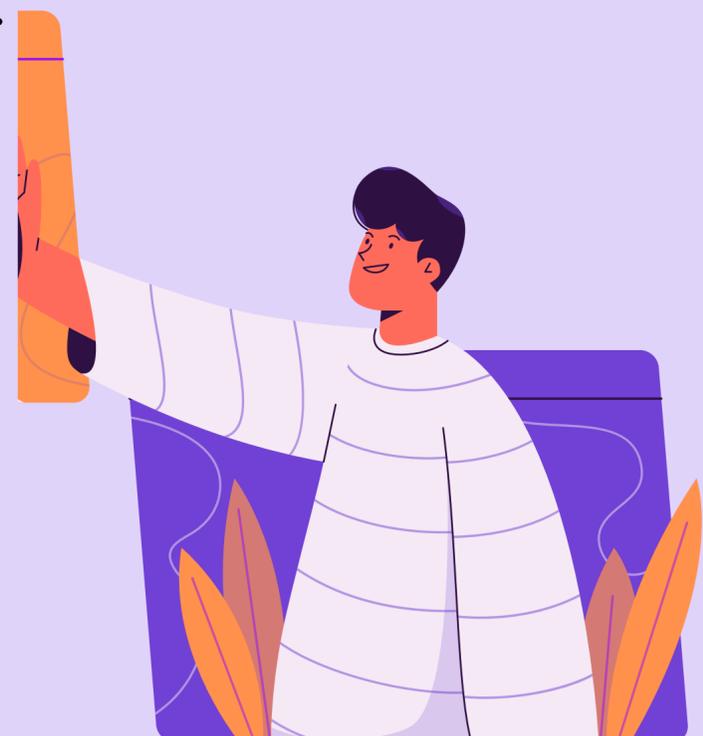
-  Mistakes with employee payslips or tax details
-  Poor client service and communication
-  Poor admin management
-  Long, inflexible contracts

# Look Out for Hidden Fees

Not all payroll suppliers offer complete transparency over fixed costs up front, which often leads businesses to feel aggrieved when they're hit by hidden charges further down the line. This may include setup fees, consultation or customer support charges, annual increases and additional one-off costs – all of which should be explained clearly by your provider during your initial discussions, not after the fact.

It's also difficult to know exactly how much value for money you're getting from an outsourced payroll specialist until you've seen their services in action. That's why comprehensive due diligence is so crucial to find a company that has a proven track record and that fully understands your needs, your risks and your budget.

If you feel your current provider has over-promised and under-delivered then make sure to note down the aspects of service you are unhappy with and use this as a reference when sourcing feedback and quotes from alternative providers.



# Understanding Your Contract

If you do decide to transfer payroll to a new supplier, hopefully you can do so without any unexpected cancellation charges or clauses. Every payroll service should provide a full cost breakdown within your contract which clarifies any early exit terms or fees, otherwise you'll need to scour the contract in fine detail to confirm this information.

Be aware that you may be required to serve a defined notice period in advance of the expiry date of your contract. It always pays to talk to your provider if you're unsure about any contractual terms as this will help clarify any grey areas before you submit a formal cancellation request.

In the event that you have months – or even years – left on your current contract, it may be worth speaking to your new prospective supplier to see whether they can help you negotiate an early termination if the service is failing to deliver on expectations or to help with the financial implications of early termination.

If you are looking to change providers, it's important that you do not leave this process to the final months of your agreement and allow time for planning and delivery of your new provisions.



# Choosing the Right Provider

The services offered by outsourced payroll companies vary greatly, which means researching your options is a must if you want to secure the best value and level of coverage for your business.

By this point, you should have a clear idea of the pros and cons of your current supplier. You can use this detail as a benchmark to see how other outsourced payroll services shape up in comparison, whilst also getting a better feel for whether they'll be able to solve any ongoing issues.

Pinpointing internal systems and data points that may need to be shared with your new supplier ahead of time will also help safeguard compliance and make sure the transition runs smoothly. This is particularly important if you're looking for tailored support around a few key areas but still intend to handle a portion of payroll in-house.

## Is your supplier HMRC-accredited?

Double-check whether your payroll supplier has been officially tested and approved by HMRC and that they are compliant with the latest Real-Time Information (RTI) and Pay As You Earn (PAYE) guidelines.

# The Questions You Should Be Asking

Finding a payroll supplier that's the perfect professional and cultural fit for your organisation can be a tricky process, and you should take time to weigh up all your options. Here's a quick list of questions that you should be looking to clarify as part of your initial conversations:

- Do you have the option to scale up or down on the range of services provided at any given time?
- How will the relationship with HMRC be managed?
- Will you be assigned an experienced payroll manager as a main point of contact?
- How will approval processes work and how much internal time is needed to review pay cycles each month?
- What industry accreditations does your new provider hold to validate their ability to deliver a quality service?
- How does the provider measure the delivery and accuracy of their service?
- What level of payroll analytics and reporting will be provided?
- Where will payroll funds sit in order to accrue interest prior to processing?



# Managing the Migration

In the past, the idea of migrating systems and procedures from one payroll provider to another seemed like a the stressful process that could quite easily disrupt monthly pay cycles and internal affairs.

Fortunately, it's easier than ever to make a seamless switch with no downtime. Your new payroll company should be able to lay out a simple roadmap for you to follow, offering support at each stage, keeping a close eye on compliance and permissions, and liaising with your previous provider wherever necessary.

You should also talk to your prospective provider about the ideal date on which you migrate. Although the end of a quarter or tax year has typically been preferred, it's not necessarily better to hold off on transferring your payroll if you're struggling to deal with issues within your current process. A quality service provider will be able to accommodate your implementation at any time of the year without impacting delivery, accuracy or compliance.



Implementation of a new managed service will typically take between 4-12 weeks, which is why it pays to give yourself time to test and validate your new build before launch.

# Making the Switch – Step by Step

## Step 1: Clarify terms and responsibilities

When transferring from one outsourced payroll company to another, your first step should always be to outline the main issues you are facing and understand the legal terms of your current contract and its cancellation policy before you submit a request to cancel.

Taking the time to get your house in order will make it easier for your new provider to manage the migration process, and also give them more insight into the specific challenges facing your business. It's also worth outlining any service upgrades or capabilities you think could take your payroll experience to the next level, such as flexible pay cycles, in-depth payroll reporting or integrations with other areas of workforce management.

Make sure to get a full breakdown of pricing and any associated costs from your new provider so that you don't end up paying for any services that your organisation doesn't require.

# Making the Switch – Step by Step

## Step 2: Clarify terms and responsibilities

Payroll functions are responsible for one of the largest databases of confidential financial and personal information within any organisation. As such, migrating from one system to another can be a challenging task that needs to be managed by an experienced specialist.

Detailed planning with your new provider is essential to identify the best method and time to undertake the transfer so that it does not put normal operations or data security at risk. You'll also need to prepare to cancel or add staff authorisations. No two businesses are the same, so the migration process should be tested thoroughly and tailored to align with your current situation, systems and employees.



Switching to a new supplier could be an ideal time to audit your payroll data and run a 'deep clean' to resolve any inaccurate or outdated information.

# Making the Switch – Step by Step

## Step 3: Keep everyone on the same page

Along with getting the right data in the right hands, it's vital that all internal teams and stakeholders within your company are kept in the loop on any forthcoming changes.

It could be that employees now have a new point of contact to liaise with, or that certain payroll processes, timescales or payslips are changing slightly. In any case, total transparency and open communication is the best approach to avoid confusion or unexpected surprises. If employee roles and responsibilities are changing as a result of your upcoming payroll migration, you'll need to update workplace policies and employment contracts to reflect this.

Ideally, all staff should receive a written notice which is reinforced through company or team meetings where they have a chance to voice their opinion and ask any questions.



# Enjoy the benefits of a first-class payroll service

Get in touch with our friendly team at Happie Payroll Services today to talk through your current situation and discover how we can support your outsourced payroll needs.

**Here to help you**



# About Happie Group

Based in Central London, with over 25 years of experience, Happie Group is one of the UK's leading payroll companies offering a range of payroll services.

Our clients can be assured that we operate a secure and confidential operation. We pride ourselves on being able to react quickly and efficiently, our robust processing system means that we can handle large variances of labour.

Happie Group is not a faceless payroll bureau – we work in partnership with our clients to develop an area of their business that is often overlooked.



# Get in Touch

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