



Accuracy Counts

The Critical Links Between Time, Attendance, & Payroll

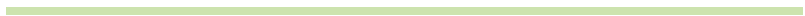


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Executive Summary

Compliance with wage and hour laws has become increasingly complex in recent years due to a few key factors.

- **Higher prevalence of remote work**

According to a recent Greenshades/HR.com survey, 84% of employers allow some or all of their employees to work from home. Although this is a great perk for most workers, it creates challenges for employers.

- **Complicated tax policies and regulations**

Thanks to the increased complexity of wage and hour laws, compounded by more numerous and granular tax withholding policies at both state and local levels, the practice of accurately collecting, calculating, and distributing paychecks is not as straightforward as it used to be.

- **Economic impacts on employees**

Adding yet another layer of stress to the equation, LendingClub reports that some 64% of American workers are currently living paycheck-to-paycheck – a statistic that is undoubtedly growing larger as inflation and other economic challenges arise.

The combination of these factors puts increased pressure on employers to get paychecks right every time. **More simply stated: Accuracy Counts.**

This ebook is designed to serve as a companion piece to the [Accuracy Counts webinar](#). Both were produced in conjunction with Greenshades strategic partner Lathem - a century-old expert in developing and delivering workforce management solutions. Together, the pieces serve as a resource to understanding how to meet today's challenges and opportunities with the power of technology.

Why are the Stakes so High?

As of December, 2022, the United States is experiencing generationally low unemployment rates. In this environment, inaccuracies in payroll are amplified, and errors can have a costly negative cascading effect.



Inaccurate or incomplete time capture delivers erroneous data to payroll.



Pay and taxes are calculated wrong, leading to erroneous paychecks being cut.



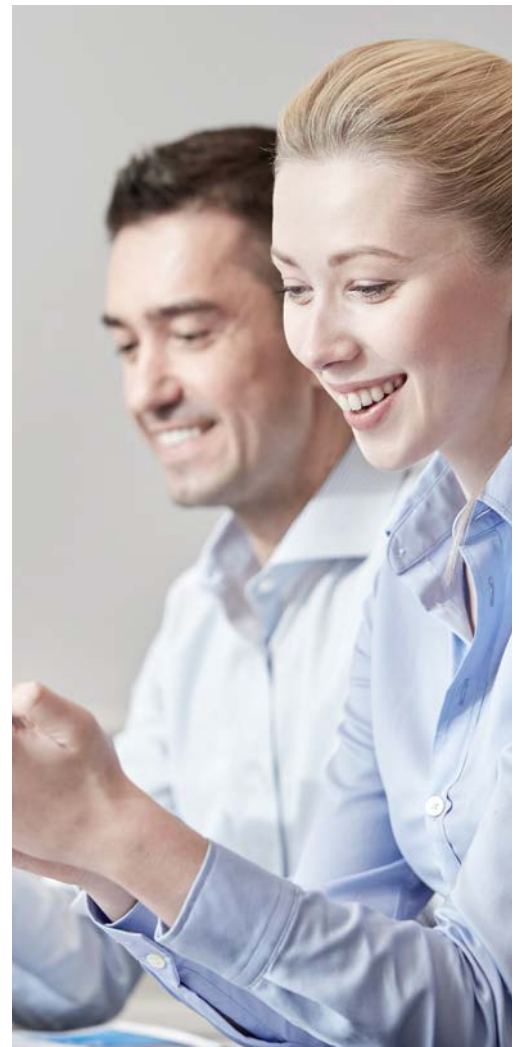
Erroneous checks trigger corrective check runs AND create financial challenges for the employee.



Employee dissatisfaction leads to unwanted attrition, damaging your brand, and making recruiting harder.



Inaccurate or erroneous forms and payments to regulatory bodies can lead to fines and audits.



Payroll and timekeeping processes that were once “good enough” may not provide the level of transparency, reporting, and compliance to meet today’s stringent demands.

Enhancing Payroll with Technology

What was once regarded as simply an operational necessity, payroll has become a key strategic business function. Organizations that consider Payroll and HR as a strategic function see an average increase of 11% in positive business outcomes.

In addition, effective time, absence, and leave management systems are considered key contributors to overall operational success. **By leveraging the power of technology in payroll and HR processes, employers can:**



Modernize time, attendance, and activity data collection.



Address all employee types with a single, standardized approach.



Complete each pay run with timely and accurate payroll data.



Configure the automatic application of payrules at all levels.



Automate and streamline year-end payroll and forms processing.

Payroll and HR teams have worked hard in the past to achieve these goals, but current events require a different degree of quality and consistency. As a result, many organizations are searching for a payroll, time, and analytics partner to support their processes.



Accurate payroll is crucial to ensuring that payroll is processed on time, every time. **How does your payroll provider measure up?**

Tackling the Challenges of Time & Attendance

The most effective way to reduce the potential for errors in pay processing (and the cascading adverse effects that come along with mistakes) is to automate as much of the process as possible. That begins with accurately capturing employee time and activity data.



These are the “Top Five” most common time and attendance challenges. The next pages will breakdown how technology can transform each into an opportunity to enhance payroll and HR processes.

1

Time Theft

2

**Inaccurate Capture
of Work Location**

3

**Fragmented Data
Sources**

4

**Inconsistent Rule
Application**

5

**Manual
Workarounds**

“Whether used in a retail environment, on a factory floor, or on someone’s personal smartphone, the best way to capture the most accurate information is to make sure the technology simplifies the process, not act as a barrier. That’s why we deliver a diverse array of devices and form factors. But as varied as our clocks’ use cases and operational environments may be, there are some common challenges all employers face. As a result, we’ve engineered our solutions to address them all.”

Lance Whipple

Lathem VP of Sales & Marketing

Time & Attendance Challenge: 1) Time Theft

According to the American Society of Employers, twenty cents of each revenue dollar earned by U.S. companies is lost to employee time theft. This often takes the form of an employee asking a friend to grab their timecard or badge and “swipe in” on their behalf. Although this “buddy punching” process may seem relatively minor, it costs American employers billions each year.



Solution: Biometrics

Biometric time-tracking devices are an inexpensive and easy way to hold employees accountable for time worked. Technology advancements and improved camera quality have made facial recognition devices easily accessible to employers. These devices can also be integrated with access control systems to introduce another layer of security.



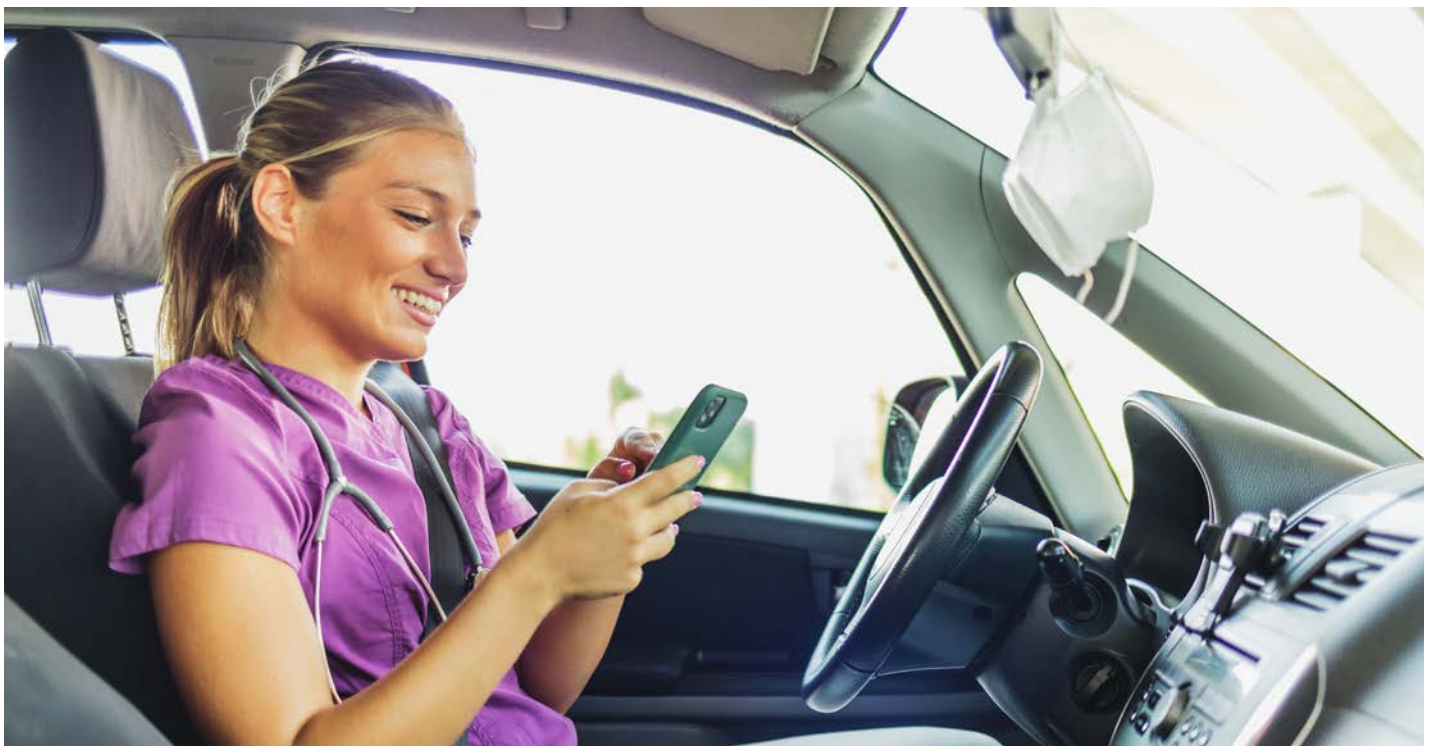
Time & Attendance Challenge: 2) Inaccurate Capture of Work Location

For many mobile workers, particularly those in the home healthcare and transportation industries, capturing where work was completed is almost as important as how long the employee worked. Taking into consideration the various state, local pay, and tax rules on the rise, capturing erroneous location data could have significant implications come tax time.



Solution: GPS-Based Services

Smartphone-based apps – such as Lathem’s PayClock Online – can automatically capture a GPS stamp whenever the employee punches in. PayClock Online includes “geofencing,” a practice that allows employers to define specific work locations from which employees can punch in. If the worker is not within that area, they will not be allowed to enter their time. (This is another great way to prevent time theft.)



Time & Attendance Challenge:

3) Fragmented Data Sources

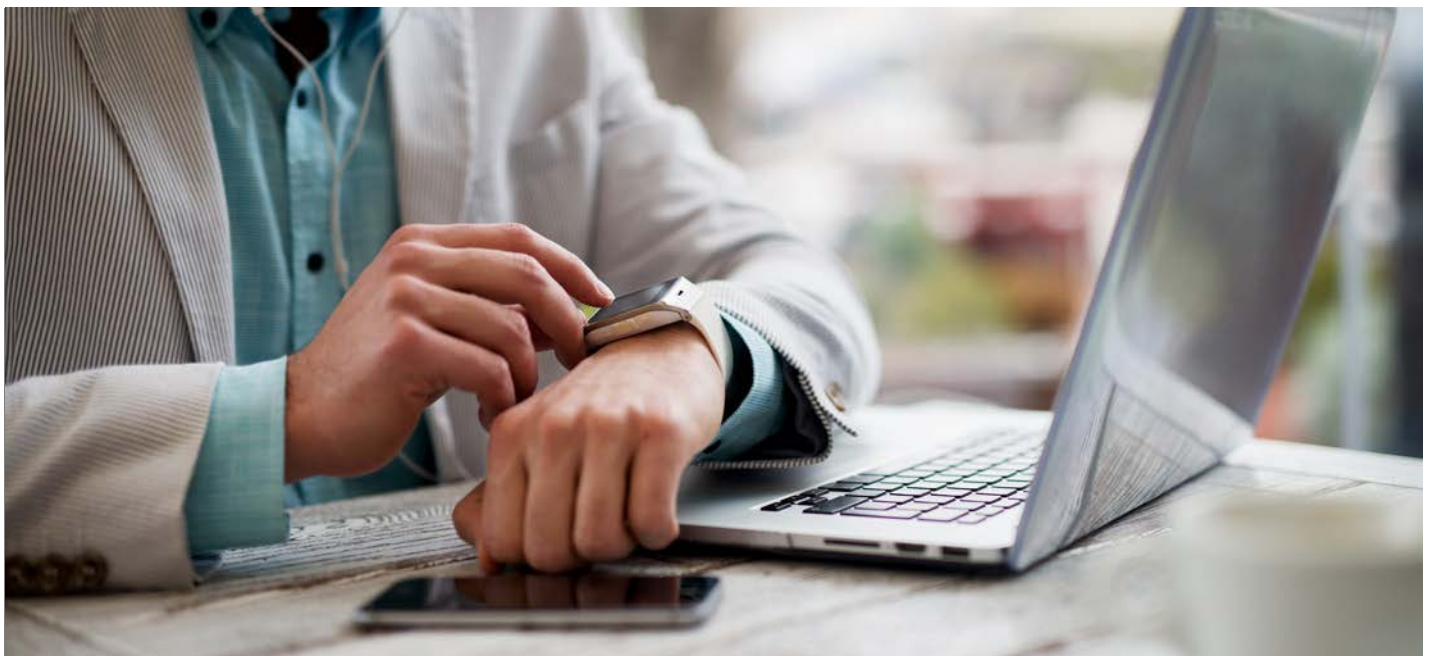
Most organizations hire workers with various statuses, including full-time, part-time, remote, on-site, and contingent. If your current system cannot accurately capture, collect, and approve the data for each type of worker, your company may have to utilize other methods to get the job done. The potential for errors increases substantially with each workaround, particularly if any data collection is done manually.



Solution:

Diverse Data Capture

A contemporary time and attendance platform that can leverage a diverse set of clock solutions – including those on mobile devices – allows you to address the needs of your entire workforce yet have all data flow into a single system. This is particularly important when managers need to review, approve, and edit time before sending it to payroll for processing.



Time & Attendance Challenge:

4) Inconsistent Rule Application

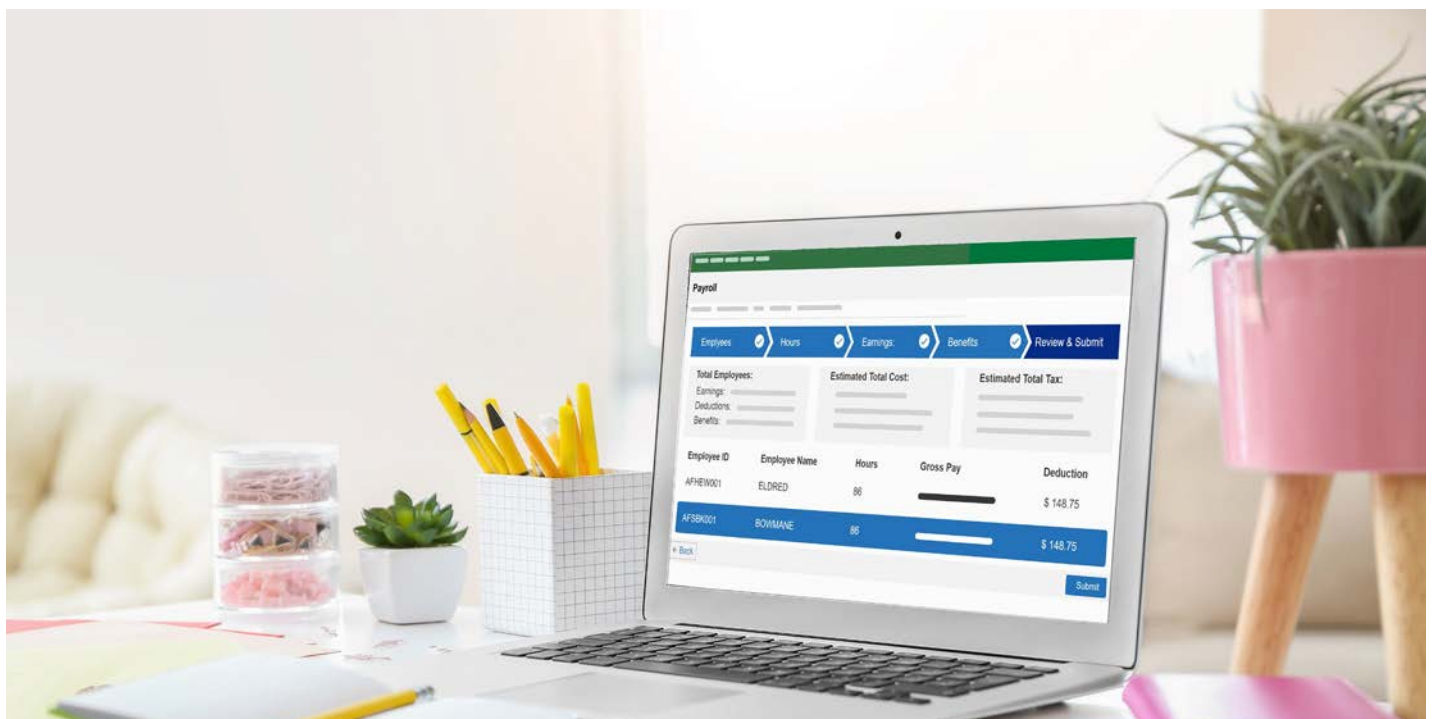
The larger and more complex an organization, the more complex the associated pay rules, particularly if the workforce is unionized. Workers may have differences in their rates or rules based on multiple variables including the task completed, seniority level, or certifications achieved. If you're still capturing time manually or using a rudimentary time capture system, the potential for making errors increases exponentially.



Solution:

Configurable Platforms

With a modern time and attendance system, you'll be able to define and apply even the most unique pay condition automatically. Overtime, premiums, shift differentials, union payrules, and agreements can all be defined when the system is initially configured. As policies change, you'll be able to make updates as necessary.



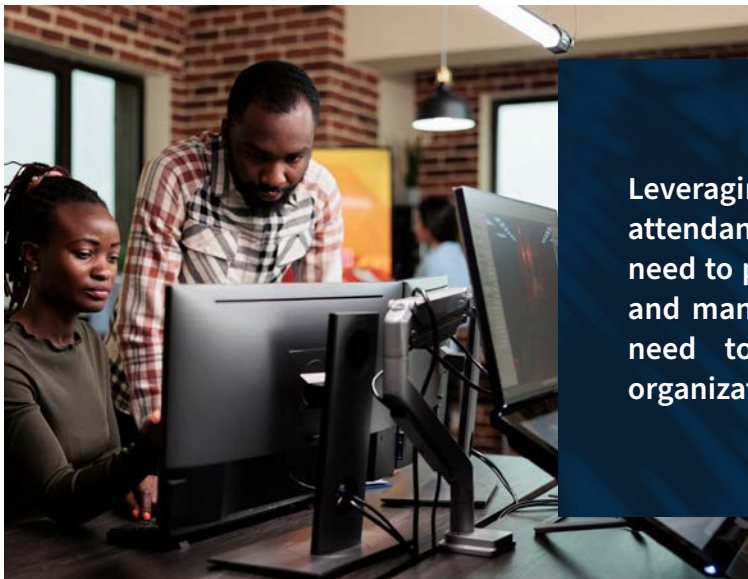
Time & Attendance Challenge: 5) Manual Workarounds

A manual approach to time and attendance is inefficient, time-consuming, and contributes to costly errors. There are multiple touchpoints where things can go wrong: when employees enter punch-in/punch-out data, when managers review and approve that data, and when that data is sent to payroll. Issues can occur throughout that chain and contribute to headaches when trying to apply a correction.



Solution: An Integrated Approach

An advanced time and attendance system can have significant benefits for HR and payroll processes. It automates and simplifies time and activity capture, simplifies manager review and editing, and seamlessly feeds all this information to your payroll platform or provider. This approach eliminates the need to manually key data and allows managers to identify and address potential issues before being sent to payroll for processing.



Leveraging a contemporary, full-featured time and attendance system delivers both the accuracy you need to provide a positive experience for employees and managers alike, as well as gain the agility you need to keep pace with any operational or organizational change your business may experience.

Tackling the Challenges of Payroll

Payroll teams have to deal with constantly changing tax policies, complex IRS rules, and stiff penalties for non-compliance. These challenges are compounded by increasingly granular tax laws that get down to city-specific and, in some cases, neighborhood-specific levels of detail.



These are the “Top Five” most common payroll challenges. The next pages will breakdown how technology can transform each into an opportunity to enhance payroll and HR processes.

1

**Tax Withholding
Errors**

2

**Missing IRS
Updates**

3

**Garnishment
Errors**

4

**“Outgrowing” Your
Software**

5

**Processing Year-
End Forms**

“When we started this company more than two decades ago, our goal was to help employers navigate complex taxation issues and take advantage of the benefits of preparing and filing payroll taxes electronically. Today, our mission is much the same, but with the addition of a complete payroll and HR platform, we can automate and optimize the entire process.”

David Rosas

Greenshades CEO and Co-Founder

Payroll Challenge:

1) Tax Withholding Errors

Ensuring the proper amount of taxes is withheld from an employee's paycheck should be a reasonably straightforward concern. However, there are multiple potential points of failure, mainly if such matters are being handled manually. It is highly likely for issues to originate from an employee's onboarding, when they must complete the W-4.



Solution:

Automated Onboarding

Employee self-service resources give workers the ability to select tax withholding status, review and make voluntary benefits elections, and declare life events on their own. In addition to improving accuracy, this also allows employees to consult with their spouse, partner, or loved one when making these all-important elections and finalize the process remotely.



Payroll Challenge: 2) Missing IRS Updates

Tax policies and practices change on a regular, and sometimes seemingly random, basis. In July 2022, for example, the IRS increased the mileage deductible to 62.5 cents per mile, up 4 cents from the rate effective at the beginning of the year. This welcome mid-year policy change was made to counterbalance some of the ill effects of inflation and fuel prices on the American worker, but it's not out of the ordinary. Changes that impact payroll can arise at any time and can happen multiple times throughout the year.



Solution: Automatic Updates

The best way to avoid missing an update is to leverage a platform that automatically applies the relevant updates on your behalf. At Greenshades, our company made its mark based on our ability to track, monitor, and maintain all applicable tax policies for our clients. When we created our payroll and HR platform, we embedded that expertise into the application's core capabilities. We keep track of all the changes, so our clients don't have to.



Payroll Challenge:

3) Garnishment Errors

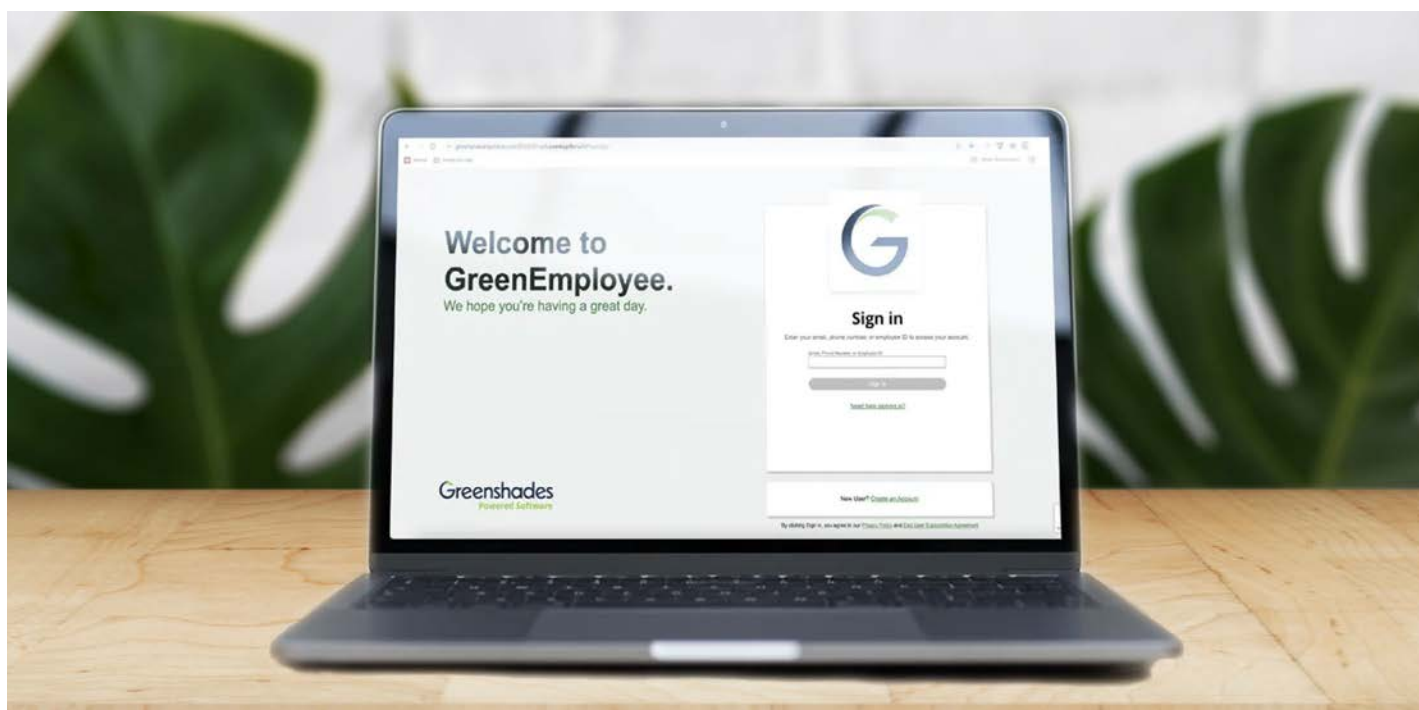
With all the tax complexities outlined above, effectively managing payroll in today's world is anything but straightforward. When additional garnishments such as child support or student loan payments are needed, the chances of making errors increases significantly. Some workers could also have multiple orders, all of equal priority, which makes determining the appropriate amount to prorate even tougher.



Solution:

Rule-Based Calculation

Just as Greenshades helps employers maintain compliance with tax policies, the platform also automates the application of complex scenarios. By automatically calculating an employee's disposable income, Greenshades can apply the maximum amount of child support or other garnishments while simultaneously ensuring that minimum payment thresholds are met. This protects the company, the employee, and the recipient of any of these garnishments.



Payroll Challenge:

4) “Outgrowing” Your Software

As an organization grows and expands, scaling processes like payroll become increasingly difficult. There are especially challenges if payroll is handled manually or if the organization is only utilizing a basic payroll functionality that is bundled with some ERP and financial systems. In these cases, keeping pace with complexity becomes challenging, meaning more time – and manual intervention – is required to complete each payroll run.



Solution:

Software that Scales

Leveraging a dedicated payroll platform like Greenshades means working with a rules-based platform that’s designed from the ground up to grow, scale, and keep pace with your business. It’s easy to update through simple, straightforward, code-free configuration screens, ensuring your ability to support employees will never be limited by “one size fits all” tech.



Challenge:

5) Processing Year-End Forms

Nothing can get the year off to a rocky start quite like errors related to filing the previous year's tax records and associated paperwork. Missing fields, mismatched numbers, and erroneous Social Security Numbers can trigger a cascading effect of rejected forms, late fees, and other penalties. Additionally, year-end form processing can be a time-consuming and highly manual process, particularly if you're still sending paper-based W-2 forms.



Solution:

Let Us Handle That

At Greenshades, we offer a complete year-end forms experience, even if you're not currently using us as your payroll platform. Our year-end solution provides the ability to:

- Easily send all your W-2 and 1099 information directly from your existing payroll provider, ERP system, or even an Excel spreadsheet.
- Streamline the creation of digital forms and host them in our cloud.
- Quickly correct issues before they become a bigger problem after our system reviews the information to flag potential errors or missing data.
- Ensure accuracy by effortlessly validating employee names and Social Security numbers against government records.

Once everything is ready, enjoy a seamless process as our system will e-file your forms and print and mail W-2 and 1099 forms to those who wish to receive them via paper and snail mail.



The Power of an Integrated Approach

On both the payroll and time-and-attendance fronts, we highlighted the ways to improve accuracy, accelerate processing time, and remove friction from the entire end-to-end process. The most successful organizations, however, leverage platforms that seamlessly integrate and deliver a positive end-to-end experience.



Employee-centric Compliance, Accuracy, & Visibility

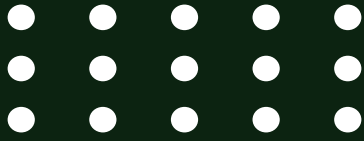


Greenshades and Lathem have aligned to do just that: deliver a powerful, combined platform that helps employers to operate with greater degrees of accuracy, timeliness, and efficiency. Over and above core functionality, the two organizations share a common mission:

- ✓ Uniquely designed to meet the needs of the mid-sized business space
- ✓ Highly configurable to meet any operational need
- ✓ Field-proven in multiple industries
- ✓ Ideally suited to meet the requirements of today's rapidly evolving market.

For more information

Visit us online at Go.Greenshades.com and Lathem.com.



THANK YOU

About Greenshades

For more than 20 years, Greenshades has been delivering automated payroll, robust employee engagement, and comprehensive tax reporting solutions to mid-sized employers across North America. Through our cloud-based Payroll & HR Platform, Greenshades delivers an ERP-independent, yet highly configurable payroll experience. As a result, you get a truly tailored fit without the expense, overhead, and rigidity of an outsourced payroll provider. All of this comes with Greenshades' top-rated support services, designed to provide the assistance you need, when you need it, directly from one of our product experts.

About Lathem

Founded in 1919, Lathem is the leading supplier of time and attendance products for businesses in North America. Over 1 million companies have relied on a Lathem solution to track their employees' time for payroll. Lathem offers innovative technology that is easy to use, reliable, and designed with over 100 years of industry expertise. From cloud-based software to mobile apps and biometric face recognition technology, every Lathem product is backed by an industry-leading US-based customer service team that averages an astounding 18 years of service. Many have tenures of more than 30 years. This commitment is evidenced in every product that carries the Lathem name. Family values, pride in craftsmanship, and attention to detail are at the core of Lathem's culture.