Ultimate SOFTWARE

People first.

The Evolution of Payroll

ADAPTING TECHNOLOGY TO BETTER MANAGE EMERGING PAYROLL NEEDS

Tiffany Baker, M.B.A. ~ Strategic Development Manager & Employer Advisor

© The Ultimate Software Group, Inc. 2019. All rights reserved.

EVOLUTION

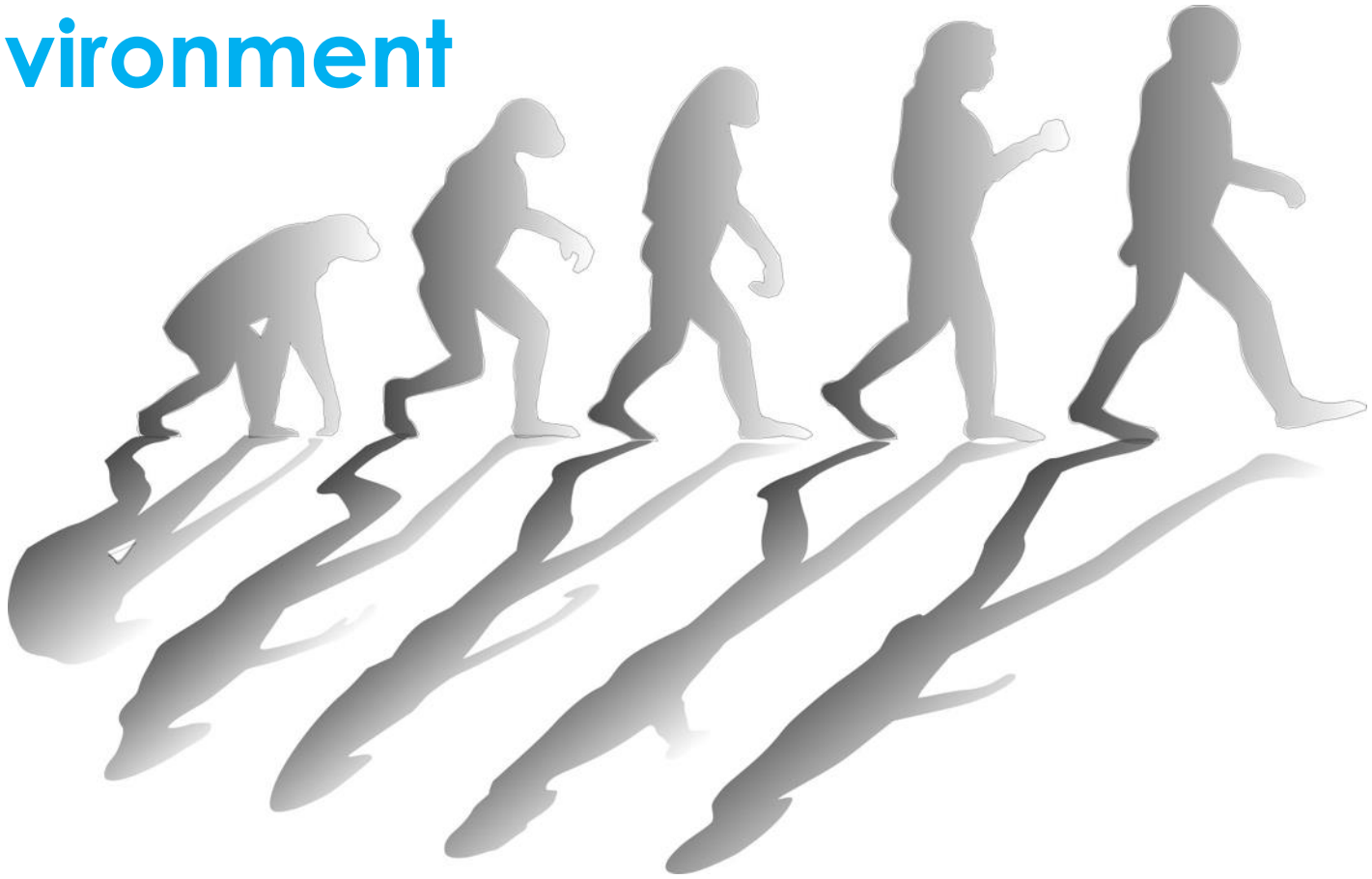
The species adapts to its environment

WHAT IS IT?

Change in inherited traits from generation to generation

Darwin's theory - natural selection:

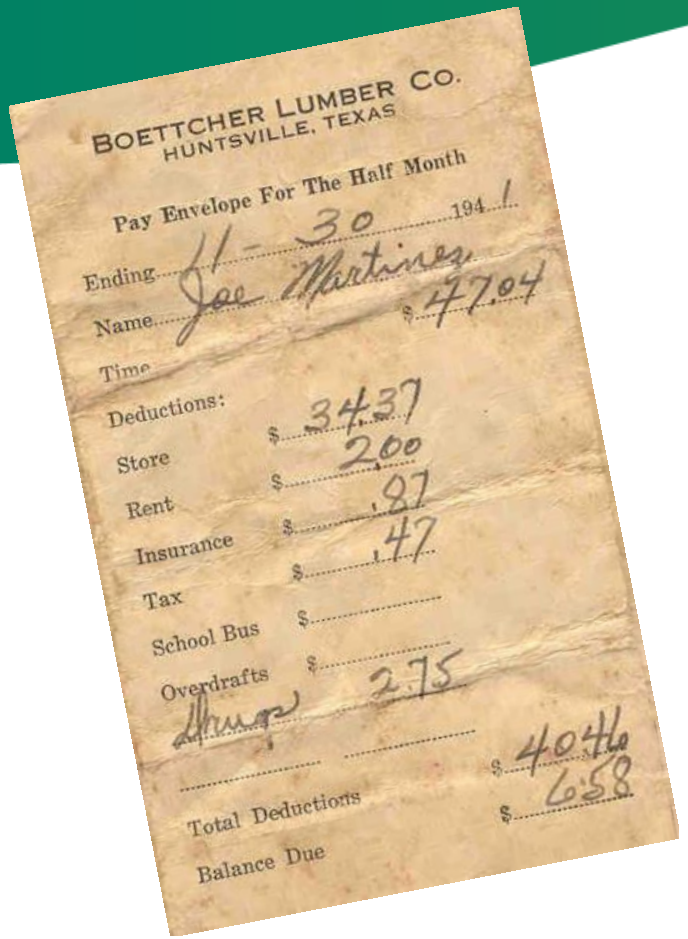
- Traits that are helpful to survival become more common
- Harmful traits become more rare



Ultimate SOFTWARE

EVOLUTION

TECHNOLOGY



BOETTCHER LUMBER CO.
HUNTSVILLE, TEXAS

Pay Envelope For The Half Month

Ending 11-30 194 1

Name Joe Martinez $ 47.04

Time

Deductions:

Store $ 34.37

Rent $ 2.00

Insurance $ 1.87

Tax $ .47

School Bus $

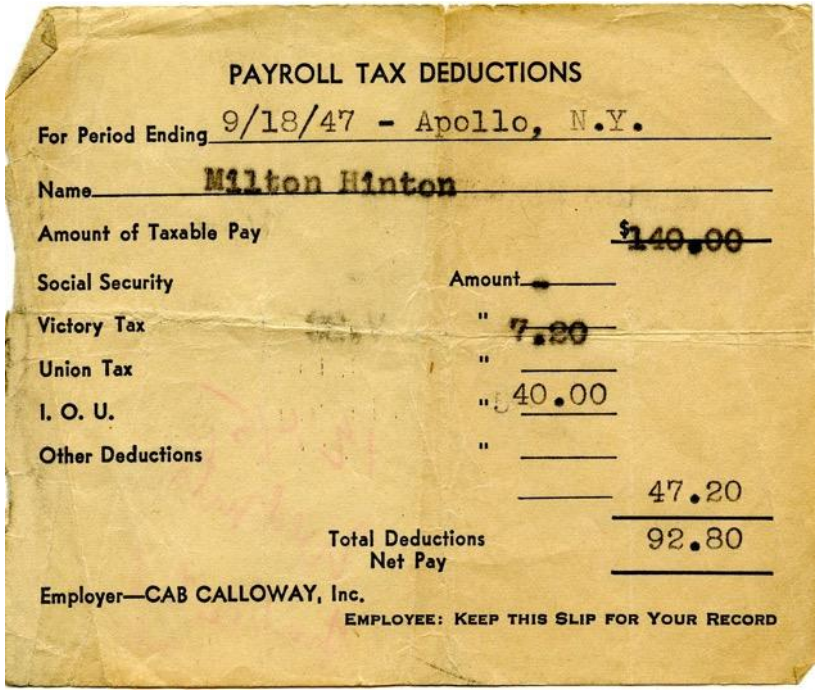
Overdrafts $ 2.75

Total Deductions $ 40.46

Balance Due $ 6.58

PAY ENVELOPE

1941



PAYROLL TAX DEDUCTIONS

For Period Ending 9/18/47 - Apollo, N.Y.

Name Milton Hinton

Amount of Taxable Pay		~~$140.00~~
Social Security	Amount	
Victory Tax	"	~~7.20~~
Union Tax	"	
I. O. U.	"	40.00
Other Deductions	"	
		47.20
Total Deductions		92.80
Net Pay		

Employer—CAB CALLOWAY, Inc.

EMPLOYEE: KEEP THIS SLIP FOR YOUR RECORD

PAYSLIP

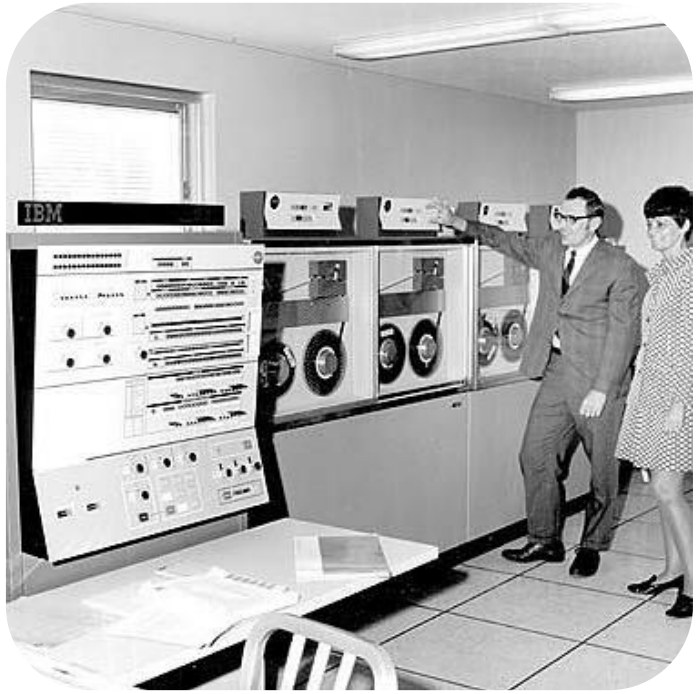
1947

TEXAS INSTRUMENTS
SR-10

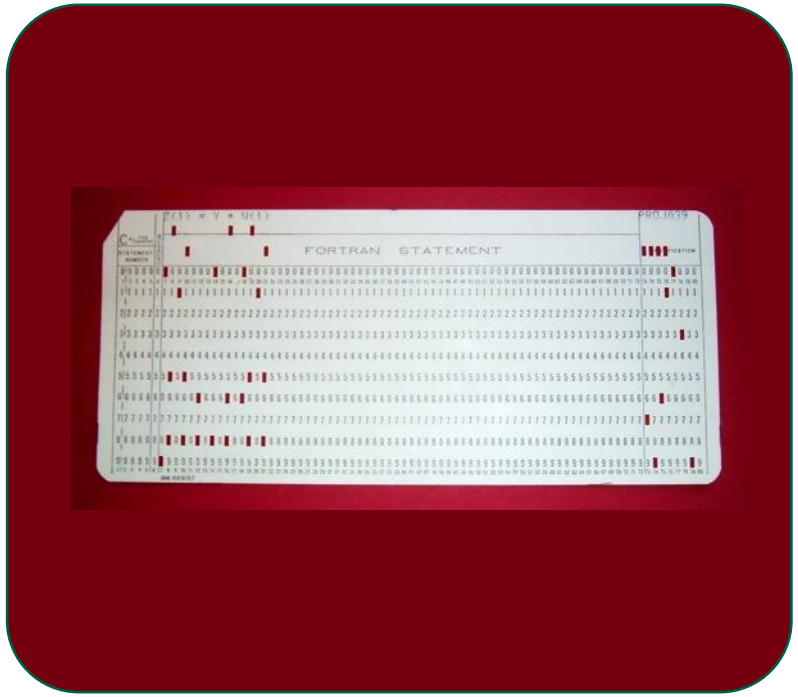
1973

Ultimate SOFTWARE

TECHNOLOGY



MAINFRAME COMPUTERS



PUNCHED CARDS

CHEQUE PRINTING MACHINES

Ultimate SOFTWARE

TECHNOLOGY

1960's and 1970's

~Payroll done & calculator,

~Checks printed & signed

~Keypunch machines were used to record data onto Punch cards.

~Operators spend their days entering orders, time card information and other transactions.

Ultimate SOFTWARE

TECHNOLOGY

COMPUTERS ENTERED WORKFORCE IN 1980-1986

TECHNOLOGY

EMPLOYEE CLOCKING IN

RECORD KEEPING

Ultimate SOFTWARE

DRIVERS OF CHANGE

- PEOPLE
- COMPLEXITY
- TECHNOLOGY

Ultimate SOFTWARE

PEOPLE

Shift in Demographics

By 2035, over 65 will outnumber under 18

Life expectancy continues to rise

Birthrates continue to fall

Ultimate SOFTWARE

PEOPLE

Results of change in demographics:

More pressure on workforce growth & productivity

Economic growth relies on increased workforce participation, engagement & job satisfaction of all =

THERE'S NO "I" IN TEAM BUT THERE IS A "ME"

Ultimate SOFTWARE

COMPLEXITY

Employers becoming creative in order to attract and retain talent in a difficult job market.

Creative benefit offerings add to the complexity of payroll

Globalization and international assignments add to complexity

COMPANY CULTURE

Candidate's top concerns during job search

- Hiring process experience
- Perks offered
- Programs and Benefits aimed at work/life balance
- Connection with the company's culture and values

Ultimate SOFTWARE

COMPANY CULTURE

How does Payroll contribute to company culture?

- By building the company's reputation
- By increasing the level of employee engagement through accurate Payroll, incentives & deductions
- Compensation visibility
- Total Compensation

PAYROLL PROFESSIONALS

Payroll Professionals are faced with:

- Growing employee expectations
- High level of legal requirements
- Numerous deadlines
- Growing employer reporting expectations
- The ability to slice & dice data

Qualified payroll professionals are highly solicited

Ultimate SOFTWARE

TECHNOLOGY

Information Superhighway

Ultimate SOFTWARE

TECHNOLOGY

Cloud Based Technology

- Improved access
- FREE Upgrades
- Little to NO maintenance
- Web based

Ultimate SOFTWARE

TECHNOLOGY
advancements

- Automatic pay adjustments
  - RETRO PAY, MID-CYCLE PAY CHANGES/TERMINATIONS
- Approval Process & Workflows
- Integrated Payroll/HRIS
- Mobile Visibility for EVERYONE

TECHNOLOGY

Mobile Payroll Technology

Communications with coworkers, managers, HR and payroll

Access to paystubs and tax forms

Ability to make changes

Web based from recruiting through exit & beyond

Ultimate SOFTWARE

TECHNOLOGY

Further advancement

- Vacation and other time off accruals
- Clock in/out
- Equity shares & stock
- Performance Reviews with Comp
- Retirement Plans
- Employer Paid Benefits
- Employee Paid Benefits

TECHNOLOGY

Result of advances in payroll technology

More automation – less risk of error

Increased the value payroll offers

Time for more meaningful and strategic tasks

Better work-life balance

Increased productivity

Ultimate SOFTWARE

WHAT'S AVAILABLE VS. WHAT COMES NEXT?

What does the future of payroll look like?

AI AND MACHINE LEARNING

Artificial Intelligence in business

Ultimate SOFTWARE

Tools in an HCM to impact culture

1. Payroll Register Previews (PRIOR to finalizing Payroll)
2. Variance Reports by earning, deduction or tax (Prior to finalizing Payroll)
3. Pre-Pay Day Employee Notifications for Pay Changes
4. Pay Change Modeling
5. Automated Total Compensation Statements, Compensation Change Notifications, Offer Letters
6. Labor Allocation & Distribution Reports/Grant Management Reporting
6. Automated Payroll calculations: Retro pay, mid-cycle change calculations, effective dating
7. Survey Tools
8. Case Management

Ultimate SOFTWARE

AI & MACHINE LEARNING

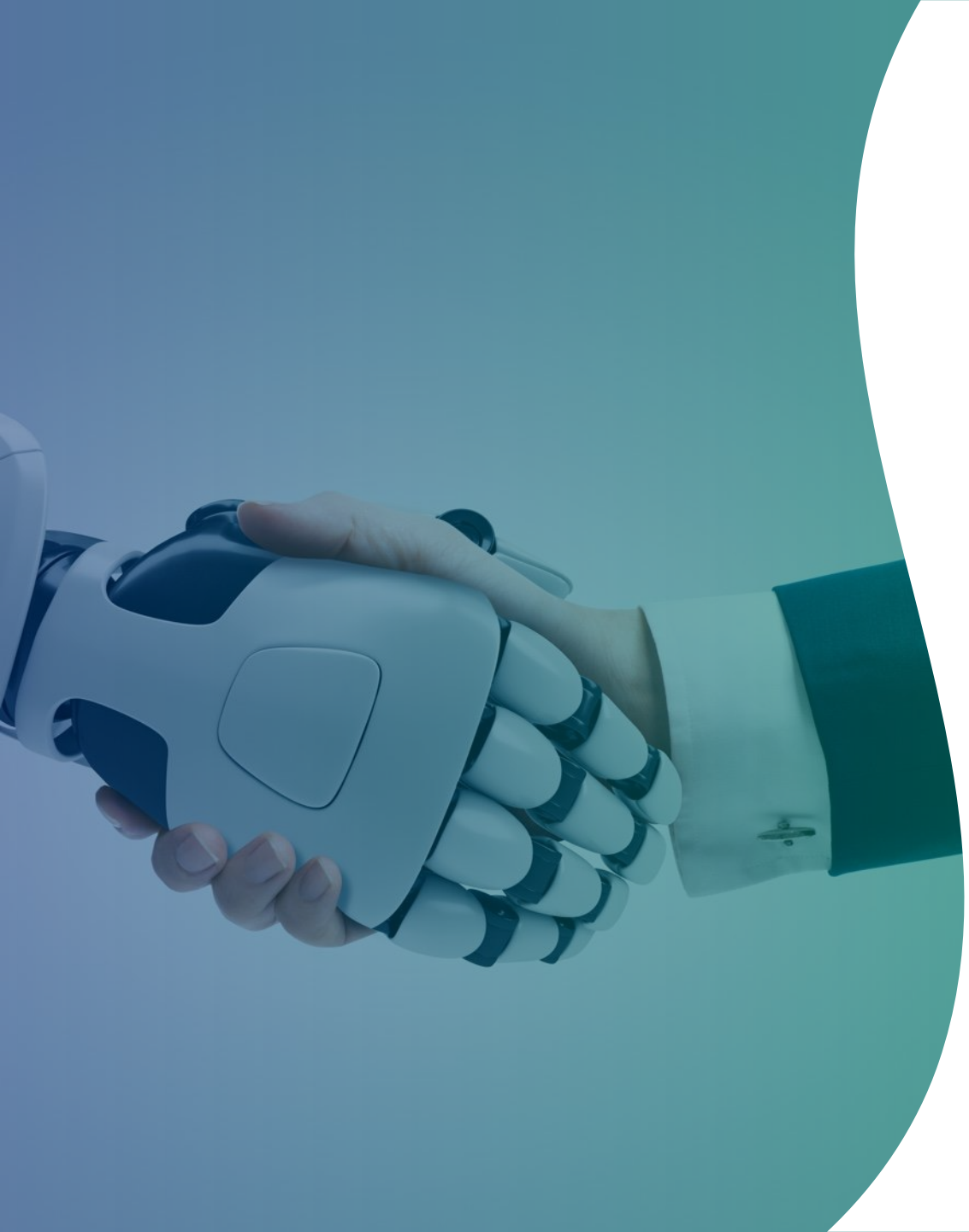
Artificial Intelligence in Payroll and HR

Recruiting

Termination

Retention & Engagement

Ultimate SOFTWARE



AI & MACHINE LEARNING

Concerns over advancement of payroll technology

- HR and Payroll are very personal areas
- Payroll professionals should understand the benefits of automation
- Reduction of manual task
- Focus on higher value activities
- More interesting role
- More valuable expertise
- Payroll couples with AI provides business intelligence
- Use of API – data transfers can occur on schedule
- Rules based validation results in more accuracy

Ultimate SOFTWARE

AI & MACHINE LEARNING

Preparing for the future of payroll with Big Data

- Get more comfortable with data
- Acquire cross-functional knowledge and relationships
- Look beyond payroll to see the bigger picture

Ultimate SOFTWARE

Ultimate
SOFTWARE
People first.
Questions?