

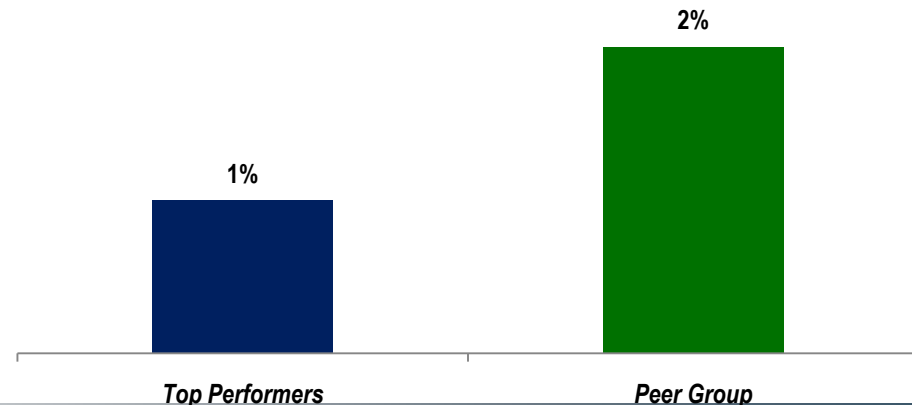
Metric Of The Month: Only 1% of Total Payments is due to Off-Cycle Payments for Top Performers

Controlling the volume and frequency of off-cycle payments is a big challenge for all payroll organizations. Many times there are statutory and labor agreement requirements that must be addressed immediately thus requiring an off-cycle payment. In addition, some corporate policies require bonus, incentive and other special payments be processed on a separate payroll. As a result, most payroll organizations will have a certain number of off-cycle payments each year. However, Top Performing payroll organizations have leveraged relationships throughout the enterprise to minimize the number of off-cycle payments processed. In fact, only 1% of their total payments are due to off-cycle payments. For the peer group, the percentage of off-cycle payments is two times higher or 2%. Payroll leaders should clearly identify where off-cycle payment processing can be controlled. Late paperwork, time reporting and pay rate changes should not always require an off-cycle payment.

For payroll organizations that are part of a shared services environment, off-cycle payments should be one area of focus in Key Performance Indicator (KPI) Programs and/or Service Level Agreements (SLAs). A comprehensive case management tool can be used to perform root cause analysis for off-cycle payments. Relationship Managers should share this information as part of their ongoing communication with customers in an effort to alleviate the root cause. The goal is to only process off-cycle payments when required for statutory or other compliance purposes.

What policies and procedures do you have in place for off-cycle payments? How often do you process off-cycle payments? What approvals are required for off-cycle payments? Is a minimum threshold required (dollar amount or percentage) before off-cycle payments are issued? What percentage of your total payments are off-cycle payments?

Percent Off-Cycle Payments



Provided By Felicia Cheek, Global Time-to-Pay Advisory Program Leader, The Hackett Group

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