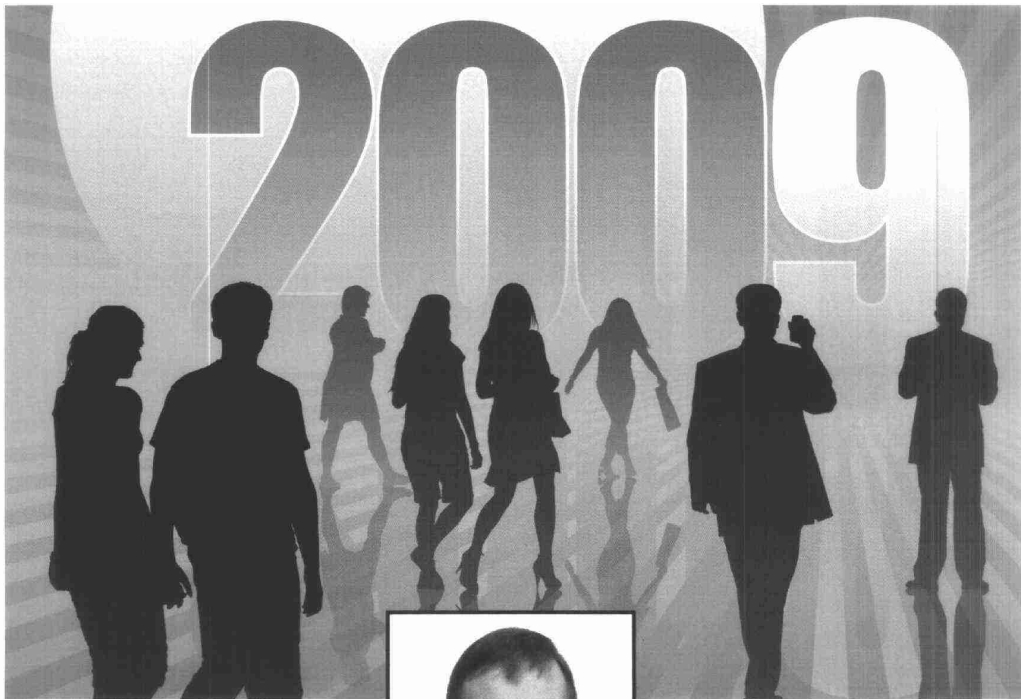


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Which planned change in 2009 will have the biggest impact on payroll?

I will be very (pleasantly) surprised if mandatory e-filing of P46s and P45s in April 2009 doesn't create some headaches. How will HM Revenue & Customs (HMRC) cope with the increased volumes? Will payrolls be able to adapt their internal procedures to deal with e-filing successfully?

What will be the biggest challenge for payroll in 2009?

Despite the best efforts of the Institute of Payroll Professionals, payroll is still generally undervalued and therefore always has a battle to justify its costs. In the current economic situation this pressure will inevitably increase. Also, as organisations downsize, work for payroll will temporarily increase, but there will be an expectation that payroll will need to downsize too.

What are likely to be the payroll hot topics in the coming years?

Taxing benefits-in-kind through payroll rather than via P11Ds is proving quite an emotive subject. It ought to be a really good move for most of the parties involved, but



Trends Q&A

John Black, payroll and legislation advisor, MidlandHR

will only become a reality if HMRC are prepared to change some of the rules for calculating tax liability on certain benefits. In fact, legislative changes as a whole will continue to be a significant source of pain for payroll personnel as there are no signs of the pace of change abating.

What are likely to be the main trends for payroll in the next couple of years?

Apart from the downsizing referred to earlier, I believe employee self-service will be on the increase. The benefits from employees being able to view their payslips online, submit timesheets and expenses claims, change bank details and access their P60 information are beginning to prove more compelling for employers.

Any other changes payrollers need to be aware of?

The introduction of the Upper Accrual Point in NICs calculations will add further complexity to the lot of the payroll office and generate a number of queries. But, generally, payroll software will take care of most of the complexity.

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Comment on payroll trends

Payroll jobs market



Patricia Taylor, Logica, director HR Outsourcing Business:

“What was once a very competitive

labour market, with payroll-experienced staff demanding ever increasing salaries, may level off in 2009.”

Multi-country payroll

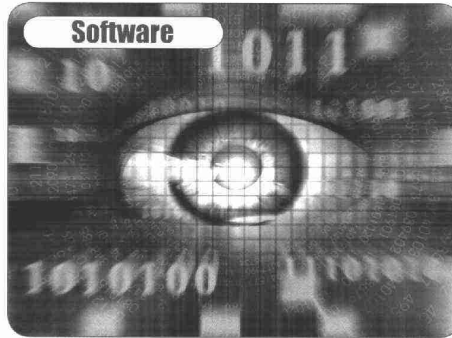


Keith Rodgers, co-founder, Webster Buchanan Research:

“Multi-country payroll will certainly

climb up the agenda – mid-sized and large multinationals really need to get better centralised control over their international operations. People will be talking about it because there are so many challenges, from building the business case for investment to finding the right software/service partners and tackling the cultural and regulatory issues.”

Software



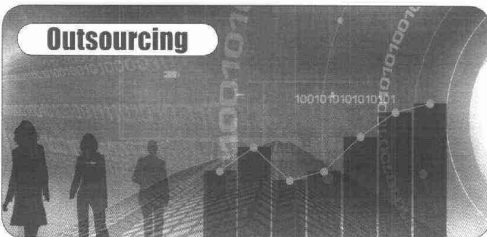
Chris Berry, managing director of Computers in Personnel (CIP):

“I think we’ll see growing take-up of hosted services, where an outsourcer runs the software and the customer accesses it over the internet. It takes away all the hassle of managing software but lets you process payroll in-house – so for many people that will be a great halfway house.”

Ian Fitzgerald, payroll operations director at NorthgateArinso:

“In terms of software trends, integrated systems will dominate. Systems that offer one single database have proved the most effective to date, and there is no reason why that will change.”

Outsourcing



Chris Berry, CIP:

“The trend to outsourcing will continue in different forms – maybe less so in HR and payroll business process outsourcing, but certainly in traditional managed services.”