Proofreading Payroll: How Can I Be Sure It's Done Right?

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Fun fact: Screwing up payroll isn't just frustrating for employees and a hassle for your organization, it's also illegal. Eighty-two million U.S. employees – that's 54% of the American workforce – are affected by payroll problems. And it takes just two payroll errors to send nearly half of U.S. employees looking for a new job. Your employees are counting on their paychecks to arrive accurately and on time, every time. If you can't deliver on that bare-minimum requirement, they'll find an employer that can. And hey, let's say you don't care about employee engagement or retention (though that's probably unlikely), consider the fact that the IRS penalizes small businesses billions of dollars for payroll errors each year. In fact, 40% of small to midsize businesses incur IRS penalties related to incorrect payroll filings. But there's an easy solution to all of this. You can keep your employees happy and paid accurately and on time – and avoid fines, attorney's fees, or worse – by proofreading your payroll. Done regularly, this can help you to maintain accuracy and compliance, identify potential issues before they become big problems, and keep your financial controls strong. It's better to be in the know than hit with a huge surprise down the road. So, here are just a few things to look for when you're proofreading your payroll to catch those problems before they snowball:

- Keep an eye on employees nearing the Social Security wage base limit. People with higher salaries may hit the limit ($137,700 for 2020) and will no longer owe social security taxes. In addition, your company will no longer owe that tax on these employees' wages. That's something to watch in order to avoid over withholding from your employees and contributing more than required.
- Look up your last three terminated employees and make sure they are not on your payroll. The last thing you want to do is accidentally pay people who no longer work for you! In larger companies, it can be easier for a former employee to slip through the cracks and stick around on the payroll. Nip this awkward situation in the bud by keeping close tabs on your payroll.
- People who have been promoted or recently received a raise are obviously important to your company, so make sure their pay changes were implemented accurately and on time. You don't want your most valued employees to think their raise will appear on the next paycheck and – oops! – it doesn't. These kinds of errors are a surefire way to disappoint your employees and harm your employer brand.
- Keep an eye out for typos. This is the very essence of proofreading. One errant keystroke can wreak all kinds of havoc if you're not paying attention. It's easy to accidentally enter 30 hours instead of 3 or add an extra digit to the end of a dollar amount.

Ignorance *isn't* bliss when it comes to payroll. Regular quality checks can keep small errors from spiraling into something bigger and uglier, and paying your employees accurately every time keeps them engaged and burnishes your employer brand. Of course, in addition to these regular quality checks, using flexible, online payroll management software, if you don't already, can eliminate many errors and save a lot of time and hassle. Viventium offers flexible software and expert guidance so you can be sure your payroll and HR are done right. If you want to learn more, let's talk.

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