

Time & Attendance

How to Eliminate Overtime
& Minimize Noncompliance Risks

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TABLE OF CONTENTS

Introduction

Time and Attendance: Functionality Pays

Page 3

Part 1: Time-off Accruals

An introduction:

Page 4

Tracking Accruals with WorkForce WT&A: 5 Benefits

Page 5

Part 2: Pay Calculations

An introduction:

Page 7

Calculating Pay with WorkForce WT&A: 5 Benefits

Page 8

Summary: The Benefits

An executive brief:

Page 10

About WorkForce Software

Who we are. What we do.

Page 11

Time & Attendance: Functionality pays.

Today, HR Managers are held accountable for a lot, including:

- Talent Management
- Benefits Administration
- Time & Attendance
- Payroll

To streamline processes and cut costs, many organizations are opting to fulfill these needs with a compact, “all-in-one” human capital management (HCM) solution.

On the surface, this seems like a practical, convenient option. But is it?

The problem with an “all-in-one” approach?

As far as time and attendance needs go, all-inclusive systems are light.

They lack the functionality needed to provide in-depth visibility – the data leaders depend on to make sound strategic decisions about their labor spend – especially at an enterprise level.

From a financial standpoint, a surface-level, all-in-one solution can stunt an employer’s long-term ROI.

This opportunity cost is greatest, though, in Time and Attendance (T&A).

Why Time and Attendance?

Because out of any single HCM function, T&A has the biggest direct impact on costs and revenue generation.

When you consider that payroll typically takes up 50-60% of an organization’s operating expenses, being able to accurately capture the amount of time a person works is incredibly valuable.

Of course, to do so, organizations must select a solution that improves every aspect of their time and labor practices.

That means working with a dedicated time and attendance solution. A powerful, robust solution that provides functional depth and flexibility, rather than a mere add-on module.

Ultimately, even small, “minor” gaps in your Human Resource Management System’s (HRMS) automation can:

- Slow your efficiency
- Corrupt your data
- Drain your productivity

This eBook will explore two common time and attendance functions that all-in-one solutions typically can’t cover in detail:

- **Part 1: Time-off accruals**
- **Part 2: Pay calculations**

When you’re done reading, you’ll understand the specific advantages of managing these functions in a best-of-breed T&A solution, one that provides optimal functionality while working hand-in-hand with other HR and payroll solutions.

Let’s go.



Curious how WorkForce Time and Attendance can help your organization?

Sign up for a
Personalized Demo Today.

Part 1: Time-off Accruals

An introduction

Most core HR solutions include basic tracking mechanisms for common types of leave from work, including:

- Vacation time-off
- Sick time-off
- Paid time-off

But there's a problem: These “light” features often omit important aspects of time-off management, relegating parts of the process back to manual steps.

This approach limits the details of the reporting, stifling the flow of valuable data and information to decision makers.



The “Dedicated” difference?

Tracking time-off accruals with a dedicated time and attendance solution, like WT&A, ensures that time-off balances accurately reflect:

- Time earned
- Time used
- Time forfeited

Why? Because a dedicated solution has the deep, robust functionality necessary to deliver that information.

A dedicated solution allows for organizational PTO policies to be automated. In other words, instead of changing your policies to align with the software, the solution can be configured to address the rules of your organization. That makes it easy, convenient.

A dedicated solution also give you the flexibility to track time in a way that makes the most sense for your organization (while still having the confidence of automation, which is essential to maximizing efficiency and, in turn, ROI).

For example, here’s a list of nuances that can be automated using a dedicated T&A system:

- Annual carryover rules
- Grandfathered exceptions
- “Earned” vs. “Available” time-off
- Unit of time tracked (by hour, or day)
- Prorated time-off for new employees
- Accrual frequency (by week, month, or quarter)
- PTO amounts, based on employee length-of-service
- Policies surrounding concurrent FMLA and PTO usage

All this information allows managers to more effectively plan around time-off. This level of transparency will lead to a measurable decrease in:

1. Unscheduled time-off
2. Unplanned overtime

Visibility & Transparency:

The Employee Impact

Accurately tracking accruals gives workers more visibility into their time and attendance. This transparency, then, promotes employees’ control over their time, their work and, in turn, their life away from the job. As a result, employee engagement levels increase.

For example, unlike most core, “light” HR solutions that do not support employee access, WT&A accruals are visible anytime, from multiple sources, including online – even on mobile.

Ultimately, employees with access to accurate, reliable data (e.g., time-off accrual projections) are happier and more satisfied at work. These happy, satisfied employees, then, are more likely to stay longer, work harder, and attract better people to your organization, benefiting your bottom line.

Tracking Accruals:

The Manager Impact

Accurately tracking accruals helps managers process employee requests quickly, easily.

Whether it’s creating PTO black-out dates or auto-approving requests, making the approval process a component of your T&A solution gives you the flexibility to keep the business running with minimal administrative hiccups.

Furthermore, a dedicated system allows you to track other accumulators that core HR applications typically cannot handle. Tardy occurrences, for instance, can be tracked in WT&A with the same degree of transparency applied to other accruals ...

The benefit: No surprised, disgruntled employees when disciplinary actions are taken.

How can WorkForce Software help?

Tracking Accruals with WorkForce:

5 Benefits:

Here's what sets WorkForce Software apart:

1. Real-time data:

WT&A tracks accruals in real-time, ensuring that:

- Accrual banks are never out of date
- There's no guesswork around an employee's remaining:
 - » Paid time-off
 - » Vacation time-off
 - » Sick time-off

2. Unprecedented balance accuracy:

WT&A's powerful rules engine can automate even the most complex accruals, whether it's:

- Carryover rules
- Prorated calculations
- Grandfathered exceptions

So you can be confident that your time-off balances are always accurate.



3. Long-range forecasting:

WT&A provides an accurate view of projected time-off, giving employees and managers alike access to accurate data precisely when they need it.

4. "At-a-Glance" clarification:

WT&A lets managers quickly and clearly see who will be out, and when.

This enables leaders to take scheduling needs into account before approving any time-off requests.

5. Hard-dollar savings:

WT&A's clear, documented workflows streamline communications, helping to eliminate time-off abuse.

This creates measurable savings for the business.

Part 2: Pay Calculations

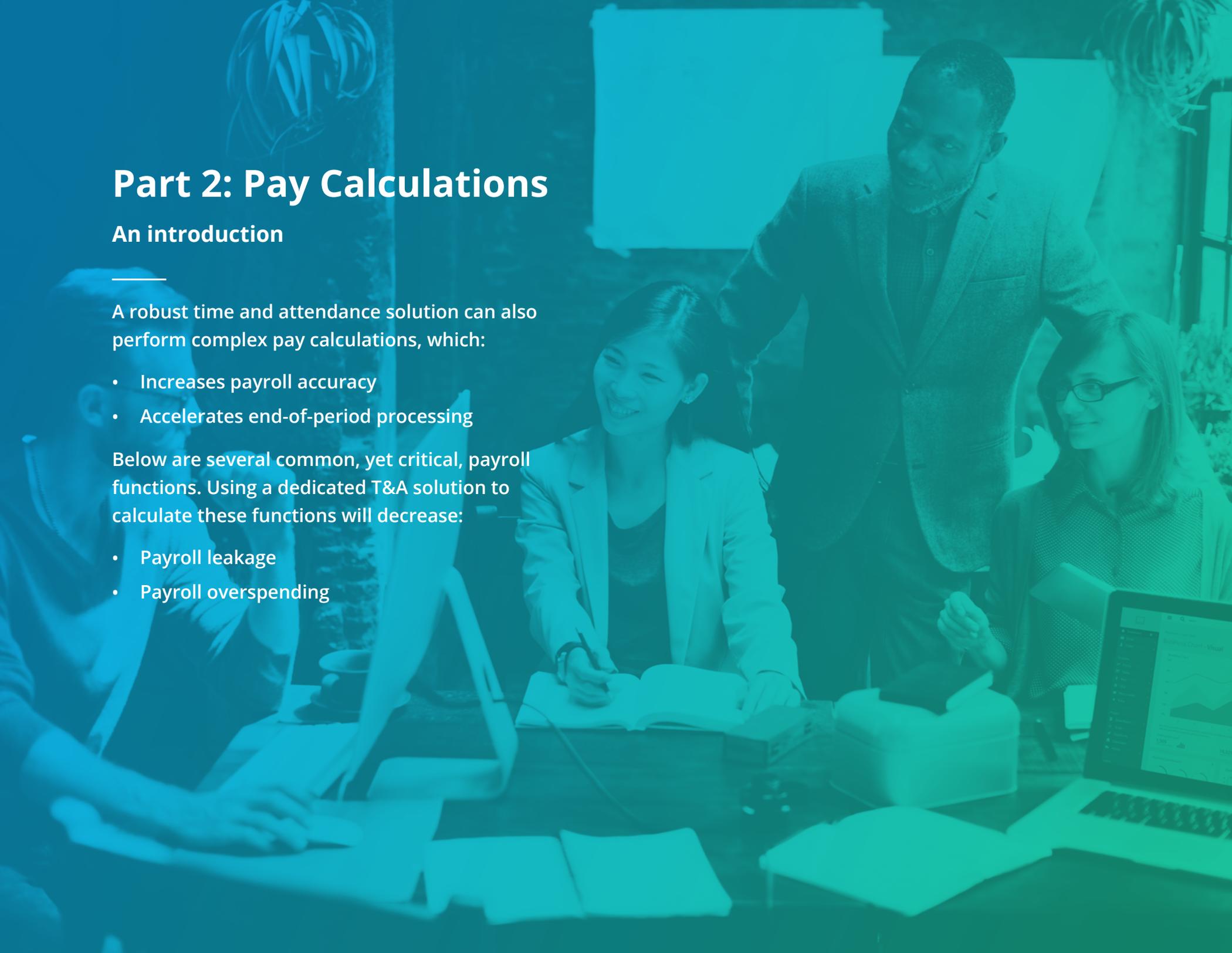
An introduction

A robust time and attendance solution can also perform complex pay calculations, which:

- Increases payroll accuracy
- Accelerates end-of-period processing

Below are several common, yet critical, payroll functions. Using a dedicated T&A solution to calculate these functions will decrease:

- Payroll leakage
- Payroll overspending



The result? A more productive, more cost-effective way to manage your labor spend. Let's dive in:

1. Gross pay.

Time and Attendance is the prime source of the most complete and detailed data necessary to calculate gross pay.

An ultra-configurable T&A solution allows organizations to capture a variety of important data, including hours scheduled and hours worked. It can even be used to record the type of work each employee is doing. This information, then, can be used to determine certain forms of pay, including overtime pay and job-specific pay rates.

A dedicated solution can also automatically detect situations that require the application of complex pay rules, and apply those rules consistently – functionality that's categorically out of reach for a typical, "light" HCM suite.

2. Overtime pay.

\$10,000. That's the potential fine every time an employer fails to comply with the overtime rules put into place by the Fair Labor Standards Act (FLSA).

Dedicated time and attendance helps organizations avoid the expensive pitfalls of non-compliance by ensuring greater accuracy throughout each part of the calculation, from determining the number of hours worked to the employee's regular rate of pay.

And while core HR systems can technically calculate overtime, they still face limitations that lead to ongoing, perpetual overpayments. For example, a "light" HR system is likely unable to calculate the FLSA's blended rate overtime, instead basing calculations on the highest wage earned during the pay period.

Spread over your entire workforce, this type of error can cost your organization a fortune.

3. Premium pay.

You probably have employees who are paid at a higher rate depending on the when and/or where they work. For example, your employees may garner "premium" pay if they work:

- On a holiday
- Over the weekend
- More than 40 hours a week

These types of calculations, of course, are subject to frequent errors. For example, while your "light" HR system may be able to calculate basic types of shift premiums, it can only do so within rigid parameters, which pushes other calculations back onto a manual, error-prone spreadsheet.

A dedicated T&A solution streamlines the process, letting you customize efficiencies for unprecedented accuracy.

4. Retroactive calculations.

Time and attendance provides a clear audit trail of original and revised time cards, giving managers the option to approve the correction or take further action, such as issuing an additional correction.

Time and attendance automatically applies the correct rule to each time card, even for amendments that go back months, or years. In fact, a dedicated solution is so powerful that it can automatically update every related element, from labor distribution to downstream systems to accrual balances.

Whether you need to enforce new rules retroactively or amend time sheets for groups or individual employees, a T&A solution will reduce or eliminate your errors, saving you time and budget.

5. Activity-based costing.

A dedicated time and attendance solution can be configured to track time worked on specific projects or products, enabling accurate activity-based costing metrics.

These figures, then, can be automatically synced with the appropriate accounting system.

Your organization can use this data to spot emerging labor trends, including employee groups or shifts that are most productive. These learnings can then be documented and applied enterprise-wide, accelerating benefits that might otherwise take months to recognize.

How can WorkForce Software help?

Calculating pay with WorkForce:

5 Benefits

Managing your organization's pay calculations with WorkForce Time and Attendance will help:

- Increase accuracy
- Reduce the risk of costly overpayments
- Support compliance practices (not to mention your ability to furnish proof of that compliance)

Performing these functions within WorkForce Time and Attendance also gives organizations the flexibility to:

- Automate complex pay rules
- Enable activity-based costing
- Establish different pay periods for various employee groups
- Address every other pay-related requirement within a single, powerful solution

... a solution that can be integrated with your existing payroll and HR system, among other applications. Therefore, organizations that invest in WorkForce Time and Attendance will enjoy:

1. Greater payroll accuracy:

Calculations are based on real-time, accurate source data, so you can be confident the results are precise.

2. A reduction in manual processes:

Without any figures to re-key or spreadsheets to sort through, payroll departments can focus on the high-priority tasks, those that align with key business goals.

3. Faster end-of-period processing:

High-stress pre-processing days (and nights) will be a thing of the past, as WorkForce automates all labor data, pay rates, and payroll calculations.

Easy. Done.

4. Easier, more efficient retroactive calculations:

With a clear audit trail, streamlined workflows, and automatic updates, retroactive calculations can be activated more quickly than ever thought possible.

5. Greater transparency for employees:

Simple, easy-to-use self-service options reduce pay-related questions to payroll and HR, all while improving employee satisfaction levels across your organization.

Summary

The Benefits

An executive brief

From a distance, all-in-one HR systems and dedicated Time and Attendance solutions seem functionally similar, comparable.

But that's not true.

In reality, a long list of functional gaps in a broad HCM suite can expose your organization to higher labor costs and significantly more manual effort, draining your people and your budget.

That said, choosing a dedicated Time and Attendance solution for specific functions – such as accruals and pay calculations – will help you:

- Eliminate over-payments
- Wipe out time-off leakage
- Minimize non-compliance risks
- Enable strategic decision making across your entire enterprise.

To learn more about how WorkForce Time and Attendance can help your organization cut labor costs and gain access to actionable metrics, organization-wide, visit www.WorkForceSoftware.com.

About WorkForce Software

Who we are. What we do.

WorkForce Software is making work easy for the connected workforce around the globe. We provide enterprise and mid-sized organizations with real-time insights backed by pre-packaged domain expertise and proven flexibility.

Our cloud workforce management solutions empower employees and managers to digitize time and labor processes, optimize demand-driven scheduling, simplify absence management and enable strategic business insight.

With complete visibility across all employee groups and locations, WorkForce Software equips organizations to reduce labor costs, demonstrate compliance and boost employee engagement, all while maximizing operational efficiencies.

For more information, visit workforcesoftware.com.

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