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HOW PAYROLL CAN BE A STUMBLING BLOCK IN TIMES OF FLUX

Getting payroll right is about much more than just getting money to employees each month – it encompasses confidentiality, security and business continuity.

The coronavirus pandemic has put a sharp focus on the importance of business basics, like payroll, as well as the need for flexibility in a rapidly changing environment.

For one thing, companies are grappling with legislative changes, as some governments have been changing their employment legislation on an almost monthly basis. This can have a huge knock-on effect for the calculation of payroll.

“Getting payroll wrong can have significant implications,” says Gary Wright, HR & Payroll Solutions Lead at TMF Group. “It can be daunting, and you want someone who has the right local knowledge. We can take a lot of heavy lifting off the clients, ensuring compliance with regulations, and we have the right resources to assist at all times.”

Moving to digital

Faced with a new reality, and a different economic backdrop, many companies may choose to outsource more of their human resources work and to coordinate more across jurisdictions.

“Business continuity plans (BCP) are often in place, but they tend to be country specific and related to specific incidences, like cyber-hacking,” says Wright. “Now it’s about expanding those plans to include payroll and thinking about strategies where tasks can be shared by other offices.”

That rethinking often results in a wholesale change in the way BCP is approached – for example, an office in Belgium supporting payroll processing in France. This burden sharing is likely to continue as the crisis subsides, as businesses look to make their operations more streamlined to cope with further upheavals.

There is also likely to be further digitalisation: Countries where physical payslips were required pre-pandemic may begin to review this legislation, after social distancing rules forced them to provide online versions. Employees are already taking many aspects of remote working for granted, including accessing payroll and other HR information on their mobiles, tablets and laptops.

“We are seeing a phased relaxation of stringent laws that previously required data to be hard copy,” Wright explains. “In places like Eastern Europe and Latin America, there’s traditionally been a focus on hard copy data and that’s shifting. These changes are not just for the short-term, they are going to be forever.”

Looking to the future

With ongoing and significant changes coming out of the pandemic, companies must prepare for the next phase.



“There’s going to be a different reality,” says Wright. “Organisations are reassessing their plans, the cost of their administration and what the future looks like.”

HR administration needs are likely to increase; for example, the need for contract and recruitment document processing as workforce challenges come to the fore.

There may be an increase in M&A activity once the initial economic shock has passed, as some companies join forces to survive. That puts payroll back at the top of the priority list.

Bringing together organisations that use different software, schedules and pay policies is tricky and not getting it right leads to compliance issues. Benefit packages must be commensurate, while late payment irritates employees, damages corporate reputations and can result in fines.

TMF Group has ensured minimum disruption to its services to clients throughout the crisis and will continue to do so as businesses begin to recover.

Choosing a knowledgeable partner to help get HR and payroll right at this challenging time can save time and money, giving you peace of mind to focus on the bigger picture.

Want to know more about TMF Group services and how we can help your business?

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