

ASK AN EXPERT

INSIDE:

The Coalition for Payroll Excellence Breaks New Ground

Plan Advisor Gains Momentum with Attention to the Achilles' Heel of Retirement Plans: Payroll Administration

Scoop on "The Scoop"

PUBLICATION DEBUTS IN ORGANIZATION'S THIRD YEAR

Debuting in 2021, The Scoop brings to readers testimonials and commentary from experts to help payroll and plan administrators adopt integration best practices that lead to payroll excellence.

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The Coalition for Payroll Excellence Breaks New Ground in the Relationship Between 401(k) Service Providers and Payroll Service Firms

2020 proved to be a banner year for the Coalition making inroads into the payroll community. Several impactful initiatives helped the Coalition gain the attention of retirement plan service providers, payroll platforms, payroll processors, and HCM suites looking to streamline data exchanges.

GROWING MEMBERSHIP

Fifteen firms joined the Coalition for Payroll Excellence in its second year (2020), including:

- AIG Retirement Services
- Empower Retirement
- John Hancock Retirement Plan Services
- Nationwide Financial
- PAi
- Pentegra
- Principal Financial Group
- Prudential Retirement
- Securian Retirement
- SS&C
- T. Rowe Price
- TIAA
- Transamerica Retirement Solutions
- Ubiquity
- Vanguard Group

VIEWPOINT PAPERS

In 2020, the Coalition published three informative Viewpoint reports:

- [Efficiency Gains for Payroll Service Providers](#) lists compensation and contribution fields to include in the data exchange between retirement plan service provider and payroll platform.
- [HCM Suites Deliver Enhanced Client Service](#) addresses the key indicative data elements that employers, retirement plan service providers, and payroll service providers have come to expect in Payroll 180 and Payroll 360 files.
- [Increase ROI with Superior Payroll Staffing and Support](#) provides insight into ways to maximize ROI through sensible deployment of payroll staffing and support needed to maintain a financially well workforce.

CONTACT INFORMATION EXCHANGE TO FACILITATE COMMUNICATION

Payroll integration will only improve if payroll and retirement plan service providers communicate well and frequently. Members of the Coalition exchanged a list of contacts at the product level to facilitate problem resolution in the future.

EXHIBIT AT 2020 IPPA SALES AND MARKETING CONFERENCE

Members of the Independent Payroll Providers Association (IPPA) got to meet the Coalition first-hand at the 2020 Sales and Marketing Conference in Las Vegas, NV. This annual conference proved to be an excellent venue for payroll processors, payroll platforms and others to learn about the Coalition and to advance our mission statement.



Plan Advisor Gains Momentum with Attention to the Achilles' Heel of Retirement Plans: Payroll Administration

A Conversation with Joe DeBello, Plan Consultant at OneDigital



Joe DeBello CRPS®, QKC, QPA Retirement Plan Consultant - OneDigital – Orlando, FL

Retirement Plan Consultant since 2011. Prior to joining the OneDigital team in Orlando, FL, Joe worked at Paychex Retirement as a Regional Representative. 100% of Joe's personal practice is with retirement plans: 401(k), 403(b), Money Purchase, Profit-Sharing, and NQDC. To his clients, Joe provides ERISA 3(21) and 3(38) investment advice and supports all aspects of the plan: Investment consulting, fiduciary training, fiduciary assistance, service provider monitoring and benchmarking, plan design and financial wellness consulting. Joe has been recognized as NAPA Top Retirement Plan Adviser Under 40 and Employee Benefit Adviser Magazine Rising Star. Joe advises 90 plans, 60,000 participants and \$900 million in plan assets.



THE SCOOP: So, at age 34, Joe, you already advise 90 retirement plans with nearly \$1 billion in plan assets. What factors have contributed to your success as a plan advisor?

It has really been two-fold. First, it's really understanding the operations and the administration of a plan, where pain points can come in, and being able to find paths forward for plan sponsors. I attribute a lot of my success to being a student of all things retirement plan, including payroll, which as most of the folks that administer plans know, plays a huge part in driving outcomes. I think our industry, unfortunately, is filled with talk around

investments and nine times out of ten, prospective plan sponsors can't even get to the investment conversation because they're having payroll challenges every week and they're having to do costly corrections. Really leaning into payroll and understanding not just the investment aspect of a retirement plan and fiduciary governance, but what makes a plan operate efficiently, allows me to connect with decision makers on these prospective plans. That's been a really great way for me to maybe sound a little different than many of my peers.

THE SCOOP: Now, as you know, maintaining payroll and data integrity and quality is always a challenge. Turnover of HR people, or payroll people, and other issues get in the way. From your perspective, how do clients view this challenge?

Certain payroll and data integrity issues in many ways have become easier to identify and address. At the same time new data-related challenges are arising each day. In the payroll provider and HCM space, has become so innovative and the connectivity to retirement plan providers so much better, that there are more integrations with payroll providers and record-keepers than ever before – so, that’s the good side of it. Where it has gotten a little more challenging is, as plans have increasingly relied on data to power their platforms, there has been a need for more and more data. While we have made it easier to transmit data, there is more data now being required by providers to power solutions. I see this trend increasing and I don’t think it is one that is going away.

THE SCOOP: Where do you see opportunities for plan advisors? And what do you see as the responsibilities of a plan advisor when it comes to enhancing the integrity of payroll data?

To use an analogy, I want to be more of a smoke detector than a fire extinguisher for the client. While we don’t have the ability to manually manipulate data on the client’s behalf, it’s our job to notice things before they become major problems. If I can see things that seem to be a little off, reporting coming from the plan provider for example, maybe the employee demographic reporting appears off. Sometimes we can easily see that the employee count reported by the plan provider is not accurately representing the plan sponsor’s records. There are all these little keys and clues that often an advisor can see with all the reporting we have, showing where payroll issues may be occurring, even if the plan sponsor doesn’t know about it yet. There is a huge opportunity for plan advisors to really broaden that type of advice and consulting. And again, we are not asking advisors to be data managers, but there are certainly symptoms that we can see from our vantage point that indicate some administrative challenges. Usually, they tie back to payroll.

THE SCOOP: What kind of plan sponsors take ownership of these issues and act upon them when they arise?

I think most plan sponsors understand their responsibility under ERISA. They have a general idea of how they are supposed to operate the plan. I would say that by and large, almost all employers are wanting to do the right thing. Our job is to help them identify the issue and then to walk them through the process to correct it. In most cases, the plan sponsor is aware of these issues – they’re just not sure how to resolve them. Payroll tends to be a high turnover department within an organization. Often, you’ve got someone in that chair who maybe learned a practice from the person who preceded them, and they haven’t really had a chance to sit down with someone who can teach them the proper way to administer the plan. By and large, I think the plan sponsors with whom we work when issues are spotted, will react accordingly and make the proper corrections. Our job is to make sure they are educated on how to avoid these issues in the future.

THE SCOOP: So, can an employer enhance the effectiveness or even the outcome of the retirement plan simply by enhancing their payroll practices?

Absolutely. To provide employees with an accurate picture of where they stand based on their age, income, location, you name it, we’ve got to get that data on a regular basis. And if the data’s flawed, it’s garbage in, garbage out; you’re going to get incorrect information. For our consulting and advice to be truly effective, the data has got to be accurate.

THE SCOOP: What trends have you seen regarding your client’s experience with payroll vendors?

We continue to see a trend towards outsourcing. We are starting to see more plan sponsors, especially in the small and mid-size market, look to HCM providers and payroll vendors that provide more than just payroll, whether it’s an HRIS Solution, Learning Management Systems, or other HCM-related systems, we are continuing to see momentum in favor of those providers.

“I attribute a lot of my success to being a student of all things retirement plans, including payroll.”



“Many service providers we work with say that payroll is the Achilles heel of many plan administrators.”



THE SCOOP: What can a plan advisor do to break the inertia that exists in payroll administration at some organizations?

Because most issues that occur in plans are related to administration, we decided to concentrate on interacting more closely with the individual whose job is the day-to-day running of the payroll and the administration of the plan. Oftentimes, that person learned the job and the role and the practices from the person before them, but that does not always mean that the person before them was doing it correctly. In fact, some more proactive employers have asked us to create a standard operating procedure for those payroll personnel who are administer compensation at their companies. We encourage payroll administrators who have questions or are confused NOT to make a gut instinct call. We want them to reach out to the correct contact for an answer.

THE SCOOP: Because you have work experience at a payroll firm in the retirement plan division and are now a retirement plan advisor, what insights do you have for plan sponsors on the integration of payroll and retirement plan data?

Payroll integration, especially if you are changing providers on both sides of the house, usually is not something that is tackled correctly on the very front end. You do not want to get all the way through an implementation only to find out that there are some caveats to that integration. So, my advice would be: Do your homework, speak with your retirement plan advisor, talk to clients or references that utilize your platform and try to understand exactly what their integration is. They are all different.

About the Coalition

The Coalition sustains the dialogue between HCM / Payroll software firms, payroll processors, bundled payroll service providers, and retirement plan service providers.

- Define payroll administration quality and drivers of excellence
- Advocate for employer adoption of preferred practices
- Facilitate 360 data exchange

THE SCOOP: Any final thoughts or recommendations that you have for retirement plan service providers as they seek to engage plan sponsors to adopt best practices in payroll administration?

Many service providers we work with say that payroll is the Achilles heel many plan administrators. We gather so much data from participants and from payroll systems now, but with many providers there is still not an effective mechanism in place to notify the plan administrator of when there's a payroll challenge. The more proactive that plan service providers can be in alerting plan administrators to an expected or suspected error in payroll data, the more satisfied their clients are going to be. Everyone wins when both payroll vendors and retirement plan providers are working in conjunction. I continue to urge all the providers that we work with to lean in on this. And to my advisor peer group as well I say: Look beyond the investments and beyond your fiduciary governance practices and see what you can do to help your clients with the accuracy and efficiency of their payroll administration.



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