

# Why Outsource Payroll?

A lot of business owners aren't experts in accounting or have training or experience in running their own payroll. Payroll processing can be challenging and confusing to small business owners, and the fact that the IRS can impose penalties if not filed correctly makes payroll processing somewhat intimidating. Because of this, most small business owners leave payroll processing to experts -either by outsourcing payroll, or processing it in-house (also known as traditional payroll).

## 1. Outsourcing Your Payroll is More Cost Effective

Outsourcing your payroll can give you all the benefits and accuracy of having a CPA do your payroll, but will run you at a fraction of the cost. It's the best of both worlds; easy, accurate, and cost effective. Outsourced payroll can save you thousands of dollars per year.

## 2. Outsourced Payroll Helps Small Business Owners Avoid IRS Penalties

Each year, approximately 40% of small business owners are penalized by the IRS for paying or filing their payroll taxes incorrectly. That's a pretty high percentage, and at approximately \$850 a year in penalties, doing your own small business payroll processing might not be as cost effective as if you had a specialist do it for you. Payroll outsourcing companies automatically calculates, pays, and files your small business payroll taxes for you. Because of the automated process, you'll never be late or miss a payment or filing.

## 3. Outsourced Payroll is Easy

Payroll processing done through an outsourced small business payroll service is easy to use. Although setting up your employees could take a few minutes, the actual payroll run can be done in just a few minutes.

Just login to the payroll service's secure online portal or email the employee hours worked during the pay period. Your payroll is done.

## 4. Outsourced Payroll Takes Care of W-2 and 1099 Forms for You

At the end of the year, small business owners must give their employees either a W-2 form or a 1099 form by January 31st of the following year

Not only do you need to give these forms to your employees and independent contractors, but you also have to file certain forms with the IRS. Again, if you don't know what you're doing, this could cost you in IRS penalties.

Outsourced payroll companies keep track of this information and file it for you. Small business owners can print W-2s and 1099 forms for their employees right on the spot.

## 5. Outsourcing Payroll Services Let You Maintain Control

Most outsource payroll services, allow you to maintain control over your payroll while taking care of the tough payroll tax calculations in the background. Outsourcing your payroll is a beneficial relationship because it allows you to stay in compliance with tax laws, but also allows you to focus on your business instead of trying to become an expert in payroll processing.

Entering your payroll information online allows for you to maintain control of your payroll processing and helps eliminate double entries or typing mistakes often associated with calling or faxing in your payroll information to a customer representative. You enter it, you review it, you approve it --you're always in control of your small business payroll processing.

## **6. First Month Free**

The best thing about using an outsourced payroll service is a lot of companies allow you to try their service for free. You have nothing to lose, why not give outsourcing a try.