



Best Practices

for Retroactive Payroll Calculations



Why Retroactive Calculations Matter

Pay accuracy is essential to keeping your employees satisfied and protecting your organization from litigation and loss of brand equity. Yet there may be times when you need to recalculate pay for prior-period timesheets in order to correct an error or comply with new or updated policies.

For example, you may need to correct a single employee's time-entry error. At other times, you may need to comply with a new policy that requires payroll to institute changes across multiple pay periods for many employees at once. The right solution empowers your organization to make these changes swiftly and accurately.

WorkForce Software simplifies retroactive calculations and maintains an accurate audit trail of each change.





The Case Against Manual Adjustments

Most organizations rely on manual processes to recalculate timesheets for prior pay periods. Yet this method of handling adjustments is time consuming and fraught with risks, including:

1. **Compounded errors.** In addition to the possibility of keystroke errors, processing retroactive calculations manually often requires payroll to source old pay rates and policy rules. When incorrect data is used, the resulting calculations are faulty.
2. **Failure to update accrual balances.** When employees accrue vacation time based on hours worked, retroactive adjustments may also require payroll to update the employee's vacation balance.
3. **Failure to take intervening pay periods into account.** Any change to a prior period may also affect future pay periods, particularly when the change represents an updated pay rate or the introduction of a retroactive policy.





Initiating Retroactive Calculations

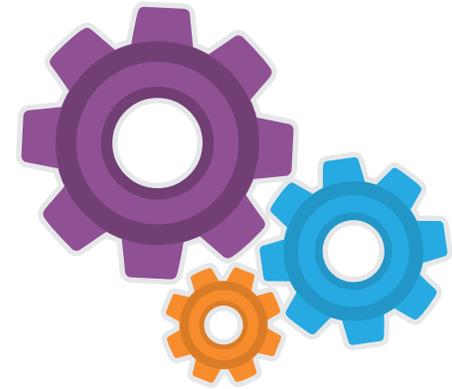
WorkForce Software's time and attendance solution allows retroactive calculations to be initiated by payroll, by managers, or by the employees themselves.

- Payroll, the manager or the employee opens the previously calculated timesheet and makes the appropriate change.
- The amended timesheet goes through the organization's timesheet approval process.
- Any differences to balances (such as vacation and other accrual banks) are reflected in the amended and subsequent pay periods, and any necessary pay adjustments are 'posted' in the current pay period.
- The corrected timesheet and pay adjustments go to payroll for processing.



Handling Mass Recalculations

For situations where many employees require retroactive calculations at once, such as after a collective bargaining agreement is ratified, payroll simply updates the policy rule and then initiates retroactive calculations. It's as simple as that.



Complete Transparency and Accuracy

WorkForce Software's time and attendance solution correctly performs adjustments for prior pay periods, drastically reducing the time and effort that go into making adjustments. In addition, the solution provides a complete audit trail, so that the organization can demonstrate 100% accuracy and full compliance with all pay policies and rules.



About WorkForce Software

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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