

Case Study



Company Background

For more than 70 years, this large manufacturing company has created pressure sensitive, self-adhesive base materials and self-adhesive consumer and office products. The driving force behind this company's success is to provide the highest quality of products for both business and consumer markets, as well as to fulfill their employees' needs on many different levels.

Summary

At a centralized payroll location in the United States, three payroll specialists support approximately ten federal IDs and 6,200 employees. Those payroll specialists also receive approximately 90 garnishment orders per month. The accounts payable department was responsible for disbursing garnishment payments to agencies.

When the payroll department received notification from state agencies requiring the company to comply with the Electronic Fund Transfer (EFT) format to transmit garnishment payments, the payroll director knew that she had to act quickly to protect employees and the company. With a lack of IT resources to resolve the problem, the company decided to outsource with ADP's Garnishment Services.

Large Manufacturing Company Enhances Compliance with ADP's Garnishment Services

Client's Challenges

- Compliance with agency requirements for garnishment processing
- Resource maximization, both in-house payroll system, IT and Human Resources
- Maintain employee satisfaction

ADP's Solution

- Garnishment Services

Benefits

- Immediate compliance with state regulation on garnishment transmission
- On-time garnishment notification and payments
- Minimum business interruption during implementation
- Excellent service and response

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Payroll Director

Business Drivers

Immediate Compliance

As an ADP client since 2003, the company was confident that ADP would provide them with a solution for their business challenge. “After getting severe warnings from two state agencies requiring immediate compliance with the state mandated electronic fund transfer for garnishment payments, I knew I had to look at an external solution. Our IT department could not be pulled from their current projects to meet the time frame we required. Our accounts payable department was responsible for processing garnishments; however, with the AP system’s limited EFT format capabilities, I knew I had to find a quick solution to our situation,” the company’s director of payroll and U.S. human resource information services (HRIS) says.

The bigger issue for this organization was that noncompliance to the state agencies would result in the state no longer accepting garnishment payments. The repercussion would have a direct effect on the company’s employees for not complying with child support court orders or any other type of garnishment orders.

“The domino effect is tremendous because our employees will hold our firm liable for deductions taken and not paid to the agencies in a timely manner, and we are not willing to take that risk,” the payroll director says.

Purchasing Decision

The company’s experience doing business with ADP over the past several years, as well as the overall satisfaction they’ve experienced, triggered the payroll director’s decision to contact ADP for processing garnishments.

“I have known ADP for a few years since we also signed-up for tax service,” said the payroll director. “I was a little apprehensive at first because I thought I was losing control of the garnishment process; however, since I was very happy with ADP Tax Service, I knew that the garnishment services would be a good service as well,” she continues.

Implementation Period

According to the payroll director, a successful implementation is all about service and continued communication with ADP.

“We had a bumpy start, which could have been attributed to not fully understanding how our internal processes would

have to change to work compatibly with the ADP service,” the payroll director says. “However, in our experience with past implementations at ADP, it was generally smooth and easy.”

ADP’s resourcefulness remedied the situation. The payroll director continues, “ADP’s responsiveness to the situation allowed us to work with a more seasoned implementation specialist. She helped us better understand the ADP process so that we could adjust our internal processes accordingly.”

Result

The payroll director was pleased with the overall result and says, “Looking back two years ago, I would not have changed my decision to outsource our garnishment processing to ADP. It’s the right thing to do. Now, we are able to send payments electronically. This relieved our AP department of being involved with processing garnishments, plus I did not have to hire an IT person to develop the agency transmission requirements. Also, ADP’s sales representative and account manager provided excellent ongoing support. The reality is, we understand the impact of being noncompliant and our company is now in a good position with the agencies. We are up and running with ADP’s Garnishment Services. Without ADP, we would not have been compliant and would have risked untimely payments which could have resulted in interest and penalties for our employees.”

The payroll director adds that another convenient feature of garnishment services that the company enjoys is the Call Center. She says, “We like ADP’s confidential Call Center for Garnishment Services. We used to receive many phone calls related to garnishment payments. Now, ADP takes care of those issues and my staff is relieved from those calls.”

Recommendation

As for advice to others, the payroll director recommends, “One of the things customers need to understand is that they need to work with ADP in organizing their internal process over and above what is obvious in order to have a seamless integration with the ADP Garnishment Service. It was bumpy in the beginning, but at the end of the day, it’s all working well. The ability to change processes internally rather than colliding with ADP’s process is something that is critical to understand at the very onset of the service. The implementation specialist was very helpful in understanding how ADP’s process relates back to our accounting system,” the payroll director concludes.