

Payroll Administrator

Snapshot

Career Cluster(s): Business Administration

Interests: Bookkeeping, accounting, business administration, data processing, finance

Earnings (Yearly Average): \$38,670

Employment & Outlook: Average Growth Expected

OVERVIEW

Sphere of Work

Payroll administrators implement all stages of the payroll process for their organization. In particular, payroll administrators are timekeepers who track employee hours and time worked as well as employee commissions and benefits. They must also process paychecks on a regular basis. Payroll administrators are knowledgeable about and help implement changes to insurance deductibles and payments as well as social security and taxes. Payroll administrators often work alongside benefits specialists and certified public accountants in payroll, personnel, or accounting departments.



Work Environment

Payroll administrators work in offices in organizations such as businesses, hospitals, insurance companies, educational institutions, government agencies, and various branches of the military. Depending on employer and particular job description, a payroll clerk may telecommute from a home-office, visit client offices as a contractor, or work on a full-time basis in an employer’s office. Payroll administrators may be hired as full-time members of payroll teams or as term-of-project contractors. Most payroll administrators work forty-hour weeks, but overtime may be necessary during periods of increased seasonal employment.

Profile

Working Conditions: Work Indoors
Physical Strength: Light Work
Education Needs: High School Diploma or GED, Technical/Community College
Licensure/Certification: Usually Not Required
Physical Abilities Not Required: No Heavy Labor
Opportunities For Experience: Internship, Military Service, Part-Time Work
Holland Interest Score*: CRS

* See Appendix A

Occupation Interest

Individuals attracted to the payroll administrator profession tend to be organized and detail-oriented people who find satisfaction in tracking financial information. Those individuals who excel as payroll administrators exhibit financial and mathematical acumen, intense focus, responsibility, accuracy, and effective time management. As they are responsible for compensation and employees’ confidential financial

information, prospective payroll administrators must be honest, trustworthy, meticulous, and highly organized. Payroll administrators should enjoy bookkeeping and have a background in accounting or human resources.

A Day in the Life—Duties and Responsibilities

The payroll administrator’s specific daily occupational duties and responsibilities depend on the individual’s job specifications and work environment. In general, a payroll administrator tracks and records employee attendance, hours, bonuses, commissions, sick leave, paid vacation days, and nontaxable wages. Payroll administrators may develop their own systems for employee timekeeping or follow their

organization's existing system. At the end of every pay period, payroll administrators calculate required deductions, including insurance payments, income taxes, and social security payments. In addition to regular deductions, employees may owe one-time annual deductions, such as union dues or medical savings account contributions.

Payroll administrators are responsible for generating paychecks by manually preparing and signing checks or using an automated payroll program. They may manually record the calculated figures onto checks, stubs, and master payroll sheets, or in automated programs, they need only type the wage data into the computer system. Paychecks are either distributed to employees by hand or processed through direct bank deposit into their personal bank accounts. In instances of paycheck error, payroll administrators work with employees to correct the error and ensure proper payment.

Payroll administrators may participate in workshops or training programs offered by the personnel or human resources departments to educate employees about benefits, time sheets, and insurance options. Those employed by learning institutions may also be involved in discussions of work teams, workflows, dynamics, and best practices. In addition, all payroll administrators are responsible for complying with regulatory requirements for financial institutions as well as providing financial records and reports to accountants involved tax preparation and auditing

Duties and Responsibilities

- **Calculating regular and overtime earnings**
- **Computing deductions such as income tax withholdings, social security, credit union payments, insurance, bond purchases and union dues**
- **Preparing checks and master payroll sheets or forms**
- **Preparing and distributing electronic payments and pay envelopes**
- **Maintaining records of sick leave, vacation and nontaxable wages**
- **Compiling and maintaining wage information forms for tax purposes**
- **Maintaining accurate year-to-date wage information on each employee**

WORK ENVIRONMENT

Physical Environment

Payroll administrators generally work in bright, pleasant office environments in businesses and organizations that have paid employees. The work of a payroll administrator requires sitting at a desk and using computers for long periods each day.

Relevant Skills and Abilities

Interpersonal/Social Skills

- Cooperating with others
- Having good judgment
- Working as a member of a team

Organization & Management Skills

- Paying attention to and handling details
- Performing routine work

Research & Planning Skills

- Identifying problems

Technical Skills

- Performing scientific, mathematical and technical work
- Using technology to process information
- Working with data or numbers
- Working with machines, tools or other objects

Plant Environment

Payroll administrators working in plant or manufacturing environments supervise the organization's employee timekeeping and payroll. While a payroll administrator's office in a plant environment is most often kept separate from production lines, he or she may experience physical risks resulting from production fumes, noise, or plant accidents.

Human Environment

A payroll administrator's human environment may be social or isolated, depending on assignment and organization. Payroll administrators may interact regularly with employees, supervisors, or colleagues.

Technological Environment

During the course of their work, payroll administrators use Internet communication tools, financial software programs, adding machines and calculators, fax machines, photocopying machines, scanners, and

postal machines. They must also consult tax and insurance tables and laws regarding employee compensation and work hours.

EDUCATION, TRAINING, AND ADVANCEMENT

High School/Secondary

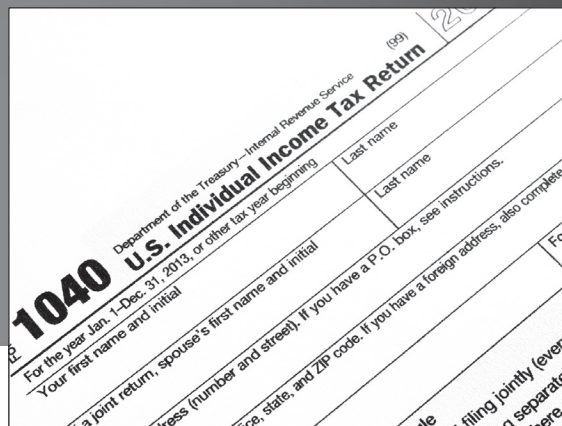
High school students interested in pursuing a career as a payroll administrator should prepare themselves by building good study habits and by developing an ease with numbers and mathematical functions. High school classes in English, typing, bookkeeping, and mathematics will provide a strong foundation for work as a payroll administrator or college-level study in the field. Interested high school students should pursue internships or part-time employment opportunities that familiarize them with business and finance.

Suggested High School Subjects

- Bookkeeping
- Business
- Business & Computer Technology
- Business Data Processing
- Business Math
- College Preparatory
- English
- Keyboarding

Famous First

The first annual federal income tax was instituted in 1913 under the 16th Amendment to the US Constitution. The first filing deadline for income tax returns was March 1, 1914 and the form was four pages long. There were six different income brackets, with people in the highest bracket paying 6 percent. In just three years the top rate jumped to 67 percent and for many years afterward the top rate stayed above 75 percent. Since the 1980s, however, it has been below 40 percent.



Postsecondary

Although an undergraduate degree is not strictly required for payroll administrators, students interested in becoming payroll administrators should work towards an associate's degree or a bachelor's degree in bookkeeping, accounting, secretarial science, or general business. Mathematics, communications, data processing, and business courses may also prove useful for their future work. Students can gain work experience and potential advantage in their future job searches through internships or part-time employment with local businesses or financial organizations.

Related College Majors

- Accounting Technician Training
- Business Administration & Management
- Office Supervision & Management

AA Adult Job Seekers

Adults seeking employment as payroll administrators should have at least a high school diploma or an associate's degree. Most employers provide on-the-job training for new payroll administrators, but may prefer to hire candidates with higher education and/or familiarity with computer systems. Adult job seekers should educate themselves about the educational requirements of the organizations where they seek employment. Qualified adults seeking payroll administrator positions

may benefit from joining professional payroll associations, such as the American Payroll Association, to help with networking and job searching. These associations generally offer professional development events and maintain lists and forums of available payroll jobs.

Professional Certification and Licensure

Certification and licensure is not required for general payroll administrators but may be required as a condition of employment or promotion. Options for voluntary payroll administrator certification include the Fundamental Payroll Certification (FPC) and the Certified Payroll Professional (CPP). The FPC and the CPP, offered by the American Payroll Association, are earned by passing a national examination. To qualify for the CCP certification, candidates must have at least three years of work experience in the field and complete approved training courses in payroll. There are no experience or training prerequisites for the FPC examination, although test preparation is recommended.



Additional Requirements

Individuals who find satisfaction, success, and job security as payroll administrators will be knowledgeable about the profession's requirements, responsibilities, and opportunities. Membership in professional payroll associations is encouraged among all payroll administrators as a means of building professional community. Payroll administrators who are members of a professional association must adhere to a strict code of ethics and conduct.

Fun Fact

America's 156 million wage earners and the payroll professionals who work with them contribute, collect, report and deposit approximately \$1.97 trillion, or 68.9%, of the annual revenue of the U.S. Treasury.

Source: www.nationalpayrollweek.com and www.americanpayroll.org

EARNINGS AND ADVANCEMENT

Earnings of payroll administrators depend on the size and geographic location of the employer, and the employee's experience and skills. Median annual earnings of payroll administrators were \$38,670 in 2013. The lowest ten percent earned less than \$26,000, and the highest ten percent earned more than \$57,000.

Payroll administrators may receive paid vacations, holidays, and sick days; life and health insurance; and retirement benefits. These are usually paid by the employer.

Metropolitan Areas with the Highest Employment Level in This Occupation

Metropolitan area	Employment	Employment per thousand jobs	Hourly mean wage
New York-White Plains-Wayne, NY-NJ	5,790	1.11	\$21.64
Los Angeles-Long Beach-Glendale, CA	5,540	1.39	\$21.38
Houston-Sugar Land-Baytown, TX	4,260	1.54	\$19.15
Chicago-Joliet-Naperville, IL	4,160	1.12	\$20.88
Dallas-Plano-Irving, TX	3,390	1.58	\$20.90
Philadelphia, PA	2,730	1.48	\$20.08
Minneapolis-St. Paul-Bloomington, MN-WI	2,730	1.52	\$21.08
Atlanta-Sandy Springs-Marietta, GA	2,470	1.07	\$20.14
Washington-Arlington-Alexandria, DC-VA-MD-WV	2,250	0.95	\$23.93
Santa Ana-Anaheim-Irvine, CA	2,220	1.53	\$22.92

Source: Bureau of Labor Statistics.

EMPLOYMENT AND OUTLOOK

There were approximately 180,000 payroll administrators employed nationally in 2012. They can be found in every industry, but a growing number work for accounting and payroll services firms that complete payroll functions for companies. Employment is expected to grow about as fast as the average for all occupations through the year 2022, which means employment is projected to increase 7 percent to 14 percent. Job growth will likely be limited due to the continuing automation of payroll functions which makes these workers more productive.

Employment Trend, Projected 2012–22

Payroll Administrators and Financial Clerks: 11%

Total, All Occupations: 11%

Office and Administrative Support Occupations: 7%

Note: "All Occupations" includes all occupations in the U.S. Economy. Source: U.S. Bureau of Labor Statistics, Employment Projections Program.

Related Occupations

- Bank Teller
- Billing Clerk
- Bookkeeper and Accounting Clerk
- Cashier
- Statistical Assistant

Related Military Occupations

- Finance & Accounting Specialist

Conversation With . . .

CARL YORK

Director of Certification and Systems Implementation
American Payroll Association
San Antonio, TX, 1 year
Payroll management profession, 12 years

1. What was your individual career path in terms of education/training, entry-level job, or other significant opportunity?

I started out working in an office environment. After four years I had an opportunity to work at a company that processed payroll for other companies. I started out as an entry-level payroll clerk and three years in realized I needed to get a degree if I wanted to move up and into management. So I started going to Amberton University near Dallas, TX while I was working. Part-way through my degree, I landed a position at La Quinta Inns and Suites — they knew I was working on my degree — and went on to spend five years as Director of Payroll for their 400 inns and suites.

Going to college wasn't in the cards at the time I graduated from high school, but I didn't give up. I worked hard and got my BBA in management accounting. I'm the first person in my family to go to college.

Hands-down, what really catapulted my career was getting involved with the American Payroll Association. I took a test from the APA to become a Certified Payroll Professional, then I started volunteering for their Dallas chapter and networking and meeting people in the industry. That's how I secured the position at La Quinta. I was on the APA chapter board in Dallas for eight years — president for two years — and I spoke at conferences and taught classes. Then the national organization offered me the position I have now, where I can hopefully help grow the profession.

With the help of volunteers and our certification board, I oversee our partnership with a company that delivers our tests across the globe. I oversee our certification programs and systems implementation with a lot of large projects

2. What are the most important skills and/or qualities for someone in your profession?

Payroll is an interesting blend of human resources, accounting, and legal issues. You have to like working with numbers.

To do payroll, it's imperative to have strong organizational skills, communication skills — verbal and written — and to be detail-oriented. Obtaining certifications is

critical. Studies are showing that employers are placing just as much emphasis on certifications as certain degrees.

You need to be problem-solver and possess critical thinking skills. And you definitely want to be a people person because you're dealing with people's livelihoods. If there's a mistake or issue or problem, you have to know how to speak to people respectfully and help them accept the facts — say, their paycheck has been garnished for a legal reason — or otherwise come to resolution. There can be a lot of parties involved with payroll and you've got to figure out what's going on and get an answer

3. What do you wish you had known going into this profession?

Understanding the value of networking in a profession like this is critical. I wish I'd gotten involved with APA sooner.

4. Are there many job opportunities in your profession? In what specific areas?

Payroll is, by and large, made up of baby boomers so it's a good time for younger people to get into it. There will be room for growth, especially in management.

5. How do you see your profession changing in the next five years? What role will technology play in those changes, and what skills will be required?

Companies are starting to see payroll as an area that should come to the table and help with structure and policy-making and partner with IT, human resources, and certain areas of accounting. I also think — and this is huge — that getting experience or taking classes in global business and global culture is important. Companies are going global and in payroll, you're touching people's pay so you need to understand their culture.

6. What do you like most about your job? What do you like least about your job?

I enjoy knowing what I do is important not just to companies, but to employees' lives.

Sometimes it can be challenging to meet all the deadlines. And, since one of the busiest times in payroll is at the end of the year, occasionally it's challenging to figure out the holiday schedule and still get the job done.

In a lot of organizations, payroll professionals may feel underappreciated, because you don't hear from people when you're doing it right, you hear when there's a mistake. But if you actively pursue a seat at the table, you can show payroll's value to the organization

7. Can you suggest a valuable “try this” for students considering a career in your profession?

Because of the confidential nature of data in payroll, it's hard to get an inside view. I would suggest looking for a local APA chapter and visiting a meeting. We are also hoping to develop a student membership program that should be up and running soon.

SELECTED SCHOOLS

Most technical and community colleges offer programs in business administration, including payroll administration. Interested students are advised to consult with their school guidance counselor or to research area postsecondary schools and training programs.

MORE INFORMATION

American Payroll Association

660 North Main Avenue, Suite 100
San Antonio, TX 78205-1217
210.226.4600
www.americanpayroll.org

Association of Records Managers & Administrators

11880 College Boulevard, Suite 450
Overland Park, KS 66210
800.422.2762
www.arma.org

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