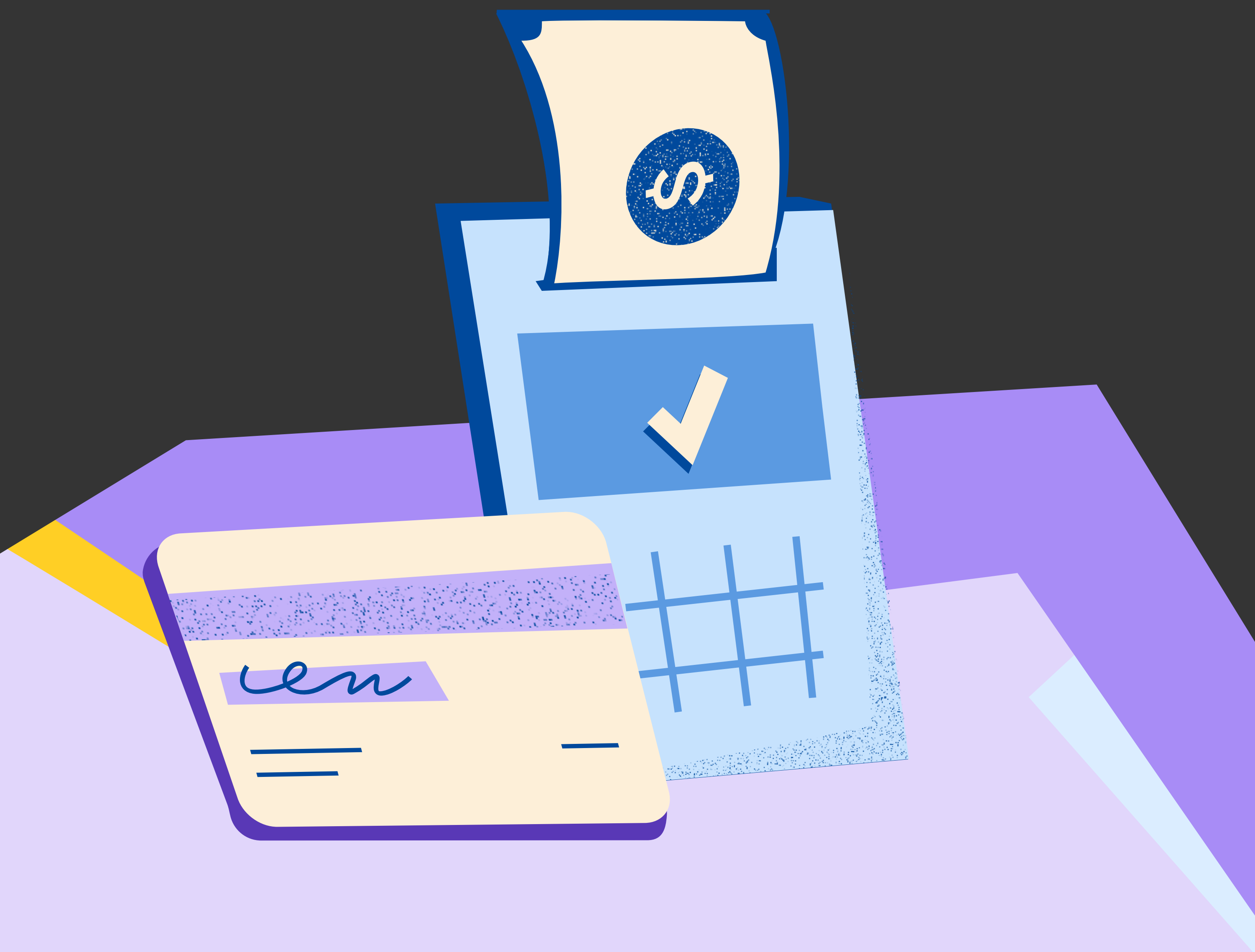


A Buyer's Guide to US Payroll Services

A key feature checklist and service comparison



deel.

Contents

3	Introduction
4–5	The crucial role of payroll solutions in the US
6–8	Benefits of using payroll solutions
9–11	Types of payroll solutions
12–13	Comparison of payroll solutions
14–20	Key payroll service features [Checklist]
21–22	How Strada overhauled its US payroll with Deel
23–25	How to choose the right payroll service
26–28	Explore Deel’s US payroll solutions

Introduction

Looking for the best payroll service to ease your administrative burden, boost employee satisfaction, and stay compliant with complex US regulations? Discover how to find the right provider with this guide.

The crucial role of payroll solutions in the US



Understanding US payroll services

1

[California.gov, FAQs - Late Payment of Wages, January 2023](#)

2

[The Conference Board, Workers Who Jumped Ship During COVID Are Now Regretting It, 2024](#)

3

[NewYorkFed.org, SCE Labor Market Survey, 2024](#)

In the US, every company, big or small, needs a system for paying employees and handling taxes. Payroll services are all the tools and resources that make this happen. This can include people in your company, software, and specific processes you follow. You can manage payroll yourself, hire an outside company, or do a bit of both.

Key services performed by payroll services include:

- Calculating employee earnings
- Withholding and remitting taxes
- Managing direct deposits
- Generating payroll reports
- Handling employee benefits and deductions
- Ensuring compliance with payroll tax laws
- Maintaining payroll records

The US in particular has a complex system for paying employees. Each state has its own rules about how often employees need to be paid, and these rules can even vary depending on the industry. For example, violating a payday requirement could be considered a ‘failure to pay’. In some states, you could incur fines of up to up to 25%¹ of a worker’s expected salary.

On top of that, US workers expect a lot from their employers. Reports show their overall satisfaction levels² are dropping while their salary requirements³ are soaring. US employers must work hard to ensure every process meets or even surpasses standards to retain top talent.

If you have employees in the US, especially across multiple states, payroll services are a must-have.

Benefits of using payroll solutions



Why you'll want a solid payroll solution

4

Forrester, Forrester Study—Is
Global Payroll Truly Global?, 2024

Time-saving and efficiency

Payroll services usually come with specialist software that automates tasks, streamlines operations, and alleviates the administrative burden on teams. In fact, 63% of companies⁴ say improving efficiency is the main driver behind using these solutions.

US payroll services allow you to automate a wide range of tasks, including:

- Tracking time and attendance
- Calculating wages, contributions, and deductions
- Scheduling and transferring payments
- Generating and sending paystubs
- Applying and withholding relevant tax rates
- Preparing and distributing year-end tax documents
- Administering employee benefits
- Analyzing and reporting on payroll data

When payroll processes become more efficient, HR and payroll teams can dedicate more time to high-value tasks like budget forecasting and compensation planning. This improved focus leads to better financial management and strategic decision-making. As a result, you can enhance the overall effectiveness and productivity of your entire organization.

Accuracy in payroll processing

While making you more efficient, payroll automation can also improve your accuracy. The software performs all the necessary calculations so there's little to no room for human error. It also applies tax rules and policies more consistently than an employee is typically able to.

Besides automation, great payroll solutions can make your data and reporting more accurate. They should be able to integrate with other systems to share information seamlessly. For example, companies must often collect information on hours worked or leave taken to calculate wages. The right service can ensure you don't duplicate or lose crucial data while moving between platforms.

Employee satisfaction

Effective payroll processes can positively impact your company culture. When employees receive paychecks accurately and on time, they know they can rely on their employers. As a result, you can foster trust and loyalty among your team.

Moreover, having a reliable income has never been more important in the US. Finances are a top concern among employees with many saying financial stress has affected their job performance. Providing a consistent payroll service can alleviate some of your team's concerns and improve employee satisfaction.

Compliance with US tax laws

Maintaining compliance with US tax regulations is easier with payroll services. They can keep you updated with regulatory changes and adjust your processes accordingly. Come tax season, they can ensure you've filed your returns correctly and on time. And if you operate across US states, payroll services can apply the correct rates for all your workers.

This service is critical when one small mistake can land you with a significant fine. For example, if you fail to pay employment taxes accurately and on time, the IRS can charge you up to 15%⁵ of the unpaid deposit. Suppose you owe \$500,000 in taxes, you could lose a further \$75,000 in fees.

Types of payroll solutions



Choosing the right solution

US businesses are more likely to experience these benefits if they choose a payroll service that suits their company size, workforce, industry, and growth ambitions. Let's explore the most common options:

Manual in-house payroll management

Manual in-house payroll involves the company handling the entire payroll process internally with or without software. There's usually a dedicated employee or department to manually calculate payments and make the deposits. In the case of very small businesses, the team may share responsibility for these tasks.

Bookkeepers and CPAs

Bookkeepers handle the day-to-day recording of financial transactions (including payroll), generate basic reports, and may offer some tax prep. CPAs, with their advanced certification, take on complex tasks like audits, tax planning and compliance, and financial analysis to guide better business decisions. They can also manage payroll, especially for companies with intricate tax situations. Essentially, bookkeepers provide the data, while CPAs analyze it and offer strategic financial advice.

Online or cloud-based payroll software

Many businesses use specialist software to automate payroll while maintaining direct supervision of all processes. The provider typically supports you in setting up the account, and your team logs into the system via the website or app to handle payroll tasks. Workers usually have self-serve access to the platform to collect paystubs and update their information.

Managed payroll services

Managed payroll is a service provided by third-party organizations to handle all aspects of payroll processing and tax compliance on behalf of a business. This typically includes setup and integration with their software, payroll processing, tax filing and compliance, payment distribution, record keeping and reporting, and support.

Professional employer organizations (PEO)

PEOs act as a co-employer alongside your company. They handle tasks like payroll processing, tax filings, and even benefits administration. This frees you from the burden of managing these details and ensures compliance with regulations. Think of them as an extension of your HR department, assuming some employer responsibilities while you maintain control over core business operations.

Comparison of payroll solutions



Payroll solution breakdown

Factor	Manual (In-House)	Bookkeepers & CPAs	Online Payroll Software	Managed Payroll Services	PEO
Control	High	Moderate	Moderate	Low	Low (Co-employer)
Investment	Low (Software cost)	Moderate-high	Low-moderate	Moderate-high	High
Time commitment	Very high	Moderate	Low-moderate	Low	Low
Internal expertise needed	High (Tax & payroll knowledge)	High (Accounting & payroll knowledge)	Low-moderate (Software familiarity)	Low	Low
Features	Very limited (Spreadsheets)	Moderate (Depends on service)	Basic-advanced (Depends on software)	Advanced (Compliance & integrations)	Comprehensive (Payroll, taxes, HR)
Scalability	Not scalable	Somewhat scalable	Moderately scalable	Highly scalable	Highly scalable
Error risk	High	Moderate	Low	Very low	Very low
Compliance	Manual responsibility	Managed by Bookkeeper/CPA	May require user input	Fully managed	Fully managed (Co-employer)
Benefits administration	No	May be offered	Limited	Often included	Included (Group plans)
Customer support	Limited (Software support)	Varies by service	Varies by software	Dedicated support team	Dedicated support team

Key payroll service features



Checklist

☐ Tax filing and compliance functions

Tax and compliance management should be your first consideration when deciding between payroll services. Your chosen provider must help you navigate US laws effectively to minimize the substantial risks and promote long-term stability.

Beyond protecting your company, compliance features ease the burden on your in-house team. Staying ahead of all the relevant local and state legislation demands a lot of time and effort.

Deel improves compliance for all its customers through the following features:

- **In-house experts:** Partnering with Deel gives you instant access to a team of legal experts. You can rely on them to navigate federal regulations or get in-depth guidance on local payroll and labor laws
- **Forms and tax filing:** Our platform automates tax filing by calculating amounts and generating forms such as W-2s and year-end tax forms. Afterward, we help submit all the paperwork to the relevant parties by the deadline
- **Contract reviews:** The Deel team regularly checks employment contracts to ensure the terms and conditions comply with employment laws. That includes any details related to payroll such as payment method and frequency
- **Centralized record keeping:** Deel stores payroll records in compliance with US laws. The Department of Labor (DOL) has detailed rules about which information to record and how long to keep the files
- **Proactive compliance updates:** Deel's Compliance Hub notifies you of US payroll and employment law changes, workforce insights, and regulatory updates so you can make necessary changes as soon as possible



☐ Payroll automation

Your chosen provider should have a full suite of payroll automation tools to streamline the entire process. After all, the more tasks you can automate, the more time you can save and dedicate to other functions.

Payroll automation should take care of the following tasks:

- Tracking hours, wages, and time off
- Determining PTO and overtime rates
- Updating records and documents
- Calculating taxes and benefits deductions
- Running payroll
- Tax filing and reporting
- Generating important forms

By leveraging automation, you can significantly improve efficiency without sacrificing accuracy or quality. The software minimizes the risk of human error that can lead to financial discrepancies.

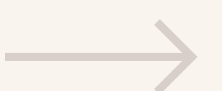
However, this doesn't mean relinquishing control. Your team will still have opportunities to review data and approve actions at crucial junctures in the workflow. This ensures you maintain oversight while freeing up valuable time to focus on core business initiatives.

☐ Flexible payment options

Modern payroll services provide a variety of payment options so you can stay compliant while meeting employee expectations.

Your chosen provider should offer direct deposit as standard—it's become the most common payment method in the US, and workers are likely to expect it. But you should also consider offering additional payment methods, including payroll cards and crypto, where legally allowed.

As issues and emergencies can arise, look for services that offer off-cycle payroll. For example, Deel enables you to make on-demand payments for a small fee.



Note: Some states may have additional regulations regarding specific payment methods or how often employees must be paid. It's crucial to check your state's Department of Labor website for any specific requirements.

☐ **Employee self-service portal**

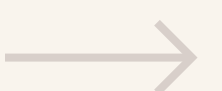
Granting workers direct access to the system can bring you significant time savings. Instead of relying on your payroll department, your team can use a self-service portal to perform tasks themselves.

How much time could you save? Payroll teams receive many questions from employees during each pay period. If each query takes at least 15 minutes to resolve, that can add up to hours of work per month. This number doesn't account for other administrative tasks like updating the directory or checking documents.

Employees can also benefit from a self-service portal. Rather than waiting for your team to handle requests, they can access the information they need or perform tasks themselves. They may feel more in control at work and develop more autonomy and accountability.

To get the most out of a self-service portal, ensure your platform has the following features:

- A customizable dashboard
- Individual accounts with granular access permissions
- A searchable employee directory
- Benefits enrollment
- Document management
- Notifications and alerts for outstanding issues
- Request forms
- Security and privacy controls
- Mobile accessibility
- Built-in onboarding for new users



☐ Reporting and analytics

A US payroll service with comprehensive reporting tools can give you powerful insights into your business performance and help you make more informed decisions. This goes beyond basic payroll reports to give you detailed analyses of your employment costs, workforce trends, and more.

The most essential reporting and analytics tools include:

- Dedicated dashboards for people, compensation, and more
- Granular filters and fields
- Real-time data access
- Customizable reports
- A range of data visualization options
- Access to national or global benchmarks

If your payroll service has built-in HR features, like Deel does, you should be able to run pulse surveys. Then you can expand your reporting capabilities to include metrics like employee engagement levels and net promoter scores.

☐ Integrations with accounting software

Ensure your chosen payroll service syncs with leading US accounting solutions like QuickBooks and Xero. While it's easy to overlook this feature, it's essential to the smooth running of your operations. Over a third of companies⁶ say that a lack of integrations is their biggest obstacle, above even cost and errors.

With the right integrations, you can seamlessly share payroll files between your provider and your books. Your team won't have to spend time manually transferring the information. That means there's no risk of duplicating or losing important data and causing a compliance issue.

Leading payroll services—like Deel—will integrate seamlessly with your favorite software. We even encourage customers to suggest new ones we can add to our app marketplace.

☐ Data privacy and protection

As your system stores a lot of sensitive employee information, data

data safeguarding is a top priority. Choose a service with a range of security features and certification proving they meet the highest standards.

To give you an idea of what to look for, here's what Deel offers:

- High-grade encryption for any data stored on our system
- Granular role-based permissions and controls
- Single sign-on services to manage access
- Protection for all company devices
- Granular role-based permissions and controls
- Proactive system monitoring

As security risks evolve, Deel updates its system and policies in accordance with the General Data Protection Regulation (GDPR). We also ensure we're meeting stringent standards through SOC and ISO-27001 certifications.

Dependable customer support

 Nothing has a bigger impact on results than customer support. A responsive and efficient team can help you navigate issues, provide vital guidance, and ensure your system is running smoothly.

Effective customer service is especially crucial during an emergency. If you experience issues like network failures or potential security breaches, you can't wait for a reply. You need immediate, expert support to resolve the problems before they escalate.

See whether your payroll service offers the following support options:

- Wide availability across all the US timezones (and beyond)
- A choice of contact options including email, phone, and live chat
- Fast average response times
- Procedures for dealing with a variety of potential issues
- A selection of self-help resources such as a knowledge base and FAQs

- A supportive setup and onboarding process
- Training materials to help new users get used to the system
- A dedicated account manager to act as a point of contact



See also: [8 Essential Questions to Evaluate a Payroll Provider's Customer Support](#)

How Strada overhauled its US payroll with Deel



Strada case study

Strada is an integration platform that helps users seamlessly share data between apps. The startup hires workers across the world but primarily in the US.

When it came time to establish a US payroll process, co-founder Amir Prodensky knew they lacked the expertise. He needed support hiring and paying his North American team so he'd have the right talent in place for the next phase of his business plans.

“It was important for us to find a partner that had experience in [...] HR processes and that offered a seamless experience not only for us but also for our employees,” he said. “We found everything we needed in Deel—hiring contractors, running US payroll, managing benefits and taxes, setting up new entities, and more, all in one place.”

By partnering with Deel, Strada could focus on growing their team and adding new features.

How to choose the right payroll service



Your payroll service options

Finding the right US payroll service calls for a thorough selection process. Here are some steps you can follow to help narrow down your choices and find the best fit for your company:

- 1. Assess your business needs:** Determine which payroll service features and functions your organization needs to support your workforce size, structure, and industry.
- 2. Determine a budget:** Most payroll services charge a monthly or annual subscription plus a fee per employee. There may also be charges for setup and extra services. Calculate how much you can expect to pay based on your number of workers and the features you require.
- 3. Check the range of features:** Using our checklist, see whether potential services have all the essential features you need.
- 4. Evaluate ease of use:** Most leading solutions let you book a demo to test the platform. Ensure the software is user-friendly and intuitive to use for people with varying aptitudes and roles.
- 5. Do background research:** Read customer reviews and testimonials to see whether a payroll service has a good reputation. For example, Deel has achieved a 4.8 rating on G2. Learn more by reading [Deel's case studies](#).
- 6. Look at service scalability:** As your business grows and evolves, the payroll solution should continue to meet your needs. For example, if you're considering overseas expansion, look for services with global payroll.
- 7. Explore resources and tools:** See what materials are available to help you manage processes like setup, onboarding, and ongoing maintenance. For example, Deel has an [extensive knowledge base](#) for companies, employees, and contractors to search. We also regularly host [webinars](#) on best payroll practices, the latest innovations, and trends in workforce management.
- 8. Assess the customer service:** Check the customer support options match your needs. Do they provide dedicated onboarding managers, customer success managers, and direct support in your timezone?

- 10. Ask about customization options:** Discuss any unique requirements your company might have and see whether the provider can tailor features to meet these needs. For example, if you need a niche integration, perhaps they can help you implement it via an API.
- 11. Review the contract:** Thoroughly review the terms and conditions of the service agreement. Ensure you understand your rights and responsibilities, especially when it comes time to renew or terminate the agreement. For instance, some payroll services have a starter cost and raise the fees after six months or a year.

Explore Deel's US payroll solutions



Paying US employees with Deel

Deel Payroll unifies every type of payroll—domestic and global—on one intuitive platform that connects HR, payments, benefits and compliance across 130+ countries.

With Deel Payroll - US, you can run payroll your way:

Self-Serve payroll

Enjoy a US payroll process that's free from constant checking, manual updates, or deadline tracking. Tax updates, filings, and wage calculations automatically align with federal and state rules, giving you a clean, consistent payroll every cycle.

Managed payroll

This service is ideal for global companies or teams without US payroll expertise. It includes a dedicated Deel Payroll Manager who handles and oversees payroll, and is best if you're hiring across multiple states, paying hourly workers, or managing more complex payroll inputs.



[Book a 30-minute demo](#) to learn how Deel can support your US operations.

