

OUTSOURCING OF PAYROLL CONVERSION AND CASH MANAGEMENT SAVES CLIENT TIME AND MONEY AND SIMPLIFIES PROCESSES

BACKGROUND

The company, a global leader in the oil and gas industry, is a client of Computershare's employee equity plans service. The company has 100,000 eligible employees in more than 50 countries.

SITUATION

The client offers a global employee stock purchase plan (ESPP) to its 100,000 eligible employees. While the human resources system is global, the ESPP contribution files come from approximately 200 payroll sources. Additionally, there is a six month purchase period with all payroll locations submitting contributions monthly, requiring the plan to hold cash in an onshore U.S. account and an offshore account. A cash account is maintained for each participant with their contributions. Dividends and interest are credited to each participant's cash account. The participant balances and cash asset values are reconciled regularly. The size of the company, the scale of the plan and spikes in workload all create steep challenges for the company's plan administrators.

SOLUTION

Our professional services group (PSG) provides consultation and support for a variety of long-term and project-based tasks needed to successfully manage employee equity plans. The group assembled a comprehensive plan to provide extensive support to make the cash management process as seamless as possible. Highlights of the solution include:

Payroll conversion

Payroll data is received monthly. It is consolidated with employee demographic data, which is received weekly from the client's global HR system. PSG monitors payroll activity and solicits missing data. Payroll data is carefully validated, and PSG coordinates with the payroll managers for any rejected amounts or special handling. Payroll managers communicate directly with PSG, reducing the strain on the client's corporate resources. PSG even segments enrollment data to identify first-time eligible employees vs. previously eligible but not participating to help the client with targeting enrollment communications.

“Outsourcing this work has saved our company not just hours or days, but weeks of manual labor. And Computershare continues to partner with us to streamline the process.”

Stock Plan Manager

Cash management

After validating contribution data and resolving any rejected amounts, PSG requests a deposit from each payroll location in the local currency for all accepted contributions. PSG reconciles data and deposits, resolving any discrepancies in the deposit with the payroll contacts. Participant contributions are then converted to U.S. dollars and are posted to each participant's cash account. The group also manages the posting of dividends and interest to participant accounts. Each month, PSG prepares a contribution limitation file so that payroll locations can stop contributions when the value limit is met. And when there is a termination or an account is closed, PSG pays out the balance to the participant by check or wire.

Tax reporting

PSG produces all the necessary tax forms for the U.S. and Canada. They work with a global law firm to produce an information package with tax guidance and personalized participant information for participants in France.

Administration Reporting

Because the data is held at a detailed level, reporting is flexible. The client receives a report package once a month, with 10 reports that were specifically designed to meet their needs. Offices in countries outside the U.S. and Canada also often request reports with various details of purchases to be used for their tax reporting.

RESULTS

By engaging Computershare's professional services group for payroll conversion and cash management, the client found there was an increase in accuracy of purchases and a reduction in liability for the company. Most notably, the purchase allocation period was reduced from weeks to just five business days. The stock plan administration team was freed from spending its time on technical issues and instead could focus on serving their employee plan participants.

To learn more, visit computershare.com/psg, or [get in touch](#). If you're an existing client, please reach out to your Relationship Manager.