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2025 Payroll Benchmarking Survey

Deloitte Human Resources Transformation

April 2025

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Executive summary

Welcome to the Deloitte 2025 Payroll Benchmarking Survey

In our 2025 Payroll Benchmarking Survey, we aimed to provide data and insights for payroll leaders at large, mega-enterprise companies. This work advances the current knowledge base in the field by providing more detailed staffing benchmarking data than previous reports (at the sub-function level) and by providing detailed cost benchmarking data.

We surveyed 15 companies, which ranged in size from 25,000 active employees to approximately 240,000 active employees. Eight of the companies in our survey were part of the technology industry, and the remaining seven include a mix of companies from the financial services, media/entertainment, telecom, consumer, and life sciences and health care industries.

Each of the 15 participating companies operate in more than one country, however some are regionally focused and some more global. Because of that difference, and the fact that not every participant answered every survey question, the charts that follow include footnotes stating how many companies are included in that specific data.

We hope that the data and insights shared in this report help payroll leaders with decision-making, assessing their own operations, and developing strategies for continued improvement.

This year's survey focused on questions associated with payroll in the following areas:

- Organization structure and resources
- Operations
- Technology and integration
- Business outlook and payroll cost

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SECTION 1

Company demographics

Survey population overview (1 of 2)

15

Participating organizations

25K–240K

Global company head count range

87K

Median global head count

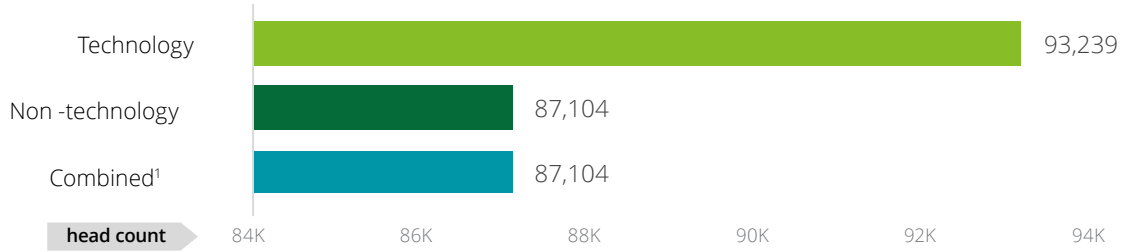
Industries represented

53%
Technology
(8 companies)

47%
Non-technology*
(7 companies)

* Non-technology companies include companies from financial services, media and entertainment, telecom, consumer, and life sciences and health care industries.

Median company head count by industry



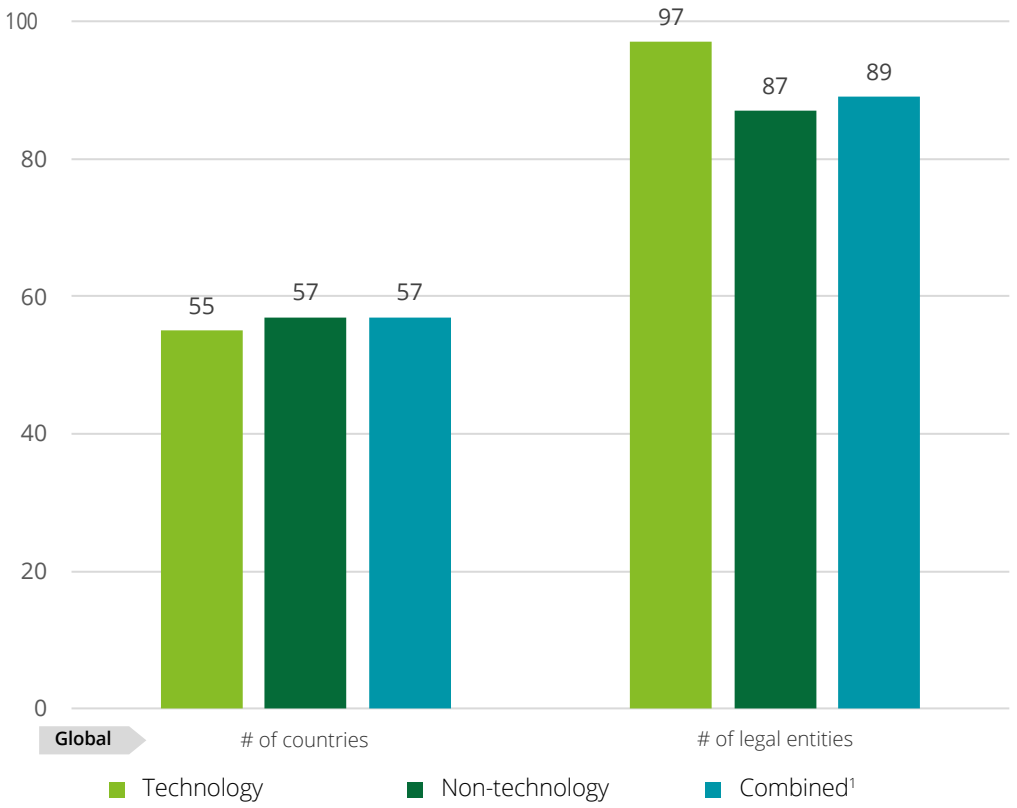
[1]Combined represents the combined median company head count across technology and non-technology organizations

	APAC	EMEA	LATAM	NORAM	Global
Median	21,945	12,502	2,376	37,903	87,104
Minimum	3,888	734	25	9,387	24,999
Maximum	48,768	55,128	27,160	188,580	239,229

Survey population overview (2 of 2)

Count of countries and legal entities

Median # of countries and legal entities



[1]Combined represents the combined median # of countries & legal entities across both technology and non-technology organizations

of countries by region

	APAC	EMEA	LATAM	NORAM[2]	Global
Median	14	31	6	2	57
Minimum	7	7	1	2	18
Maximum	19	60	18	5	100

[2]NORAM countries include US territories and regions in addition to US and Canada

of legal entities by region

	APAC	EMEA	LATAM	NORAM	Global
Median	27	49	6	7	89
Minimum	8	8	1	2	32
Maximum	57	110	27	58	242

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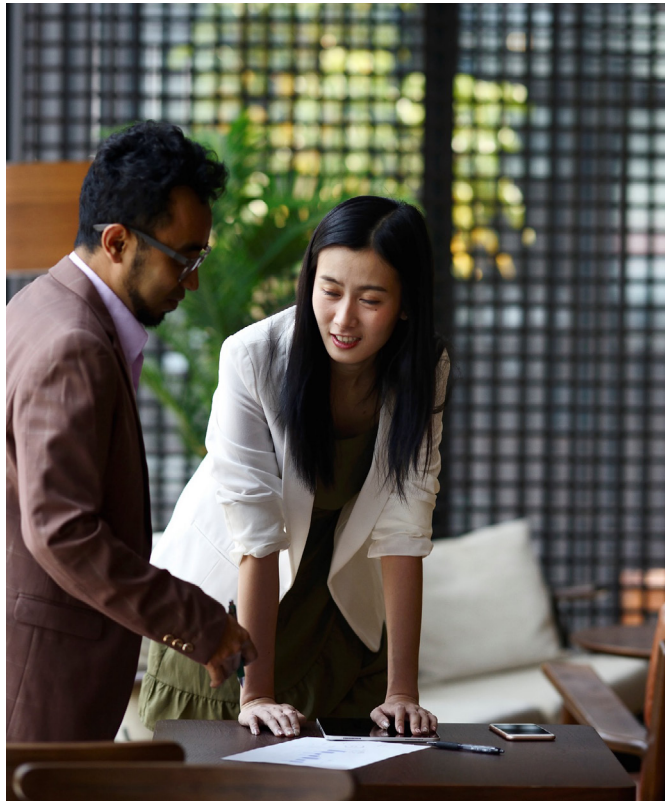


SECTION 2

Organization structure and resources

Understanding payroll FTE staffing ratios

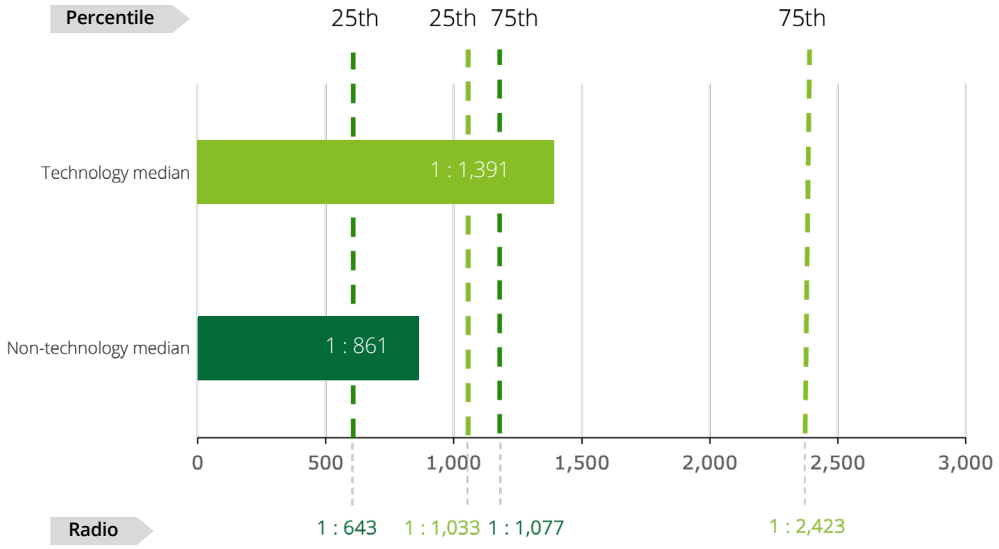
All payroll subfunctions | Payroll FTE ratios*

We analyzed **payroll FTE (full-time equivalent) staffing ratios** to benchmark the efficiency of the payroll organization by payroll subfunction. This analysis **examines the number of employees who can be managed per one payroll FTE**, segmented by industry. Ratios are shown according to the 25th, median and 75th percentiles and encompass *all payroll subfunctions* within the payroll organization as follows:

- Payroll operations
- Sales bonus operations
- Equity management
- Time and attendance
- Payroll accounting
- Risk and SOX compliance
- Employment tax
- M&A integration
- Mobility payroll
- Payroll optimization/ transformation
- Employee query management
- Change and knowledge management
- Payroll systems focused resources (as part of payroll)

Organizations in non-technology industries generally have lower staffing ratios between payroll FTEs and the employees they support than do technology organizations.

FTE staffing ratio by industry



FTE staffing ratio (industry agnostic)

Industry	25th percentile	Median	75th percentile
Combined[1]	1 : 764	1 : 1,157	1 : 2,024

**All analyses are based on survey responses received from eight technology organizations and five non-technology organizations.*

[1]Combined represents the payroll FTE ratio across both technology and non-technology organizations.

Understanding payroll FTE staffing ratios

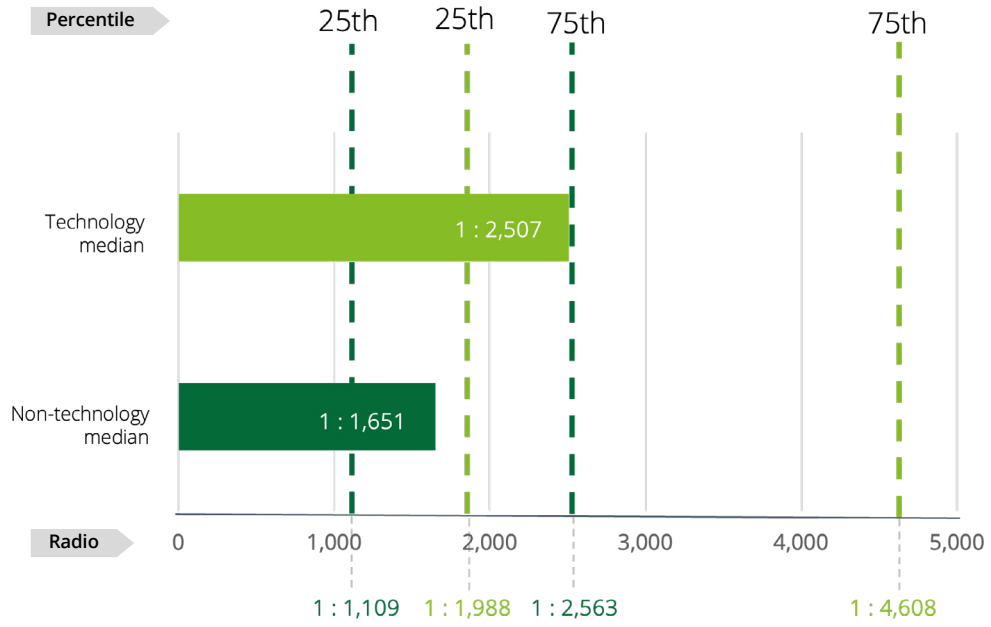
Payroll operations only | Payroll FTE ratios*

We analyzed **payroll FTE (full-time equivalent) staffing ratios** to benchmark the efficiency of the payroll organization by payroll subfunction. This analysis **examines the number of employees who can be managed per one payroll FTE**, segmented by industry. Ratios are shown according to the 25th, median and 75th percentiles and encompass *payroll operations subfunctions only* as follows:

- Payroll operations
- Sales bonus operations
- Equity management
- Time and attendance
- Payroll accounting
- Risk and SOX compliance
- Employment tax
- M&A integration
- Mobility payroll
- Payroll optimization/ transformation
- Employee query management
- Change and knowledge management
- Payroll systems focused resources (as part of payroll)

When looking at the payroll operations subfunction, the gap between non-technology and technology organizations staffing ratios grows further. Technology organizations generally have higher staffing ratios, meaning, their payroll FTEs support more employees.

FTE staffing ratio by industry



FTE staffing ratio (industry agnostic)

Industry	25th percentile	Median	75th percentile
Combined[1]	1 : 1,516	1 : 1,968	1 : 3,956

**All analyses are based on survey responses received from eight technology organizations and five non-technology organizations.*

[1]Combined represents the payroll FTE ratio across both technology and non-technology industry peers.

Understanding payroll FTE staffing ratios

Aggregated specialized subfunctions (i.e., nonpayroll operations) | Payroll FTE ratios*

We analyzed **payroll FTE (full-time equivalent) staffing ratios** to benchmark the efficiency of the payroll organization by payroll subfunction. This analysis **examines the number of employees who can be managed per one payroll FTE**, segmented by industry. Ratios are shown according to the 25th, median and 75th percentiles and encompass *specialized operations (i.e., nonpayroll operations)* within the payroll organization as follows:

- Payroll operations
- Sales bonus operations
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- Payroll accounting
- Risk and SOX compliance
- Employment tax
- M&A integration
- Mobility payroll
- Payroll optimization/ transformation
- Employee query management
- Change and knowledge management
- Payroll systems focused resources (as part of payroll)

FTE staffing ratio (industry agnostic)

Industry	25th percentile	Median	75th percentile
Combined[1]	1 : 1,354	1 : 2,453	1 : 6,610

**All analyses are based on survey responses received from eight technology organizations and five non-technology organizations.*

[1]Combined represents the payroll FTE ratio across both technology and non-technology organizations.

Understanding payroll FTE staffing ratios

Specialized subfunctions (i.e., nonpayroll operations) | Payroll FTE ratios breakdown*

We analyzed **payroll FTE (full-time equivalent) staffing ratios** to benchmark the efficiency of the payroll organization by payroll subfunction. This analysis **examines the number of employees who can be managed per one payroll FTE**, segmented by industry. Ratios are shown according to the 25th, median and 75th percentiles and encompass *specialized payroll (i.e., nonpayroll operations)* within the payroll organization as follows:

- Payroll operations
- Sales bonus operations
- Equity management
- Time and attendance
- Payroll accounting
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- Change and knowledge management
- Payroll systems focused resources (as part of payroll)

Staff specialization within payroll.	Percentage of technology companies surveyed with this subfunction and the staffing ratio of the 50th percentile for that subfunction.		Percentage of non-technology companies surveyed with this subfunction and the staffing ratio of the 50th percentile for that subfunction.		Percentage of technology and non-technology companies surveyed with this subfunction and the staffing ratio of the 50th percentile for that subfunction.	
Subfunctions	% of tech companies with this role	Median percentile ratio	% of non-tech companies with this role	Median percentile ratio	Combined[1]	Median percentile ratio
Employee query management	63%	1 : 8,124	60%	1 : 7,632	62%	1 : 7,878
Payroll accounting	88%	1 : 12,815	100%	1 : 17,173	92%	1 : 15,623
Employment tax	75%	1 : 32,393	100%	1 : 25,587	85%	1 : 25,587
Equity management	38%	1 : 29,902	60%	1 : 29,904	46%	1 : 29,903
Payroll optimization / transformation	88%	1 : 35,882	100%	1 : 19,936	92%	1 : 30,621
Time & attendance	63%	1 : 42,462	100%	1 : 15,352	77%	1 : 33,945
HR operations	-	-	20%	1 : 34,176	8%	1 : 34,176
Sales bonus operations	13%	1 : 34,450	20%	1 : 39,872	15%	1 : 37,161
Risk & SOX compliance	75%	1 : 93,239	100%	1 : 38,381	85%	1 : 39,506
Benefits	-	-	20%	1 : 39,872	8%	1 : 39,872
Other function	13%	1 : 182,587	60%	1 : 25,587	31%	1 : 52,665
Payroll systems focused resources (as part of payroll)	38%	1 : 59,865	80%	1 : 58,134	54%	1 : 59,865
Mobility payroll	63%	1 : 72,807	100%	1 : 79,743	77%	1 : 76,275
Change & knowledge management	63%	1 : 48,538	100%	1 : 87,104	77%	1 : 83,424
M&A integration	63%	1 : 113,671	80%	1 : 103,360	69%	1 : 113,671

**All analyses are based on survey responses received from eight technology organizations and five non-technology organizations.*

[1]Combined represents the payroll FTE ratio across both technology and non-technology organizations

Understanding payroll FTE staffing ratios

Engineering resources in payroll team vs. outside payroll team | Payroll FTE ratios

Support of payroll systems including user experience-focused maintenance (e.g., requirements gathering, configuration, testing, training) and backend administration (e.g., security, integrations, higher-level application maintenance) can be provided by resources within the payroll team, separate from the payroll team, or from resources across multiple teams like payroll and IT.

The tables below show what percentage of companies have support within the payroll team as well as outside of payroll and the staffing ratios associated with them.Among organizations surveyed, it is more common to support payroll systems with technical / engineering staff outside of the payroll team, indicating that system administration of applications is centralized under a technical team rather than each system being owned by its functional team.

Payroll systems-focused resources (as part of payroll)*

% of tech companies with this role	Technology FTE ratio	% of non-tech companies with this role	Non-technology FTE ratio	Combined[1] %	Median percentile ratio
38%	1 : 59,865	80%	1 : 58,134	54%	1 : 59,865

**This analysis is based on survey responses received from eight technology organizations and five non-technology organizations.*

Separate engineering / IT team supporting payroll**

% of tech companies with this role	Technology FTE ratio	% of non-tech companies with this role	Non-technology FTE ratio	Combined[1] %	Median percentile ratio
100%	1 : 11,367	86%	1 : 22,456	87%	1 : 17,407

[1]Combined represents the payroll FTE ratio across both technology and non-technology organizations.

***This analysis is based on survey responses received from eight technology organizations and seven non-technology organizations.*

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SECTION 3

Operations

Service delivery model global landscape

Managed services compared to in-house operations*

Fully in-house: Zero reliance on third-party providers besides payroll software licensing.

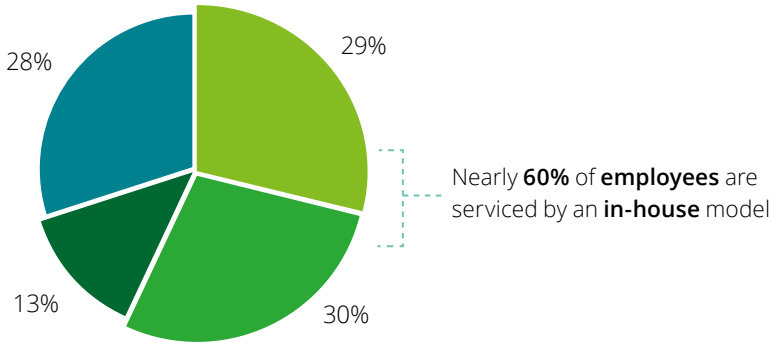
In-house with limited outsourcing: Gross-to-net is processed in-house, but one or more third-party vendors are used to perform ancillary payroll services, such as tax filing, garnishments and year-end compliance.

Managed services: An outsourced model where a third-party vendor provides its technology solutions and personnel to process gross-to-net payroll and ancillary services.

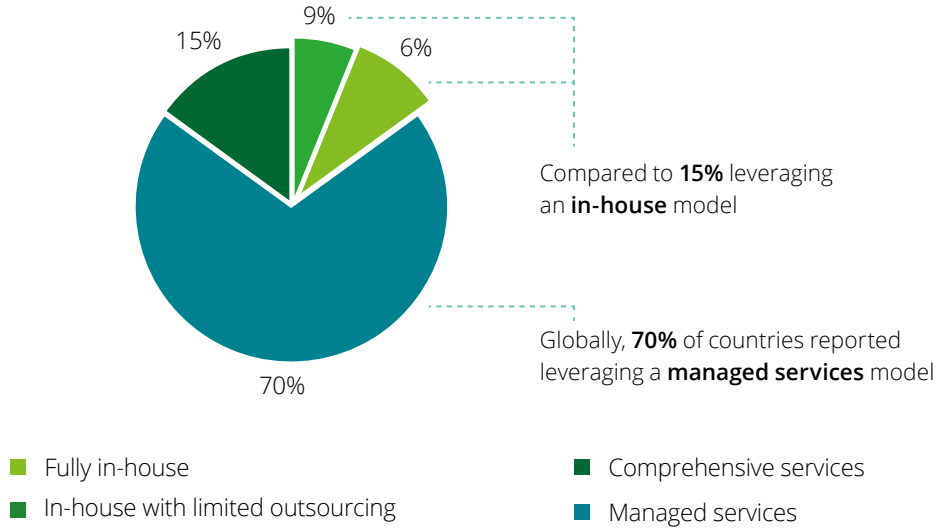
Comprehensive services: An outsourced model where a third-party vendor provides its technology solutions and personnel to process gross-to-net payroll and ancillary services in addition to providing tier 1 employee inquiry support.

This is because in countries where an organization has a large head count (e.g., the United States in our sample), it is common to maintain in-house payroll operations. Operating **payroll in-house** is usually more **cost-effective at scale** and allows the organization to maintain a **higher level of control** over the payroll process.

% of employees supported by service delivery model



% of countries by service delivery model



**All analyses are based on survey responses received from seven technology organizations and seven non-technology organizations.*

Service delivery model global landscape

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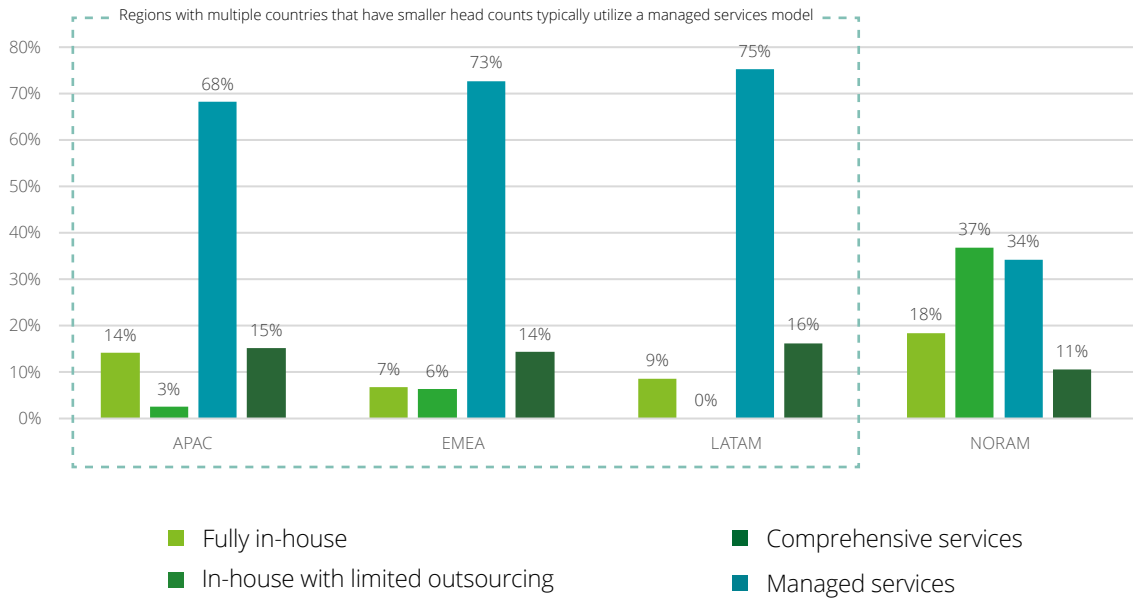
APAC, EMEA and LATAM typically have countries with lower head count numbers using managed services due to the challenges and costs associated with operating in-house.

- **Maintaining technology only becomes cost effective at scale**, so for smaller head count markets, most organizations choose to use a managed services model.
- Finding experts who understand the **legal and regulatory frameworks** in different countries can be difficult.

NORAM is more varied. There is a **higher percentage of organizations** that choose to process payroll in-house.

Regional breakdown of % of countries by service delivery model



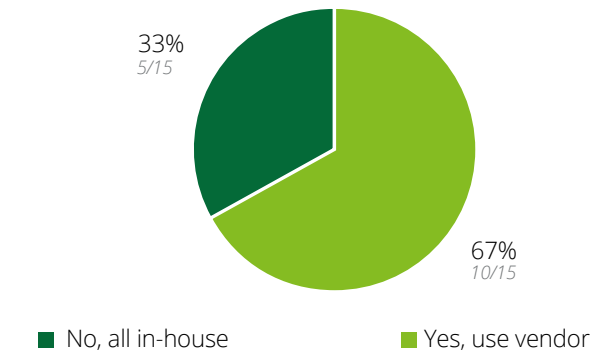
*All analyses are based on survey responses received from seven technology organizations and seven non-technology organizations.

Understanding utilization of third-party Business Process Outsourcing (BPO) services

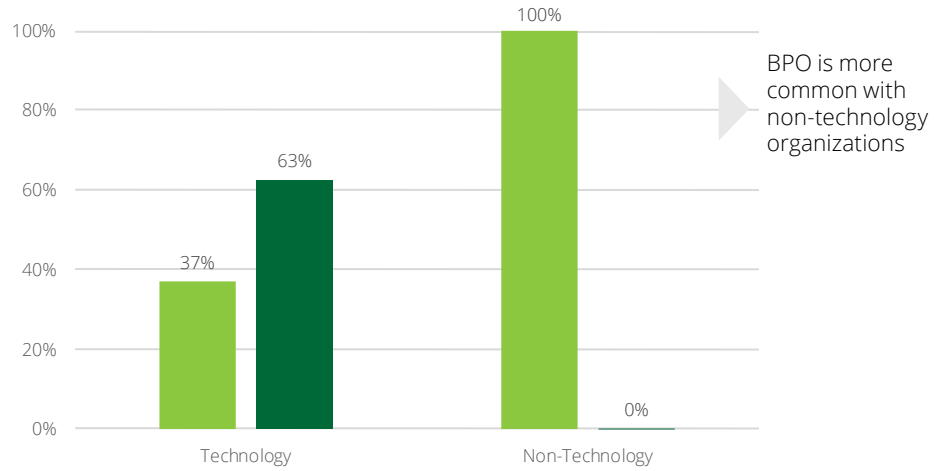
Insights on Payroll staff augmentation through third-party BPO services*

- Survey participants were asked if they use a third-party BPO service to augment payroll staff.
- BPO services involve contracting an outside vendor to support specific business functions.
- 10 of 15 survey respondents (67%) said they use third-party BPO services to augment their payroll staff.
- Utilization of vendor BPO services is largely more common in non-technology organizations compared to technology organizations.

% of organizations utilizing third-party BPO



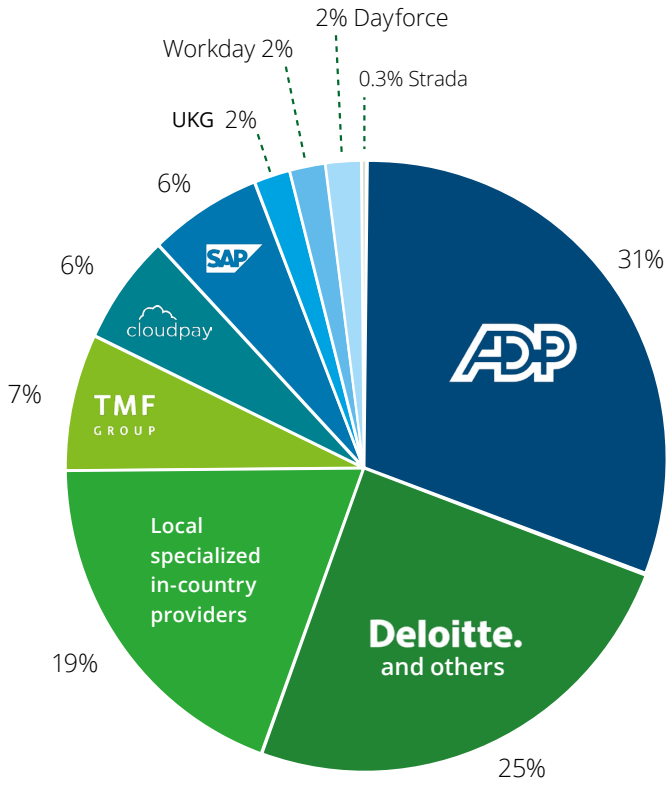
% of organizations utilizing third-party BPO by industry



All analyses are based on survey responses received from eight technology organizations and seven non-technology organizations.

Global payroll provider services

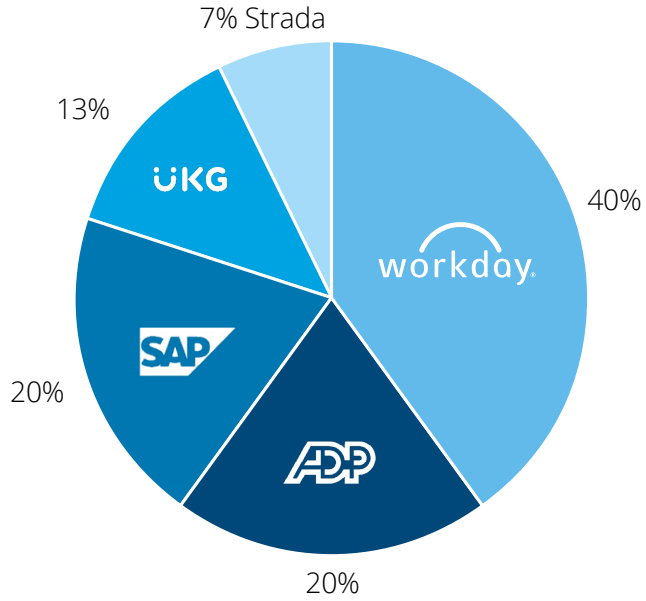
Vendor distribution*



Global service provider distribution, as a percentage of countries

ADP continues to be the market leader and preferred vendor for large companies. Accounting firms (Deloitte and others) are beginning to represent a bigger share of global payroll services, **notably in EMEA and LATAM**.

The **use of local specialized in-country providers is still prevalent** in countries where regulatory and compliance requirements are complex, software costs are higher, or country-specific knowledge is difficult to establish in-house.



US-only service provider distribution

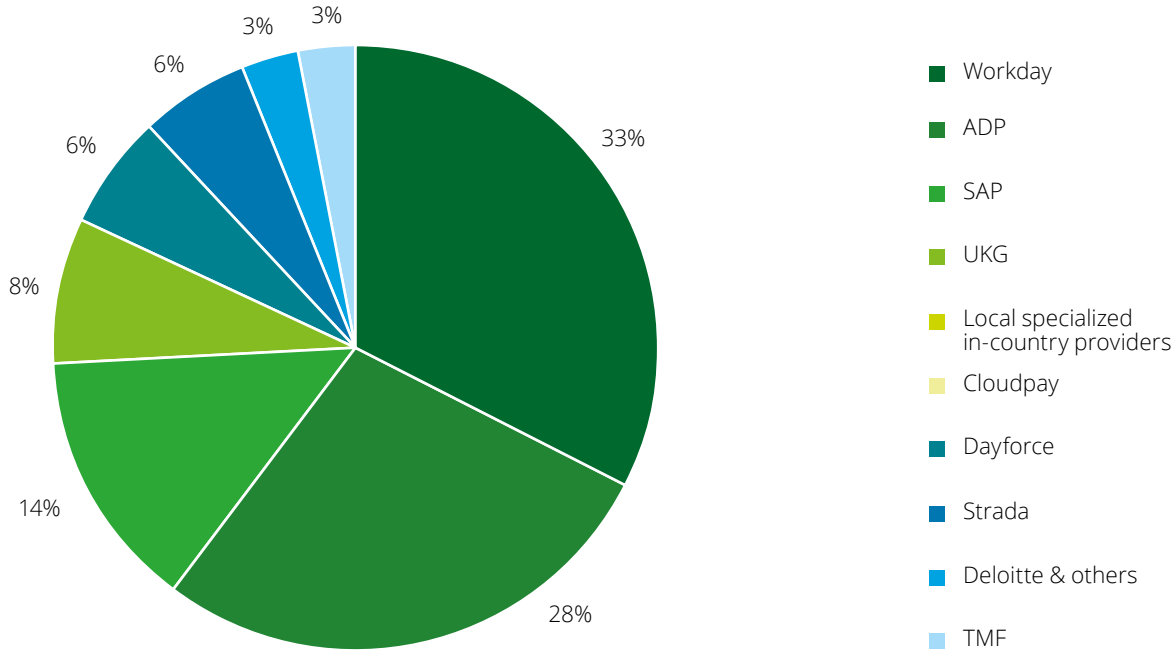
*Service provider distribution pie chart adjusted to whole number, except for Strada since its service offering to surveyed market is just 0.3%

***All analyses are based on survey responses received from eight technology organizations and seven non-technology organizations.*

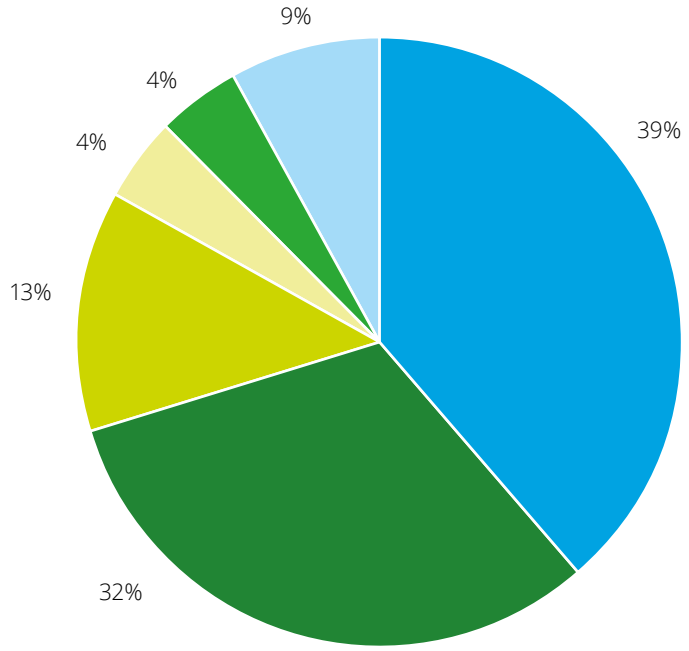
Regional payroll provider services

NORAM and LATAM vendor distribution*

Survey participants were asked which payroll service provider they use in each country. The results are displayed regionally below.



NORAM service provider distribution, as a percentage of countries



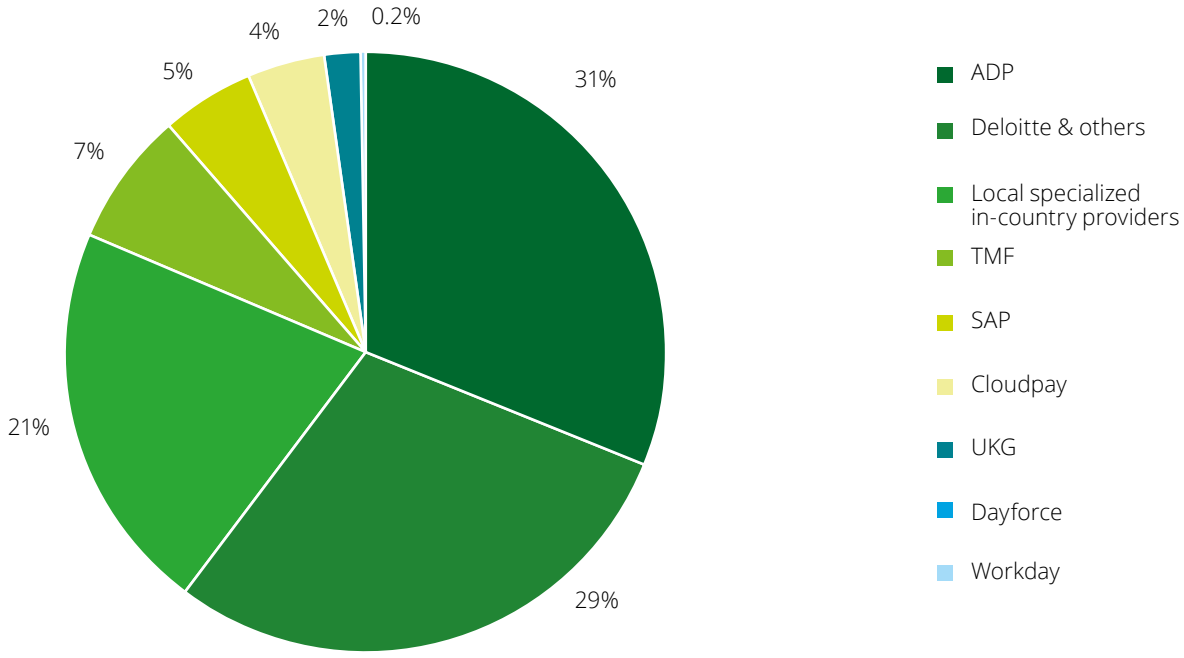
LATAM service provider distribution, as a percentage of countries

**All analyses are based on survey responses received from eight technology organizations and seven non-technology organizations.*

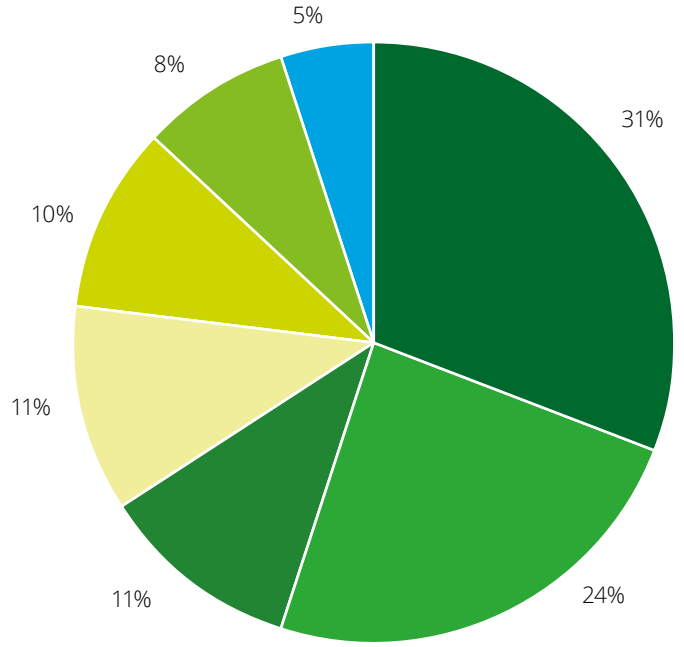
Regional payroll provider services

EMEA and APAC vendor distribution*

Survey participants were asked which payroll service provider they use in each country. The results are displayed regionally below.



EMEA service provider distribution, as a percentage of countries



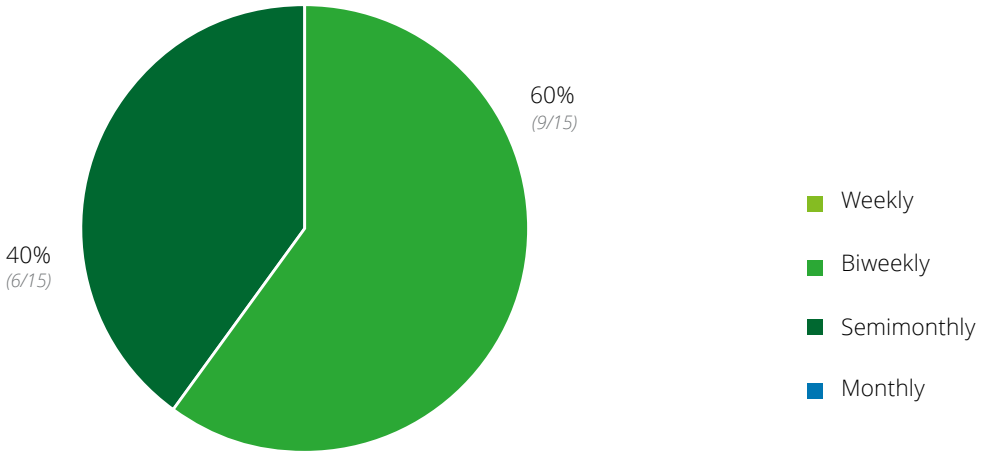
APAC service provider distribution, as a percentage of countries

**All analyses are based on survey responses received from eight technology organizations and seven non-technology organizations.*

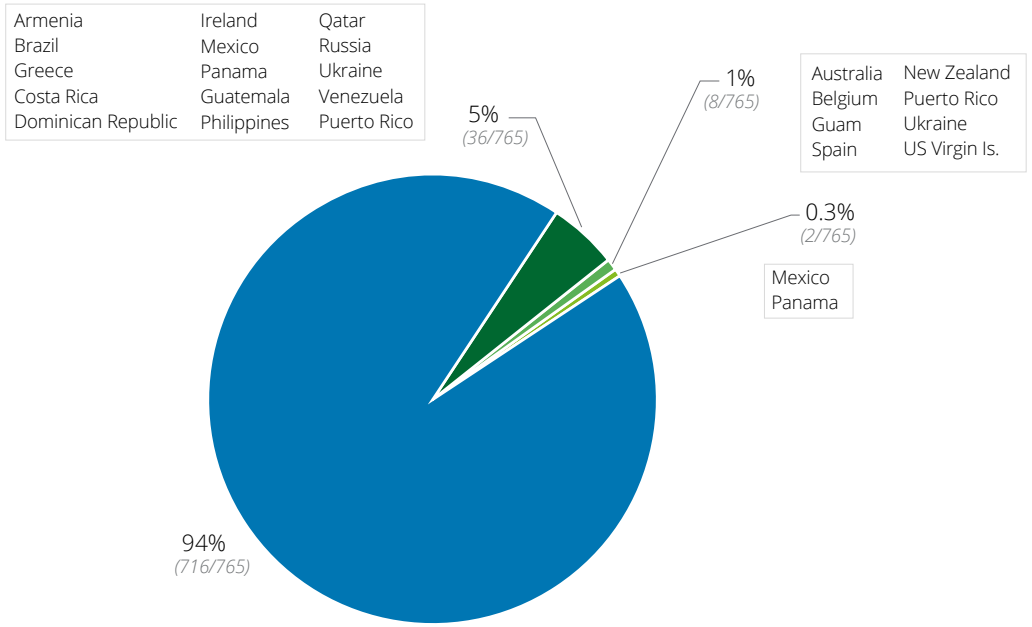
Understanding company payroll setup

Payroll frequency*

Survey participants were asked the frequency of regular payroll runs.



Payroll frequency in US and Canada



Payroll frequency (by country) in rest of world[1]

- 60% of US & Canada organizations run payroll biweekly, while 40% run payroll semimonthly.
- For all other countries, 94% of countries across organizations run payroll monthly.

**All analyses are based on survey responses received from eight technology organizations and seven non-technology organizations.*

[1]"Rest of world" refers to any countries other than the United States and Canada

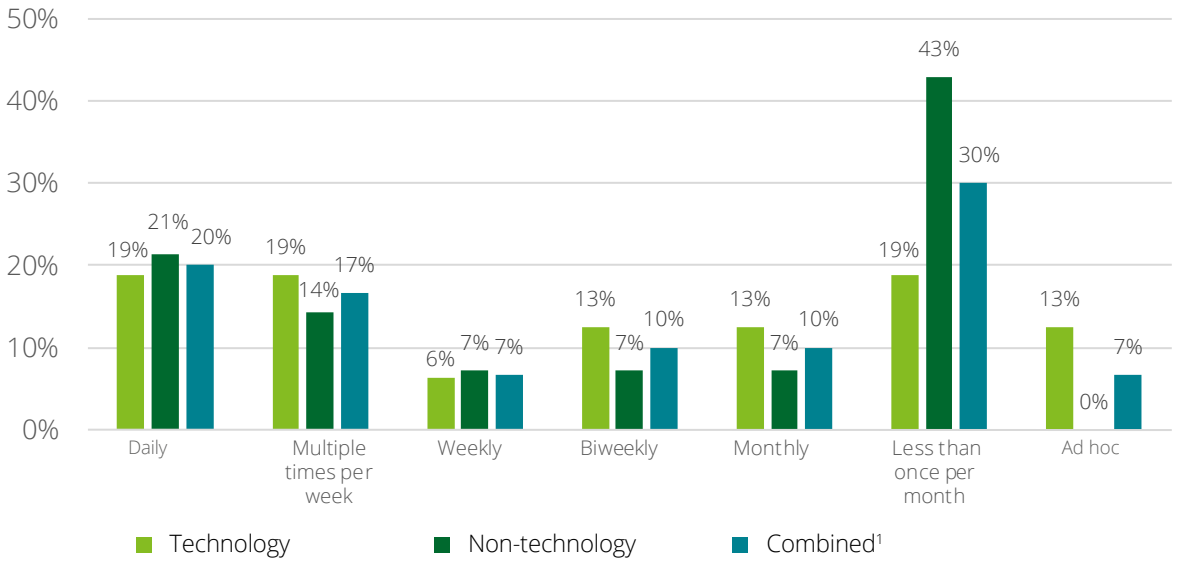
Off-cycle payment frequencies

US and Canada compared to rest of world*

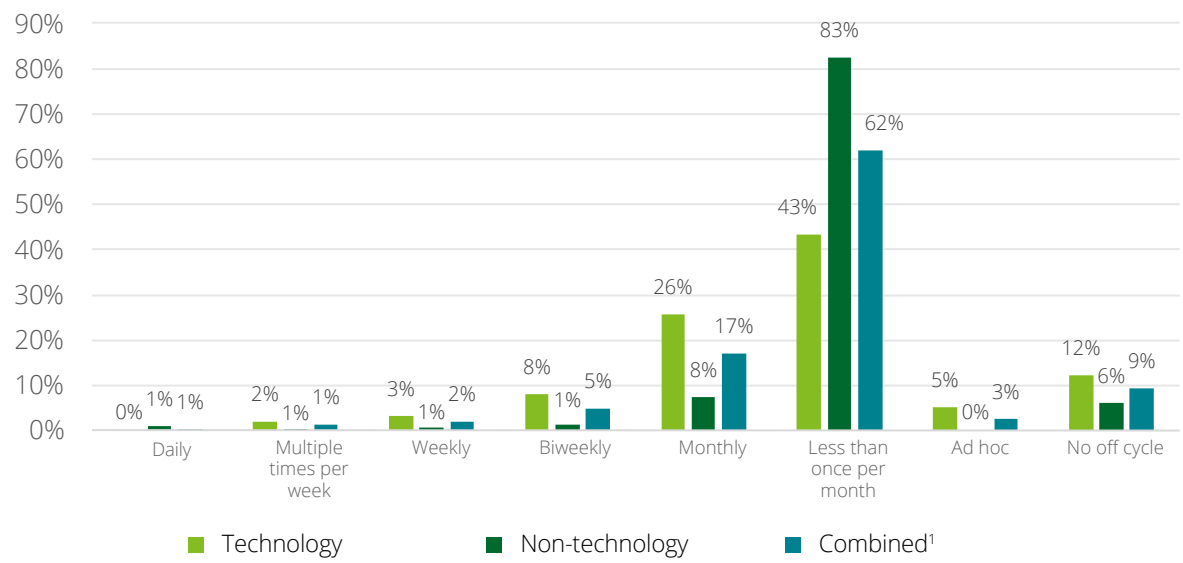
Survey participants indicated that off cycles are most frequently processed for the following reasons: 1) employee terminations (93%), 2) special or additional payments (50%), and 3) incorrect or missed payments (21%).

In general, off-cycle payments are far less common outside the United States and Canada, with the majority of survey participants indicating that off cycles are run less than once per month.

US and Canada off-cycle frequency



RoW2 off-cycle frequency



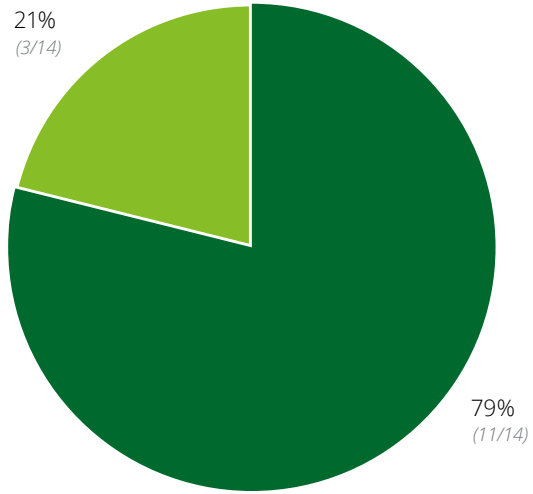
[1]Combined represents an aggregate % of countries across peers, regardless of industry.

**All analyses are based on survey responses received from seven technology organizations and seven non-technology organizations.*

[2]"RoW" refers to any countries other than the United States and Canada

Backdated changes and allowed timeframe*

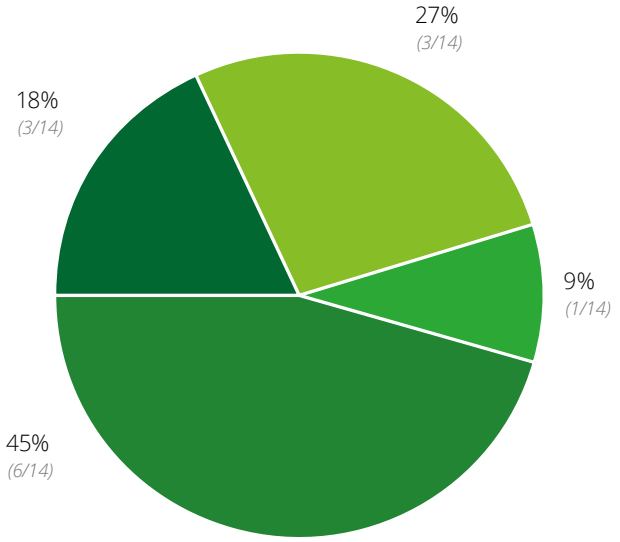
Do you allow for backdated salary or location changes in any countries?



Backdated changes

Yes, allow

No, do not allow



Timeframe when backdated changes allowed

>30 days< year

Within 30 days

No firm limit

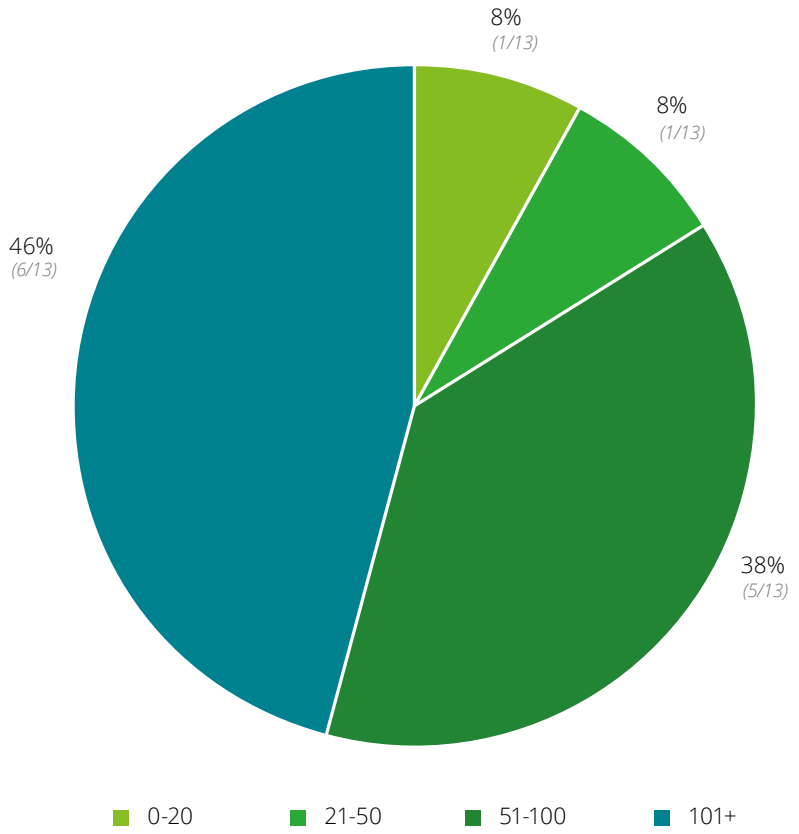
Other**

All analyses are based on survey responses received from seven technology organizations and seven non-technology organizations.

** Other: Only if it is agreed to with other cross-functional partners, and when the case was mishandled

Total count of documented processes*

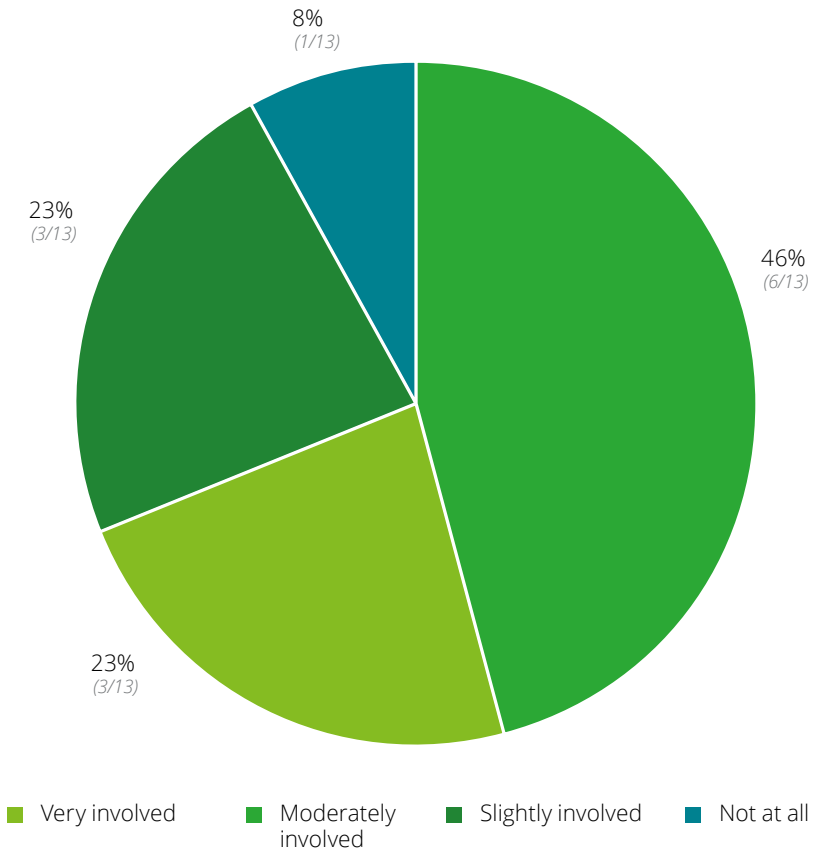
How many documented payroll processes (i.e., individual desktop procedure documents) does your team regularly maintain and update?



*All analyses are based on survey responses received from seven technology organizations and six non-technology organizations.

Payroll team involvement with upstream data validation*

How involved is your payroll team in validating or auditing upstream input data before it get ingested in the payroll system?



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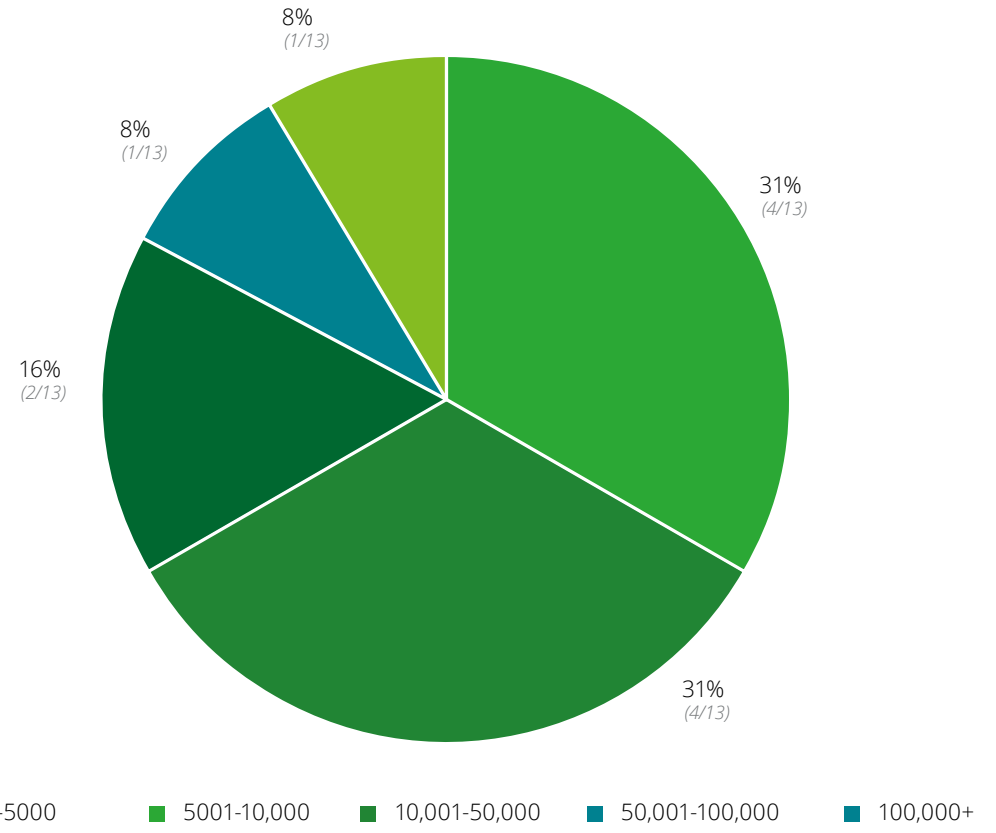
Average annual payroll support queries*

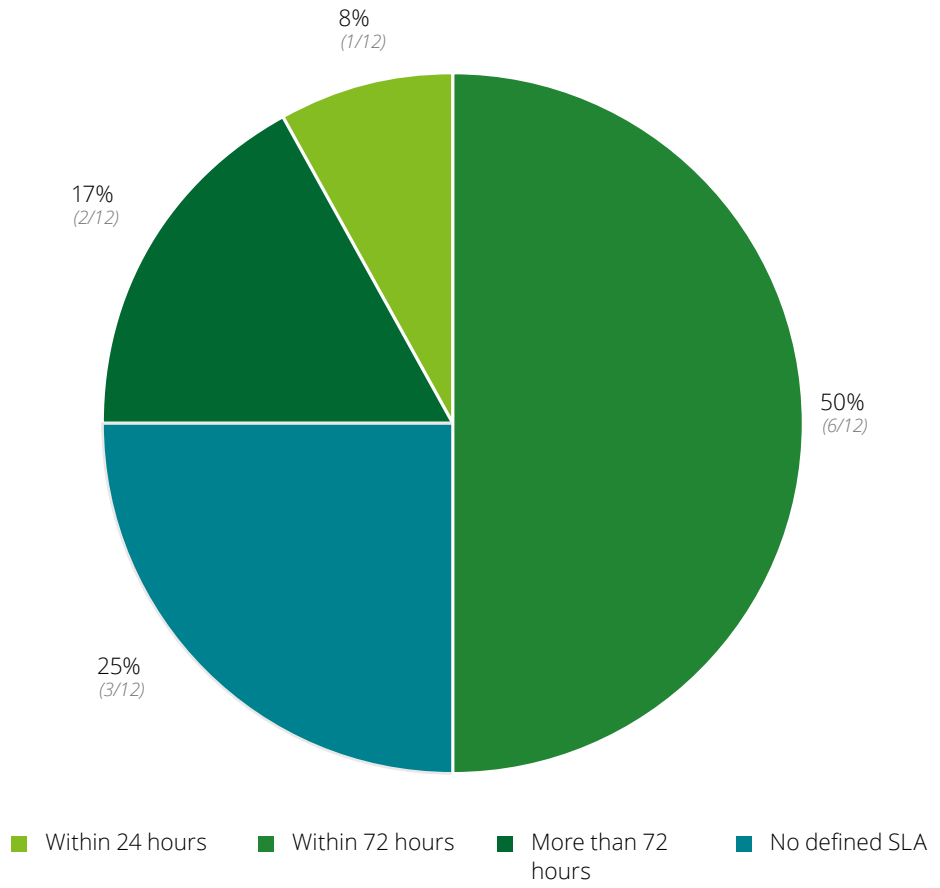
On average, approximately how many payroll-related support inquiries do you receive from employees on an annual basis globally?



*All analyses are based on survey responses received from seven technology organizations and six non-technology organizations.

Average employee inquiry resolution SLA*

What is your target SLA for resolving employee payroll inquiries?



** Service level agreement. (SLA). | All analyses are based on survey responses received from six technology organizations and six non-technology organizations.*

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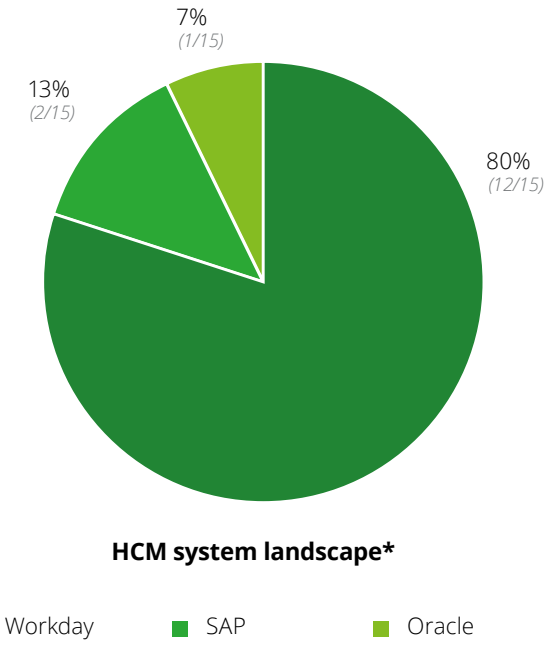
SECTION 4

Technology and integrations

HCM systems and integrations trends

Human capital management and payroll integration landscape



HCM system landscape*

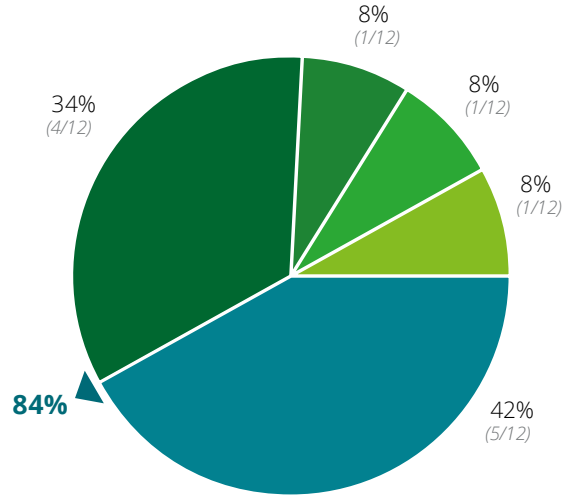
Workday SAP Oracle

*This analysis is based on survey responses received from seven technology organizations and eight non-technology organizations.

Workday is the HCM vendor of choice for most organizations surveyed, with SAP and Oracle being second and third, respectively.

In the US, **companies are more likely to use their HCM / enterprise resource planning system for payroll** as indicated by the presence of Workday and SAP.

Among 12 survey respondents, **84%** of organizations reported having **more than 20 payroll system integrations.**



# of payroll system integrations*

0-5 6-20 21-50 51-100 100+

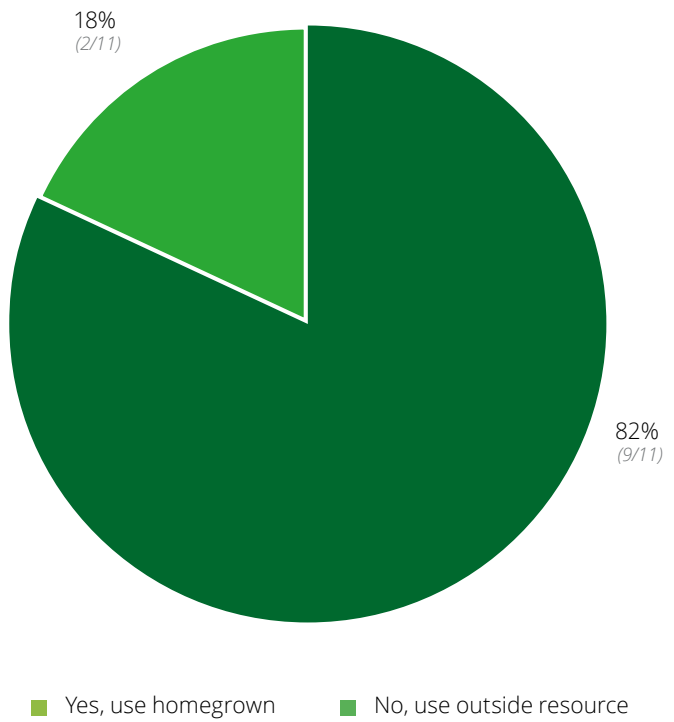
**This analysis is based on survey responses received from six technology organizations and six non-technology organizations.

Payroll operation use of homegrown systems*

Survey participants were asked about their use of homegrown systems.

Out of 11 respondents, **82%** of companies reported they **do not use a homegrown system.**

Only two organizations surveyed use a homegrown system for activities such as input management and data validation, and as an online payslip portal.

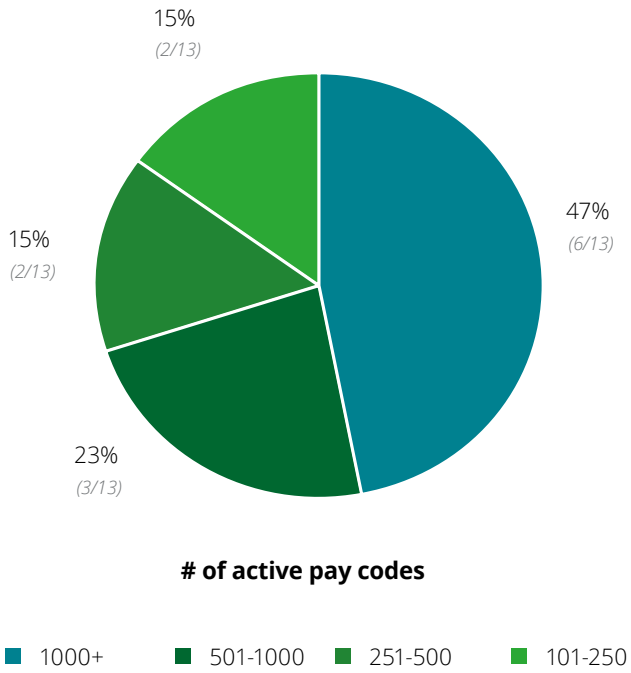


*All analyses are based on survey responses received from six technology organizations and five non-technology organizations.

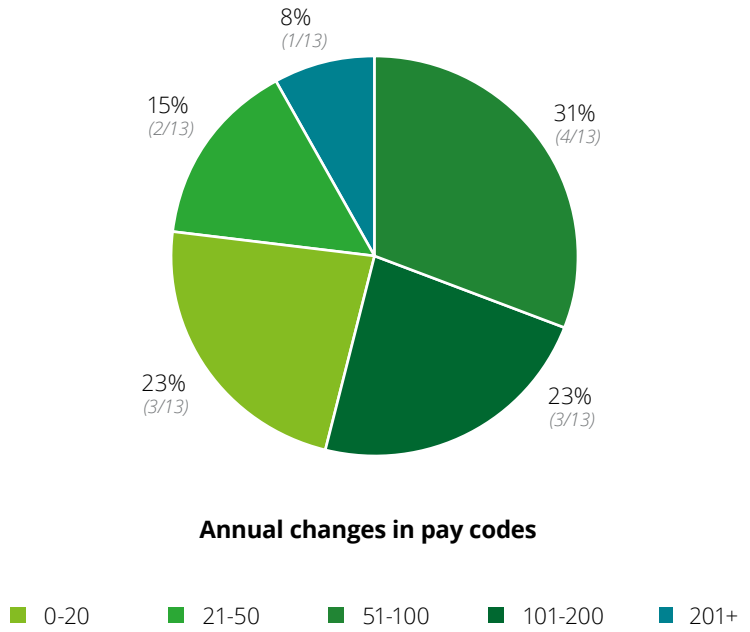
Pay code trends

# of active pay codes and annual changes*

The chart compares the number of active pay codes maintained by survey respondents. **47% of organizations surveyed** have over **1,000 active pay codes.**



This chart depicts the average number of pay code changes among survey respondents. **Organizations** are **evenly distributed** across each annual range.



**All analyses are based on survey responses received from seven technology organizations and six non-technology organizations.*

Pay code change trends

Reasons for pay code changes*

We asked survey participants to estimate the occurrence of pay code changes for each category.

Collectively, pay code changes most commonly occur because of:

New or updated benefit offerings

Changes in tax laws or regulations

Compensation policy updates

"Other" reasons include:

Expenses updates

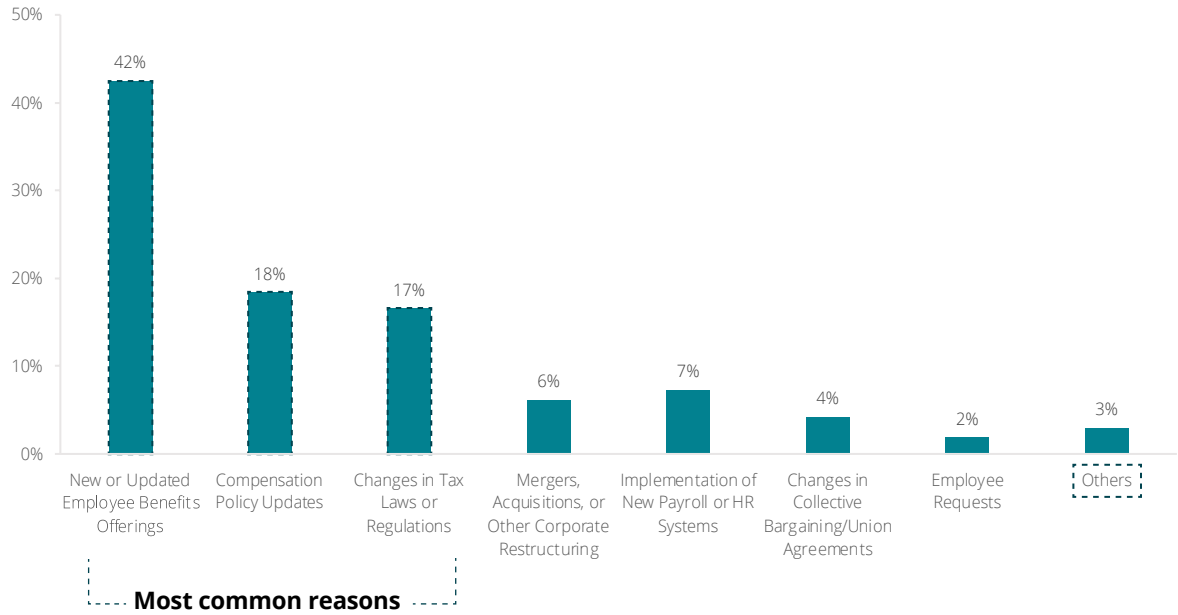
Time tracking

Equity programs

Mobility / relocation

Currency changes, apprentice codes, new country codes

Most common reasons for pay code changes



All analyses are based on survey responses received from seven technology organizations and six non-technology organizations.

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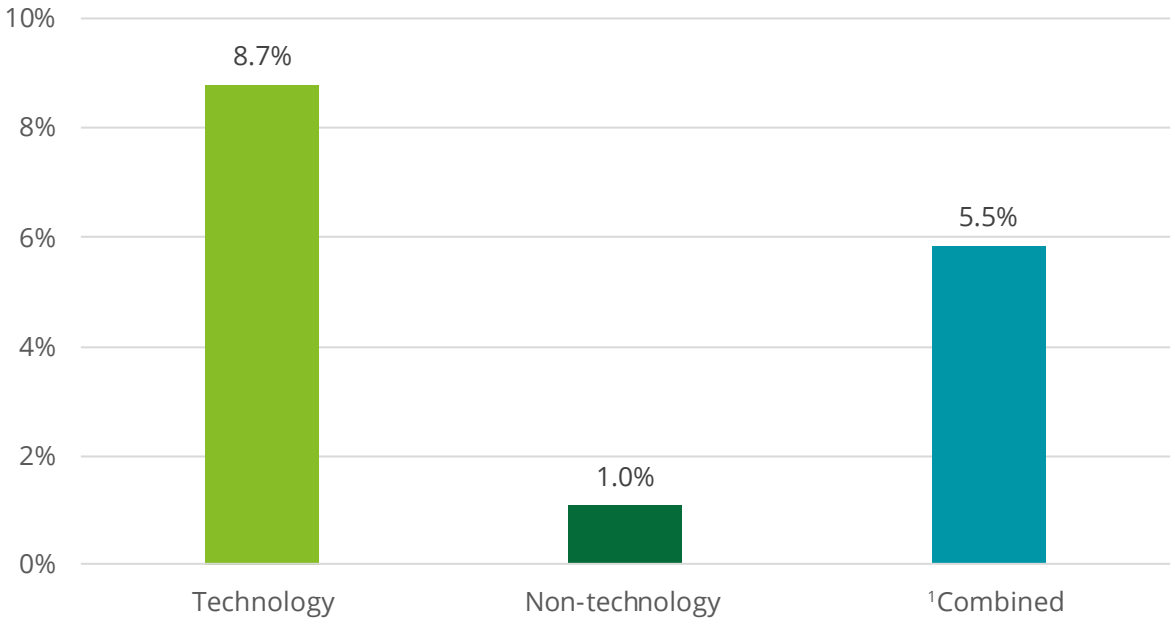
SECTION 5

Business outlook and payroll costs

Organizational growth

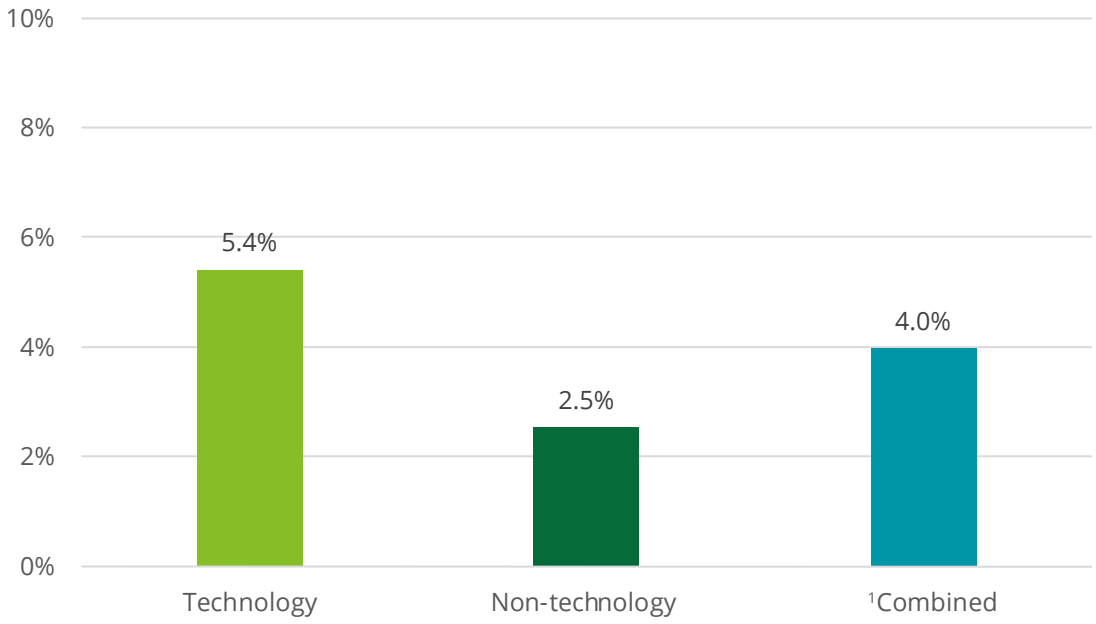
Employee head count and legal entity growth*

This chart shows the average percentage increase of employee head count added annually by industry. In general, technology organizations see a larger employee growth rate compared to non-technology organizations.



Average annual employee growth rate (%) by industry

This chart shows the average percentage increase of legal entities added annually by industry. On average, technology organizations add more than twice as many new legal entities compared to non-technology organizations annually.



Average % of new legal entities set up annually by industry

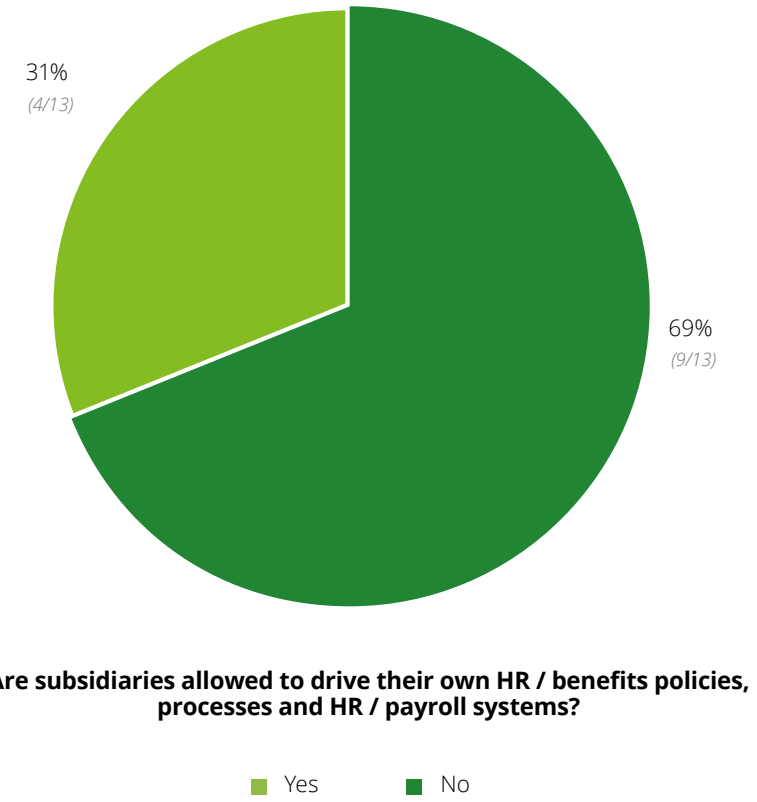
[1]Combined represents aggregate % of peer organizations, regardless of industry

**All analyses are based on survey responses received from seven technology organizations and five non-technology organizations.*

Subsidiary ownership of operations

% of subsidiaries owning HR, benefits and payroll*

A majority of respondents reported they do not allow subsidiaries to create or own their own HR / benefits policies, processes and systems for HR and payroll. **Survey respondents who answered "Yes" annually create five or fewer new legal entities on average.**



*All analyses are based on survey responses received from seven technology organizations and six non-technology organizations.

Annual cost per employee

Payroll operations only*

Payroll department		Separate payroll engineering / IT department	
Payroll technology + vendor outsourcing	Payroll FTE labor costs	Payroll technology + vendor outsourcing	Payroll FTE labor costs

ANNUAL COST PER EMPLOYEE (USD)

(Payroll technology software costs + vendor / outsourcing costs + payroll FTE labor costs / Total # of employees)

Payroll technology software: Cost of licensing fees or subscription costs for any software used to process or manage payroll

Vendor / outsourcing costs: All costs associated with paying third-party payroll providers (inclusive of any bundled payroll technology fees), outsourcing, staff augmentation, consultants and/or any other external vendors providing payroll-related services

Payroll FTE labor costs: All costs associated with paying your payroll staff, including salaries, bonuses, equity, benefits, taxable benefits-in-kind and employer tax

Annual cost per employee (Payroll department only)

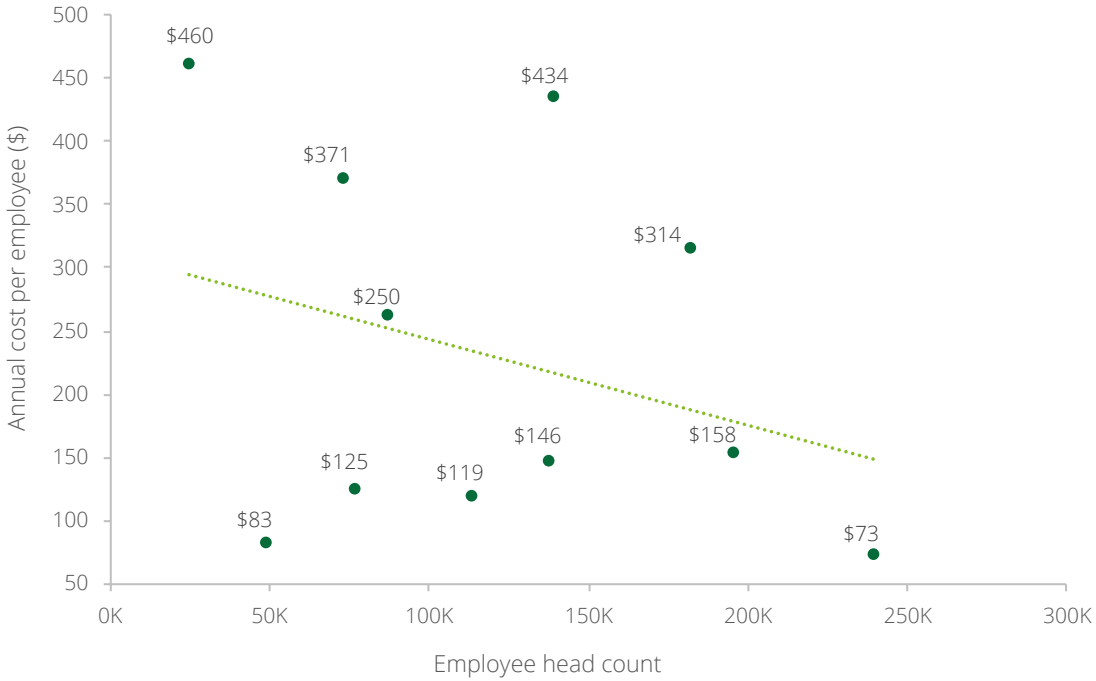
Industry	75th percentile	Median	25th percentile
Technology	$157	$236	$345
Non-technology	$119	$146	$292

**All analyses are based on survey responses received from six technology organizations and five non-technology organizations.*

The table to the left shows the annual costs for software, vendor / outsourcing, and FTE labor per employee. The scatter plot below shows this metric for each survey respondent.

Annual cost per employee head count (USD)

Payroll department only



The organizations with lower annual costs use an in-house processing model for their large-population countries and have lower labor costs (most likely due to using an offshore resource model).

[1]Combined represents aggregate costs of peer organizations, regardless of industry

Annual cost per employee (USD)

Payroll dept. and separate payroll engineering / IT dept. costs combined*

Payroll department		Separate payroll engineering / IT department	
Payroll technology + vendor outsourcing	Payroll FTE labor costs	Payroll technology + vendor outsourcing	Payroll FTE labor costs

ANNUAL COST PER EMPLOYEE (USD)

(Payroll technology software costs + vendor / outsourcing costs + payroll FTE labor costs / Total # of employees)

Payroll technology software: Cost of licensing fees or subscription costs for any software used to process or manage payroll

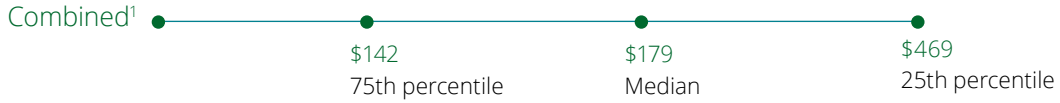
Vendor / outsourcing costs: All costs associated with paying third-party payroll providers (inclusive of any bundled payroll technology fees), outsourcing, staff augmentation, consultants and/or any other external vendors providing payroll-related services

Payroll FTE labor costs: All costs associated with paying your payroll staff, including salaries, bonuses, equity, benefits, taxable benefits-in-kind and employer tax

Annual cost per employee

(Payroll dept. and separate payroll engineering / IT dept. costs)

Industry	75th percentile	Median	25th percentile
Technology	$171	$284	$469
Non-technology	$127	$146	$300

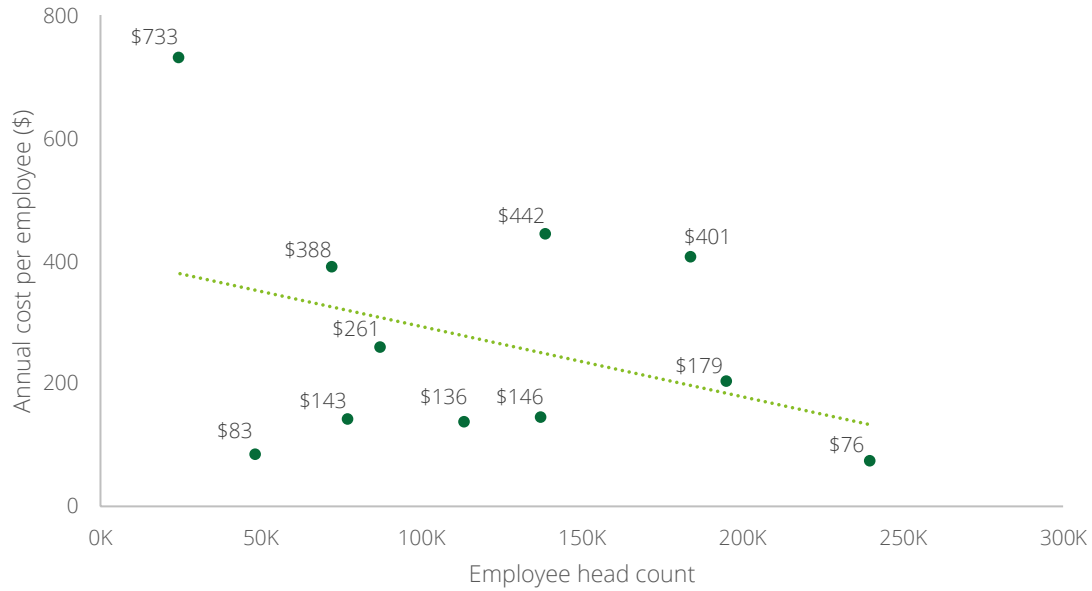


*All analyses are based on survey responses received from six technology organizations and five non-technology organizations.

The table to the left shows the annual costs for software, vendor / outsourcing, and FTE labor per employee (labor includes payroll department FTEs and separate payroll engineering / IT resources (separate from the payroll team). The scatter plot below shows this metric for each survey respondent.

Annual cost per employee head count (USD)

Payroll dept. and separate payroll engineering / IT dept. costs



[1]Combined represents aggregate costs of peer organizations, regardless of industry

Annual cost per employee (USD)

Payroll technology and vendor / outsourcing costs only*

Payroll department		Separate payroll engineering / IT department	
Payroll technology + vendor outsourcing	Payroll FTE labor costs	Payroll technology + vendor outsourcing	Payroll FTE labor costs

ANNUAL PAYROLL TECHNOLOGY AND VENDOR/OUTSOURCING COST PER EMPLOYEE (USD)

(Payroll technology software costs + vendor / outsourcing costs + payroll FTE labor costs / Total # of employees)

Payroll technology software: Cost of licensing fees or subscription costs for any software used to process or manage payroll

Vendor / outsourcing costs: All costs associated with paying third-party payroll providers (inclusive of any bundled payroll technology fees), outsourcing, staff augmentation, consultants and/or any other external vendors providing payroll-related services

Payroll FTE labor costs: All costs associated with paying your payroll staff, including salaries, bonuses, equity, benefits, taxable benefits-in-kind and employer tax

Annual payroll technology and vendor/outsourcing per employee

Industry	75th percentile	Median	25th percentile
Technology	$85	$164	$223
Non-technology	$47	$85	$101

**All analyses are based on survey responses received from six technology organizations and five non-technology organizations.*

The table to the left shows the monthly costs for software and vendor / outsourcing. The scatter plot below shows this monthly cost recorded by each respondent.

Annual cost per employee (USD)

Payroll technology and vendor / outsourcing cost

[1]Combined represents aggregate costs of peer organizations, regardless of industry

Annual cost per employee (USD)

Payroll FTE labor costs only*

Payroll department		Separate payroll engineering / IT department	
Payroll technology + vendor outsourcing	**Payroll FTE labor costs**	Payroll technology + vendor outsourcing	Payroll FTE labor costs

ANNUAL PAYROLL FTE LABOR COSTS (USD)

(Payroll FTE labor costs / Total # of employees)

Payroll technology software: Cost of licensing fees or subscription costs for any software used to process or manage payroll

Vendor / outsourcing costs: All costs associated with paying third-party payroll providers (inclusive of any bundled payroll technology fees), outsourcing, staff augmentation, consultants and/or any other external vendors providing payroll-related services

Payroll FTE labor costs: All costs associated with paying your payroll staff, including salaries, bonuses, equity, benefits, taxable benefits-in-kind and employer tax

Average payroll FTE cost

Industry	75th percentile	Median	25th percentile
Technology	$68,609	$85,657	$187,330
Non-technology	$55,748	$63,158	$126,908
Combined[1]	$59,847	$80,796	$162,781

75th percentile | Median | 25th percentile

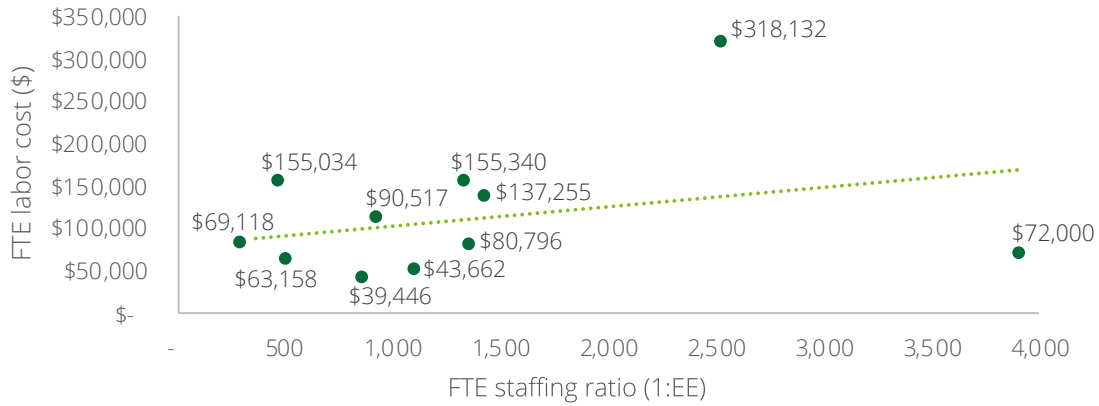
Payroll FTE cost per employee

Industry	75th percentile	Median	25th percentile
Technology	$61	$94	$132
Non-technology	$60	$116	$203
Combined[1]	$57	$96	$169

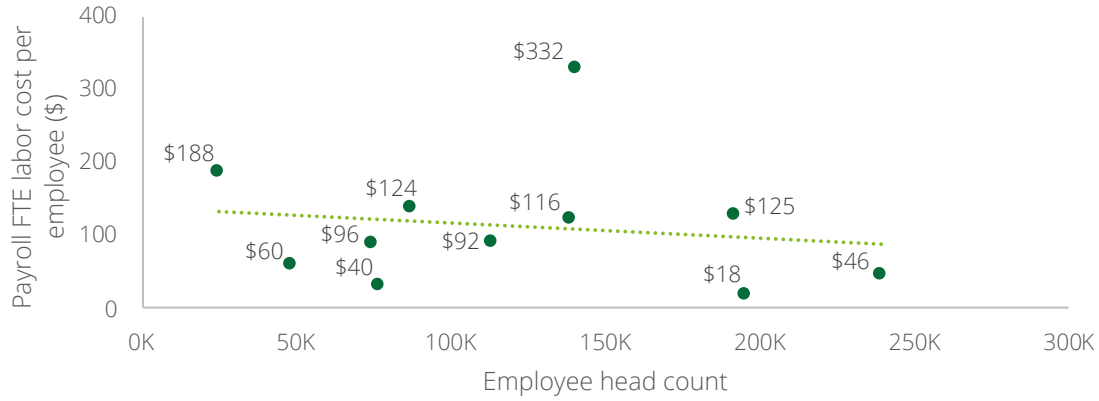
75th percentile | Median | 25th percentile

**All analyses are based on survey responses received from six technology organizations and five non-technology organizations.*

Average annual payroll FTE labor costs (USD)



Annual payroll FTE labor cost per employee (USD)



[1]Combined represents aggregate costs of peer organizations, regardless of industry

Annual cost per employee (USD)

Payroll FTE labor costs only*

Payroll department		Separate payroll engineering / IT department	
Payroll technology + vendor outsourcing	Payroll FTE labor costs	Payroll technology + vendor outsourcing	Payroll FTE labor costs

ANNUAL PAYROLL FTE LABOR COSTS (USD)
(Payroll FTE labor costs / Total # of employees)
Payroll technology software: Cost of licensing fees or subscription costs for any software used to process or manage payroll
Vendor / outsourcing costs: All costs associated with paying third-party payroll providers (inclusive of any bundled payroll technology fees), outsourcing, staff augmentation, consultants and/or any other external vendors providing payroll-related services
Payroll FTE labor costs: All costs associated with paying your payroll staff, including salaries, bonuses, equity, benefits, taxable benefits-in-kind and employer tax

The table on the top right shows the annual costs including salaries, bonuses, equity, benefits, taxable benefits-in-kind and employer tax for payroll engineering / IT FTEs.

The table on the bottom right shows the payroll engineering / IT FTE labor cost per employee.

Average payroll engineering / IT FTE costs (USD)

Industry	75th percentile	Median	25th percentile
Technology	$72,705	$191,852	$253,681
Non-technology	$138,904	$166,667	$236,096

Combined[1]

$95,962	$166,667	$249,870
75th percentile	Median	25th percentile

Payroll engineering / IT FTE labor cost per employee (USD)

Industry	75th percentile	Median	25th percentile
Technology	$4.39	$12.64	$23.57
Non-technology	$3.16	$7.18	$8.14

Combined[1]

$2.39	$7.82	$17.99
75th percentile	Median	25th percentile

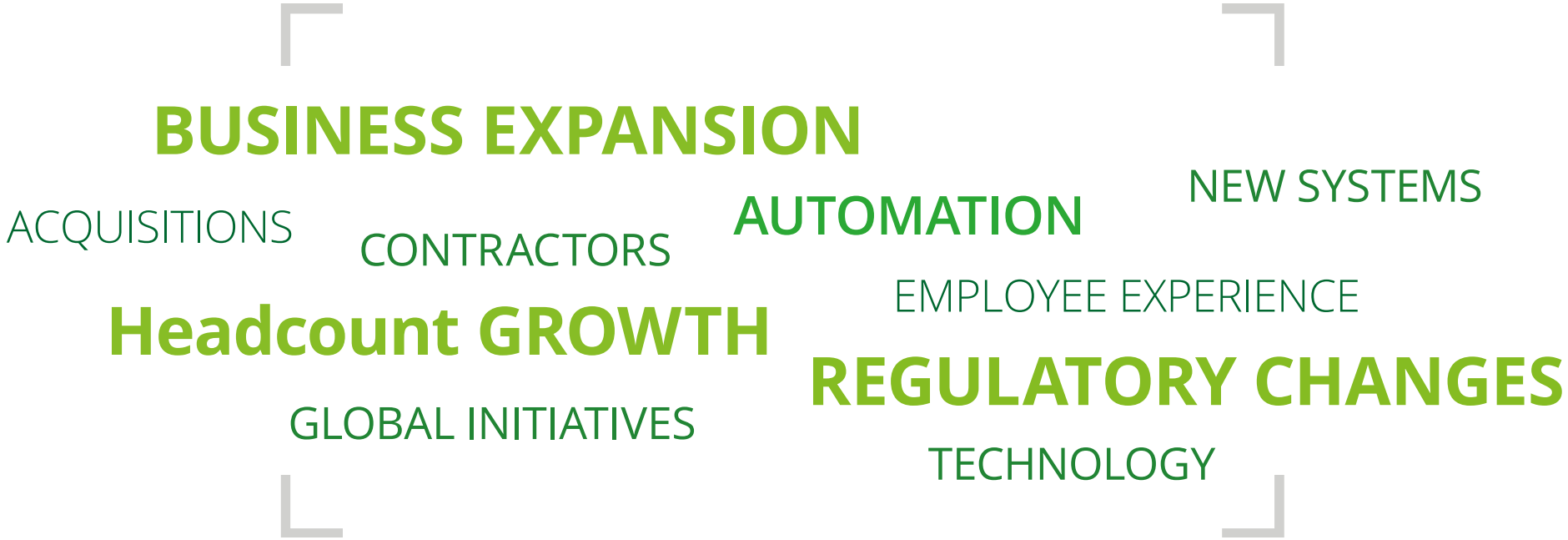
**All analyses are based on survey responses received from six technology organizations and five non-technology organizations.*

[1]Combined represents aggregate costs of peer organizations, regardless of industry

Payroll team cost drivers*

Survey participants were asked about biggest drivers of incremental cost for their payroll team. The most common responses are displayed in the word cloud below.

The top responses are business expansions into new jurisdictions, adapting to regulatory changes, and head count growth.



All analyses are based on survey responses received from eight technology organizations and seven non-technology organizations.

Payroll service provider costs by region*

Payroll service provider (PSP) costs are shown in the tables below for the United States and Canada as well as the rest of the world. The costs shown below are per-employee per-month costs.

Rest of World

Region	Data points	Represented headcount	Regional average	25th percentile	Median	75th percentile
APAC	111	235,954	$9.54	$21.51	$15.15	$10.83
EMEA	193	182,353	$19.63	$33.54	$23.45	$19.06
LATAM	38	48,287	$15.37	$27.72	$18.16	$15.02

US & Canada

Country	Data points	Represented headcount	Country average	25th percentile	Median	75th percentile
US	11	698,321	$3.24	$5.99	$3.64	$2.41
US (in-house)	8	586,256	$2.98	$3.98	$2.69	$1.99
US (outsourced)	3	112,065	$7.45	$8.82	$6.40	$6.08
Canada	10	16,669	18.41	$32.46	$22.35	$9.62

Data for these analyses also required that country data was available for at least 500 total employees; to remove outliers, only companies that had a head count of more than 20 employees in a country were considered. As such, not all countries from all survey responses are included.

Data points refers to the number of country responses used within the region—note that countries were counted more than once if mentioned by more than one survey respondent (e.g., Japan may represent five data points in APAC based off the number of respondents who provided data for this country).
Represented head count is the total sum of employees within the data points used for the region.
Regional / country average is the total cost for the region / country divided by total head count producing a blended average representative of the region / country.
25th percentile, median and 75th percentile are the percentile values from all country-specific data points in a region. For example, in APAC the percentile values and median are calculated using all 120 data points in the region.

PSP unit cost (global average)	$7.78

**All analyses are based on survey responses received from six technology and six non-technology organizations. All costs are per-employee, per-month costs.*

Payroll service provider costs by country

APAC region

Payroll service provider (PSP) costs are shown in the table here for the Asia Pacific (APAC) region. The costs shown here are per-employee per-month costs.

Country	Data points	Represented head count	Median head count	Average head count	Average per-employee per-month cost	25th percentile	Median	75th percentile
Australia	9	9,529	821	1,059	$14.62	$32.81	$19.88	$12.90
China	9	47,763	4,406	5,307	$11.36	$31.00	$14.83	$9.65
Hong Kong	8	1,532	189	192	$37.78	$57.77	$35.72	$23.65
India	10	109,119	5,181	10,912	$5.80	$8.59	$3.93	$3.15
Indonesia	6	944	144	157	$17.80	$29.18	$18.83	$13.94
Japan	11	24,598	2,881	2,236	$17.26	$60.13	$21.29	$10.06
Malaysia	6	1,114	205	186	$14.85	$44.42	$13.91	$4.07
New Zealand	5	710	77	142	$19.71	$46.65	$15.86	$11.09
Philippines	7	16,927	1,312	2,418	$2.92	$12.18	$5.64	$4.64
Singapore	10	8,196	630	820	$12.21	$34.55	$23.60	$13.84
South Korea	10	5,431	310	543	$19.11	$55.53	$29.47	$14.49
Taiwan	8	8,194	419	1,024	$13.91	$23.81	$16.12	$11.20
Thailand	7	1,142	147	163	$23.56	$48.95	$14.42	$8.50
Vietnam	5	755	168	151	$15.45	$33.34	$11.75	$10.94

Data points refers to the number of country responses received from survey responses.
Represented head count is the total sum of employees within the data points used for the country.
Median head count refers to the "middle" value of the head count data set in each country when ordered from smallest to largest.
Average head count refers to the average value of the head count data set in each country.
Average per-employee per-month cost is the cost for gross-to-net processing within the country.
25th percentile, median and 75th percentile are the percentile values for each country between all its data points. For example, in Australia the percentile values and median are calculated using all nine data points for the country.

PSP unit cost (APAC average)	$12.57
PSP unit cost (global average)	$7.78

Data for these analyses also required that country data was available for at least 500 total employees; to remove outliers, only companies that had a head count of more than 20 employees in a country were considered. As such, not all countries from all survey responses are included. All costs are per-employee per-month costs.

Payroll service provider costs by country

EMEA region (1 of 2)

Payroll service provider (PSP) costs are shown in the table here for the Europe, Middle East and Africa (EMEA) regions. The costs shown here are per-employee per-month costs.

Country	Data Points	Represented head count	Median head count	Average head count	Average per-employee per-month cost	25th percentile	Median	75th percentile
Austria	6	1,717	260	286	$23.45	$55.87	$27.49	$17.52
Belgium	8	18,693	410	2,337	$13.70	$87.43	$41.64	$24.16
Croatia	4	806	113	202	$34.68	$125.91	$27.72	$15.22
Czech Republic	6	2,796	118	466	$21.10	$56.39	$26.23	$17.09
Denmark	7	1,637	134	234	$32.41	$58.49	$36.13	$24.26
Egypt	3	1,335	427	445	$28.21	$35.74	$5.85	$5.31
Finland	5	973	134	195	$57.13	$90.18	$36.07	$31.98
France	10	10,913	1,286	1,091	$40.39	$49.05	$34.30	$26.82
Germany	11	18,741	1,063	1,704	$15.79	$30.85	$23.67	$15.75
Greece	4	1,858	219	465	$20.09	$40.15	$31.95	$22.38
Ireland	9	23,007	2,743	2,556	$18.97	$37.29	$20.77	$11.37
Israel	9	12,776	711	1,420	$18.44	$34.26	$29.31	$14.85
Italy	10	8,280	543	828	$29.23	$79.70	$39.11	$31.45
Kenya	2	555	278	278	$37.97	$33.53	$21.36	$9.19
Netherlands	9	11,249	704	1,250	$16.78	$34.42	$20.92	$17.08

Data points refers to the number of country responses received from survey responses.
Represented head count is the total sum of employees within the data points used for the country.
Median head count refers to the "middle" value of the head count data set in each country when ordered from smallest to largest.
Average head count refers to the average value of the head count data set in each country.
Average per-employee per-month cost is the cost for gross-to-net processing within the country.
25th percentile, median and 75th percentile are the percentile values for each country between all its data points. For example, in Australia the percentile values and median are calculated using all nine data points for the country.

PSP unit cost (EMEA average)	$15.14
PSP unit cost (global average)	$7.78

Data for these analyses also required that country data was available for at least 500 total employees; to remove outliers, only companies that had a head count of more than 20 employees in a country were considered. As such, not all countries from all survey responses are included. All costs are per-employee per-month costs.

Payroll service provider costs by country

EMEA region (2 of 2)

Payroll service provider (PSP) costs are shown in the table here for the Europe, Middle East and Africa (EMEA) regions. The costs shown here are per-employee per-month costs.

Country	Data points	Represented head count	Median head count	Average head count	Average per-employee per-month cost	25 percentile	Median	75th percentile
Norway	5	1,037	83	207	$26.78	$77.68	$52.34	$30.79
Poland	9	4,325	301	481	$16.87	$44.45	$26.72	$19.62
Portugal	6	2,678	191	446	$22.42	$31.30	$25.92	$21.06
Romania	4	2,493	360	623	$26.22	$30.17	$27.00	$20.83
Saudi Arabia	4	706	168	177	$23.10	$56.91	$33.36	$18.74
Serbia	2	759	380	380	$34.41	$32.60	$25.28	$17.97
Slovakia	4	2,544	67	636	$20.85	$34.70	$21.21	$17.54
South Africa	6	965	127	161	$54.67	$78.48	$58.61	$25.08
Spain	9	6,674	640	742	$20.27	$118.14	$29.95	$2.73
Sweden	8	2,579	318	322	$25.89	$39.89	$28.96	$22.52
Switzerland	8	11,907	430	1,488	$19.37	$61.29	$34.97	$15.05
Turkey	6	1,340	192	223	$24.52	$40.14	$25.30	$20.48
United Arab Emirates	7	1,587	139	227	$29.23	$37.49	$24.98	$16.49
United Kingdom	12	27,423	1,780	2,285	$9.70	$22.04	$12.55	$7.52

Data points refers to the number of country responses received from survey responses.
Represented head count is the total sum of employees within the data points used for the country.
Median head count refers to the "middle" value of the head count data set in each country when ordered from smallest to largest.
Average head count refers to the average value of the head count data set in each country.
Average per-employee per-month cost is the cost for gross-to-net processing within the country.
25th percentile, median and 75th percentile are the percentile values for each country between all its data points. For example, in Australia the percentile values and median are calculated using all nine data points for the country.

Data for these analyses also required that country data was available for at least 500 total employees; to remove outliers, only companies that had a head count of more than 20 employees in a country were considered. As such, not all countries from all survey responses are included. All costs are per-employee per-month costs.

Payroll service provider costs by country

LATAM region

Payroll service provider (PSP) costs are shown in the table here for the Latin America (LATAM) region. The costs shown here are per-employee per-month costs.

Country	Data points	Represented head count	Median head count	Average head count	Average per-employee per-month cost	25th percentile	Median	75th percentile
Argentina	6	2,322	417	387	$20.62	$66.26	$32.87	$18.69
Brazil	8	11,224	1,196	1,403	$15.71	$73.52	$20.37	$4.83
Chile	6	1,133	191	189	$30.89	$42.16	$23.56	$17.88
Colombia	6	2,330	186	388	$12.34	$33.05	$24.91	$14.35
Costa Rica	4	3,316	831	829	$36.76	$41.24	$21.43	$16.93
Mexico	8	27,962	1,060	3,495	$11.89	$25.48	$21.37	$12.96

Data points refers to the number of country responses received from survey responses.
Represented head count is the total sum of employees within the data points used for the country.
Median head count refers to the "middle" value of the head count data set in each country when ordered from smallest to largest.
Average head count refers to the average value of the head count data set in each country.
Average per-employee per-month cost is the cost for gross-to-net processing within the country.
25th percentile, median and 75th percentile are the percentile values for each country between all its data points. For example, in Australia the percentile values and median are calculated using all nine data points for the country.

PSP unit cost (LATAM average)	$35.32
PSP unit cost (global average)	$7.78

Data for these analyses also required that country data was available for at least 500 total employees; to remove outliers, only companies that had a head count of more than 20 employees in a country were considered. As such, not all countries from all survey responses are included. All costs are per-employee per-month costs.

Payroll service provider costs by country

NORAM region

Payroll service provider (PSP) costs are shown in the table here for the Latin America (LATAM) region. The costs shown here are per-employee per-month costs.

Country	Data points	Represented head count	Median head count	Average head count	Average per-employee per-month Cost	25th percentile	Median	75th percentile
Puerto Rico	3	4,475	86	1,492	$20.57	$86.42	$19.27	$14.39
Canada	10	16,669	742	1,667	$18.41	$32.46	$22.35	$9.61
United States	11	698,321	35,659	63,484	$3.24	$5.94	$3.48	$2.46

Data points refers to the number of country responses received from survey responses.
Represented head count is the total sum of employees within the data points used for the country.
Median head count refers to the "middle" value of the head count data set in each country when ordered from smallest to largest.
Average head count refers to the average value of the head count data set in each country.
Average per-employee per-month cost is the cost for gross-to-net processing within the country.
25th percentile, median and 75th percentile are the percentile values for each country between all its data points. For example, in Australia the percentile values and median are calculated using all nine data points for the country.

PSP unit cost (NORAM) average)	$2.71
PSP unit cost (global average)	$7.78

Data for these analyses also required that country data was available for at least 500 total employees; to remove outliers, only companies that had a head count of more than 20 employees in a country were considered. As such, not all countries from all survey responses are included. All costs are per-employee per-month costs.

Strategies to reduce costs

Survey participants were asked about strategies they have implemented to reduce costs of their payroll organizations. The most common responses are displayed in the word cloud below.

The top responses are an increase in automation and use of off-shore resources to reduce costs.

** All analyses are based on survey responses received from four technology organizations and four non-technology organizations.*

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About the Center for Board Effectiveness

The Center for Board Effectiveness helps directors deliver value to the organizations they serve through a portfolio of high-quality, innovative experiences throughout their tenure as board members. Whether an individual is aspiring to board participation or a veteran of many board experiences, the center's programs enable them to contribute effectively and provide focus in the areas of governance and audit, strategy, risk, innovation, compensation, and succession. For more information, contact us at centerforboardeffectiveness@deloitte.com.

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