



Case Study

Paychex Helped Fast-Growing Tech Company Streamline and Bring Payroll into Compliance

10

Hours saved
each month

100%

Fewer tax
filing mistakes

\$10,000

Saved in delinquent
tax penalties

StratasCorp, a technology company headquartered in Virginia Beach, Va., is growing fast, with 205 employees scattered across 35 states and U.S. territories.

Highlights

Challenges

- Managing tax filings and reporting across 35 states
- Fixing tax filing errors made by previous payroll providers
- Sharing select payroll details with authorized people within the company
- Offering employees a competitive benefits package
- Getting clear answers to complex payroll questions

Solution

- Paychex Flex®, an all-in-one HR solution with integrated 401(k)
- Expertise to manage each state's unique tax requirements
- Streamlined, real-time reporting with variable levels of access
- Dedicated customer service team that understands StratasCorp's needs

Results

- The confidence to add geographically diverse employees
- Proactive recommendations that keep StratasCorp in compliance
- No more tax misfilings or penalties

PAYCHEX®

STRATASCORP
TECHNOLOGIES

“We made a switch to Paychex, and we never looked back. It was the smartest thing we ever did.”

- Pat Iannatti, Director of Human Resources, StratasCorp

Challenges

Adding employees in multiple states — and discovering taxes had been misfiled.

When Pat Iannatti was hired as StratasCorp Technologies' first director of human resources in late 2018, the company was two years old and growing fast. One of the problem areas he noticed was the messy payroll situation.

“We were using a large bank with a national payroll service to do our payroll,” Pat said. “The company started using it three months before I came, and it seemed to work okay. But as we needed more and more things done, we realized that these people weren't specialists, and they couldn't provide what we really needed.”

As Pat dug into the payroll issue, he discovered that his company had used a total of three payroll providers during the previous four years. All had issues managing a fast-growing workforce with 205 employees. The company has added 100 employees in the past two years and continues to grow.

Before the large bank, they worked with a small local accounting firm. “The small company had no clue how to deal with a multilocation company,” Pat says. Even the large bank lacked the expertise to do payroll well. “We could never get answers. They would say, ‘Oh, I'm not really sure why it didn't run.’ They weren't people who were taught to think outside the box. If you didn't do exactly what their system did, it didn't work.”

But more concerning were the mistakes made by previous payroll companies. Taxes had not been filed or reported properly in at least six states. Pat only learned of this problem as delinquent notices began to arrive, some demanding 10% penalty payments. They even had filing errors with the federal government.

“Some of the state income taxes that you deduct from employees have to be filed quarterly. And if you don't, it's not a good thing,” Pat says. “A year and a half later, we're getting tax return notices. The small company assured us they filed the taxes. But if the payroll company draws out that money, it's got to be somewhere. Right?”

The bank provided no help in resolving the issues, either. With more delinquent tax notices rolling in and too many unanswered questions, StratasCorp needed a true payroll partner, one who understood fast-growing, mid-sized businesses with widely distributed workforces

“We needed a partner, somebody we could call and ask questions.”

Solution

A flexible platform designed for growing businesses and backed by expertise.

When Paychex first reached out, the StratasCorp team was intrigued by their experience. Paychex focuses on small and mid-sized companies with less than 1,000 employees and could readily answer the team's questions. Paychex manages payrolls in all 50 states, plus internationally. Paychex Flex, an all-in-one HR solution, grows with clients, integrating payroll and taxes while providing real-time reporting and employee self-service.

“Paychex could do whatever we wanted,” Pat says. “Plus they have this website that is really easy and a lot more user friendly.”



“We still get [delinquent tax notices] in the mail from 2017, early 2018, from states we thought we were good with. And Paychex helps us resolve it.”

Solution, cont.

The platform’s simplicity takes many administrative tasks off the HR and finance teams’ to-do lists. For example, Paychex Flex lets employees update their own addresses, then sends an alert to Pat to confirm any tax implications.

Paychex Flex also lets the team access and share information with the right people.

“People need to be able to do certain things, but we don’t want them to see everything,” Pat says. “We like that we can have super users, like our finance manager and president, and grant different access at certain levels.”

Paychex also offers a 401(k) that integrates directly with payroll. While StratasCorp offered a 401(k), many employees were not participating because enrollment was a hassle.

Now, “It’s done directly with our payroll, so nobody has to go to a third-party vendor. The dollars collected, the matching — it’s all done simultaneously when we run

payroll. Employees can see the matching dollars right on the pay stub.”

The transition was fast, just 30 days. And Paychex ensured that StratasCorp could handle all employees, no matter where they might live in the U.S.

“We sat in a conference room and signed like 75 documents to set up powers of attorney for every single state where we had employees. We knew going in that was the right thing to do.”

StratasCorp started by using Paychex to run biweekly payroll and quarterly tax returns and reports. In the process, Paychex discovered that the prior payroll companies hadn’t set up all the states properly. Paychex took care of it, ensuring the right paperwork was filed in every state. They even helped resolve any outstanding state tax issues created by the previous payroll companies.

Results

Seamless payroll, dedicated customer service, and proper tax filings.

With Paychex as a true partner, Pat says that payroll is simpler than ever. As 50 to 75 new employees start in the coming year, he's confident that their taxes will be withheld, reported, and filed correctly, no matter where they live. And the tax mistakes have been reduced.

"We've not had one misfiling since we've been with Paychex," he says.

Plus, the StratasCorp team can easily keep an eye on their expenses and know the exact cost of each biweekly payroll — essential for a growing company.

"The biweekly reporting is outstanding. We get everything we need in one format, in one place, and it's just so simple. We run it ourselves."

Paychex helps StratasCorp comply with federal regulations, too. For example, they previously struggled to produce the federally mandated 1095-C forms that document employees' health insurance coverage. Paychex took over the administration of this task so Pat had one less thing to worry about.

"They watch out for me," Pat explains. "I don't have to ask them for it. They come to me and say, 'Hey, it's time to do this again.'"

Best of all, Pat and his teammates know that they don't have to try to decipher complex payroll issues alone. The Paychex team is always quick to respond and works to find solutions. That means Pat can spend his time helping StratasCorp minimize turnover by hiring the right people and offering the best possible benefits package.

"None of us are payroll experts," he says. "Paychex is a big company with all the right tools that acts like a small company when it comes to customer service. When you have a question, they answer it and don't try to avoid it. They know our names, they know who does what."

"You can't put a price on customer service. Paychex will think outside the box and say, 'How can we make this work for you?' Then they do what they say they're going to do."

Simplify your payroll and state tax filings, no matter where your employees work.

Get the payroll expertise and tools you need to grow your business with confidence.

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