Managing Benefit Accrual
with a Time and Attendance System

Summary

In today's competitive market, the importance of benefits cannot be overstated. Benefits affect the morale of employees, the effectiveness of supervisors and the health of an organization. Complex benefit rules make manual calculations difficult and recordkeeping a time-consuming process. Automating benefit accrual with a time and attendance system offers advantages to employees, supervisors and the organization, lifting the burden of recordkeeping and ensuring benefits are calculated correctly and impartially.

Why Automate Benefit Management?

Benefits play a large and important role in employee satisfaction and retention. As benefit packages grow more sophisticated, companies are challenged to find economical, straightforward ways to manage complicated benefit accrual programs both from the standpoint of the employee and the supervisor.

Employees are understandably protective of benefit accrual. They want ready access to leave balances and time already taken to help plan leave-taking. They want to ensure accrual calculations are correct. Supervisors can be bogged down by complicated benefit accrual rules, especially those that differ based on seniority or department. This can detract from performing daily tasks and other responsibilities. Accidental miscalculations in benefit accrual can strain the relationship between an employee and his or her supervisor—even the organization itself—making accurate benefit management a priority.

Four Criteria of a Benefit Management Solution

What's the simplest way for an organization to manage its benefit program? The ideal solution meets four important criteria, namely to:

- Provide employees ready access to benefit information
- Simplify or eliminate benefit-related activities for supervisors
- Streamline benefit administration for the organization, lowering overhead
- Be easy to implement but customizable to the company's benefit plan

With these criteria in mind, the ideal solution is to implement a time and attendance system with benefit management capabilities.

Benefit Management and the Time and Attendance System

Because benefit accruals often directly correlate to time and attendance information, implementing a timekeeping system to streamline benefit management is a natural complement to the system's primary function. The right time and attendance system offers specific advantages to employees, supervisors and the organization overall.

Employee Advantages

Employees generally perform two benefit-based activities: (1) check leave balances to verify time available to them, and (2) submit a leave request for approval. A time and attendance system with an employee portal can provide employees ready access to accurate, up-to-date balances in real time. Additionally, the portal gives employees a way to submit leave requests to supervisors through the system, maintaining privacy, and allowing employees to track their supervisor's response. With access to their own schedule as well as their department, team or group schedule, employees can keep projects, deadlines and colleagues' schedules or time off in mind when planning their own leave, improving chances for approval. Because benefit accrual is automated, employees feel confident that their benefits are being calculated fairly and impartially.

Supervisor Advantages

Manual benefit accrual can be a complicated and time-consuming process for supervisors. With a time and attendance system that is easily configured to an organization's particular benefit rules, supervisors are freed from benefit recordkeeping. Accrual is automated and made available to employees through the employee portal, eliminating employee requests to supervisors (or HR) for leave balances. This also eases supervisor training since supervisors need only understand the benefit accrual policy, not necessarily how benefits are calculated. Importantly, the leave request process is significantly streamlined with supervisors receiving leave requests through their system dashboard where they can see the factors that affect their decision and send their response directly back to the employee.

Organization Advantages

For an organization, the most significant advantage of managing benefits using a time and attendance system is lifting the burden of recordkeeping. Once configured to the organization's accrual rules, a time and attendance system relieves the HR and payroll departments of the obligations of manual calculations, paper records, and time-draining administrative requests. Because automated accrual is impartial, organizations can avoid accusations, complaints, and even litigation stemming from inaccurate manual calculations. In fact, giving employees access to leave balances whenever they need them encourages confidence and trust between an organization and its workers.

Additionally, tracking benefits with a time and attendance system goes beyond simply tallying number of hours worked and rate of pay for those hours; it actually substantiates the accrual, identifying whether it correlates to a specific job activity or role, is a result of a seniority-based policy, or is affected by some other calculation rule. This gives a timekeeping system a significant advantage over payroll benefit tracking that merely provides raw calculations without context.

A final benefit for organizations is that a time and attendance system helps manage both sides of the benefit coin: accrual and usage. Clearly, automating accrual offers significant administrative advantages and cost savings, but managing the use of benefits (in terms of leave requests and their impact on scheduling) encourages responsible benefit usage throughout the organization.

Conclusion

Because benefits play an important role in the relationship between an organization and its employees, managing a benefit program with a time and attendance system offers significant advantages to all stakeholders, ensuring accurate calculations, eliminating unnecessary manual recordkeeping, and encouraging responsible leave-taking across the organization.

About Attendance on Demand, Inc.

Attendance on Demand supports the labor management needs of thousands of companies and more than a half million employees across North America. Launched in 2006, Attendance on Demand is a rapidly deployed, cloud-based solution that minimizes a company's risk and technology investment while providing advanced features for securely managing labor data—calculating pay rules, scheduling employees, budgeting labor, and automating recordkeeping for labor law compliance. With standard uptime over the industry average of 99.995% and above average customer retention rates, Attendance on Demand removes the worry of maintaining expensive infrastructure. An extensive North American distribution network helps organizations use Attendance on Demand to reduce labor expenses and improve decision-making.

attendance® **ON DEMAND**

To find out how Attendance on Demand can help your organization, call 800-465-9980 or visit www.attendanceondemand.com