

**DEZAN SHIRA & ASSOCIATES**

Corporate Establishment, Tax, Accounting & Payroll Throughout Asia

# Payroll Processing and HR Administration

# Payroll Processing and HR Administration



**D**ezan Shira & Associates Ltd. proudly provides payroll and human resources administration services to companies with operations in mainland China, Hong Kong, Vietnam and India.

Our dedicated remote processing centers allow us to provide payroll services to companies located anywhere in these jurisdictions, as a single jurisdiction service or as comprehensive service across jurisdictions. We also offer human resources administration services in all of the major cities in these jurisdictions.

## Payroll and HR Administration Checklist

- Has your company developed suitable templates for its HR documentation that facilitate effective control over your workforce while ensuring you stay in compliance with national laws and local regulations?
- Is anyone within your organization ensuring that all the above-mentioned documentation is collected and stored in a systematic manner?
- Has your company set up its own social insurance accounts to facilitate direct, automatic payment of employer and employee social insurance contributions to the relevant government agencies, or are you still relying on third-party providers to manage this through their accounts?
- Are you keeping employee salary information confidential from your accounting team by having one of your HR team (or even better, a third-party provider) upload details of every employee's net take-home pay to the online banking system, so that your finance team only approves the total amount of net take-home pay?
- Before you terminate employees, have you familiarized yourself with the legal risks and potential compensation that may be received by an employee who may claim to be unfairly dismissed?
- Are you employing local agents to handle your payroll or HR administration, and if so, are you struggling to communicate properly with them? Have you considered alternatives?

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# Payroll Processing



## What are the advantages of outsourcing payroll processing?

### 1. *Greater transparency*

Outsourcing payroll processing allows greater transparency of local payroll details so that management can remain engaged. Information is requested in English and through email, leaving a clear trail of information so that any problems can be immediately traced to their root cause.

### 2. *Increased processing efficiency and accuracy*

Our comprehensive payroll processing system automates most payroll tasks, from upload of information to calculation and report generation. This enables increased processing efficiency and accuracy compared to managing the process internally via Excel or other commonly used software.

### 3. *Increased confidentiality*

Payroll processing is handled remotely and contact between our processors and our clients' employees is limited, thus improving confidentiality.

### 4. *Full compliance with all laws and regulations*

Payroll processing can vary significantly by region and legal requirements are frequently revised. Due to insufficient training of internal staff, many companies fail to stay in compliance with all local and national laws and regulations, often resulting in penalties.

### 5. *Guaranteed continuity of service provision*

Many smaller companies struggle to manage their payroll efficiently when their HR manager is absent or suddenly resigns. Outsourcing of this process eliminates such challenges and ensures the company can present a professional image to its employees.

### 6. *Cost savings*

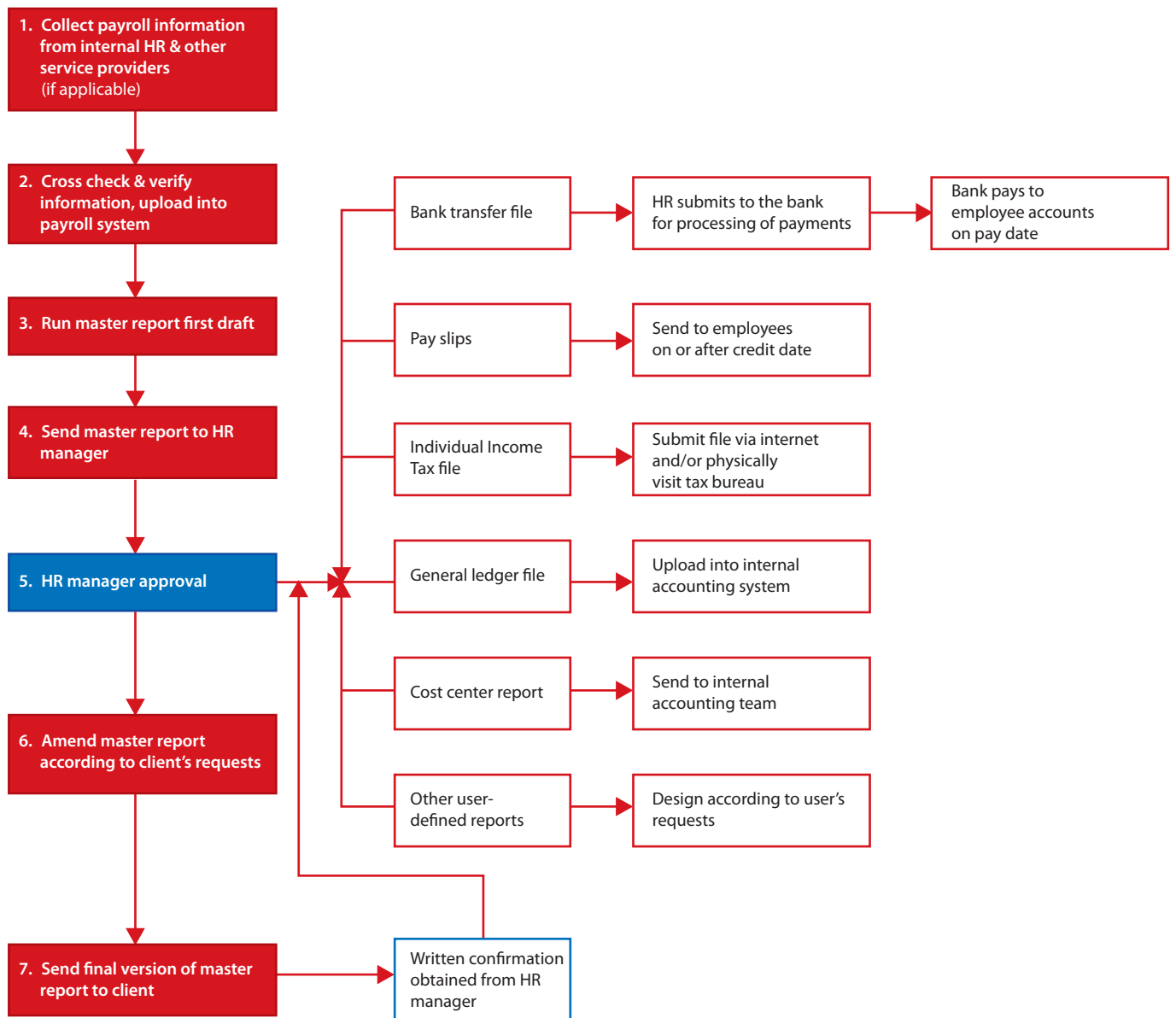
Outsourcing payroll processing allows companies to cut their internal HR department headcount, lower job requirements (and therefore salary requirements) for their internal HR manager, and limit costs associated with hiring (and firing) within the HR team. Furthermore, the HR department is free to concentrate on hiring, salary structuring, internal communications and HR strategy, thereby increasing employee retention and saving costs elsewhere in the company.

“Outsourcing payroll processing allows for greater transparency, efficiency, accuracy, confidentiality, and continuity, as well as cost savings and ensured compliance with all laws and regulations.”

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Adam Livermore  
Payroll Manager, Dalian Office  
payroll@dezshira.com

# Outsourced Payroll Processing Procedure



## What specific payroll processing services are offered?

### Setup of:

- Corporate social insurance and housing fund accounts
- Bank accounts to facilitate automatic payment of social insurance and housing fund
- Direct debit social insurance payment agreements with banks, Social Insurance Bureau / Housing Fund Bureau, etc.

### Monthly:

- Payroll calculations, required report production
- Individual income tax filings (along with provision of IIT payment evidence when required)

### Annual:

- Social insurance and housing fund contribution base amendment calculation and registration
- Annual income declaration computations and social security inspection management

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*Many smaller companies struggle to manage their payroll efficiently when their HR manager is absent or suddenly resigns. Outsourcing of this process eliminates such challenges.*

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# HR Administration

Effective handling of human resources administration services - including customization and management of employment documentation, on-boarding and terminating staff and employee claim management - is essential to stay in compliance with relevant laws and regulations, as well as to present a professional image to your employees.

Our human resources administration services are designed to decrease the burden on your internal HR department. Our services allow your internal HR department to concentrate on hiring, salary structuring, internal communications and HR strategy, thereby increasing employee retention and saving costs elsewhere in the company.

## What human resources administration services are offered?

Customization and management of employment documentation, including:

- Offer letters
- Job descriptions
- Employment contracts, non-competition agreements and non-disclosure agreements
- Employee handbooks
- Termination documentation

On-boarding and terminating staff, including:

- Comprehensive employee information collection and management
- Registering and deregistering staff at the Social Insurance Bureau and the Housing Fund Bureau
- Employee personal file transfers

Employee claim management, including applications for:

- Maternity
- Housing fund
- Work injury

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We offer HR administration services in these major cities:

### China

Beijing  
Dalian  
Qingdao  
Shanghai  
Ningbo  
Hangzhou  
Suzhou  
Shenzhen  
Guangzhou  
Zhongshan

### Hong Kong

### India

Delhi  
Mumbai

### Vietnam

Ho Chi Minh City  
Hanoi

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## Charge Structure

At Dezan Shira & Associates, unlike many other services providers, we use a charge structure that links the fees we charge directly with work volume.

Our automated payroll processing system enables us to pass our efficiency savings onto our clients. Fees for payroll processing work are based on a per-head model, meaning that as a client company's headcount rises, the per-head cost to the company falls.

Our payroll outsourcing services enable our clients' internal HR teams to concentrate on hiring suitable employees, managing communications between management and staff and designing appropriate salary packages – thereby minimizing staff turnover.

As your company's need for HR administration services decreases, so will your HR administration outsourcing needs. We charge for these services based on a pre-defined fee matrix, once again passing our savings onto our clients.

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*Our automated payroll processing system enables us to pass our efficiency savings onto our clients, helps our clients reduce staff turnover and keeps HR administration needs to a minimum.*

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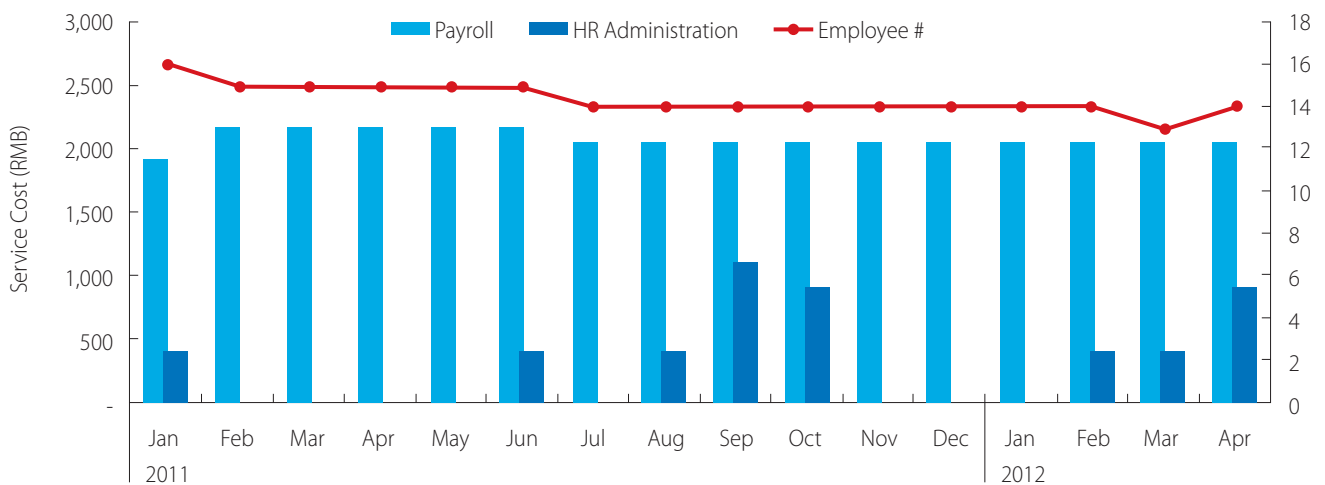


# Real Client Service Cost Examples

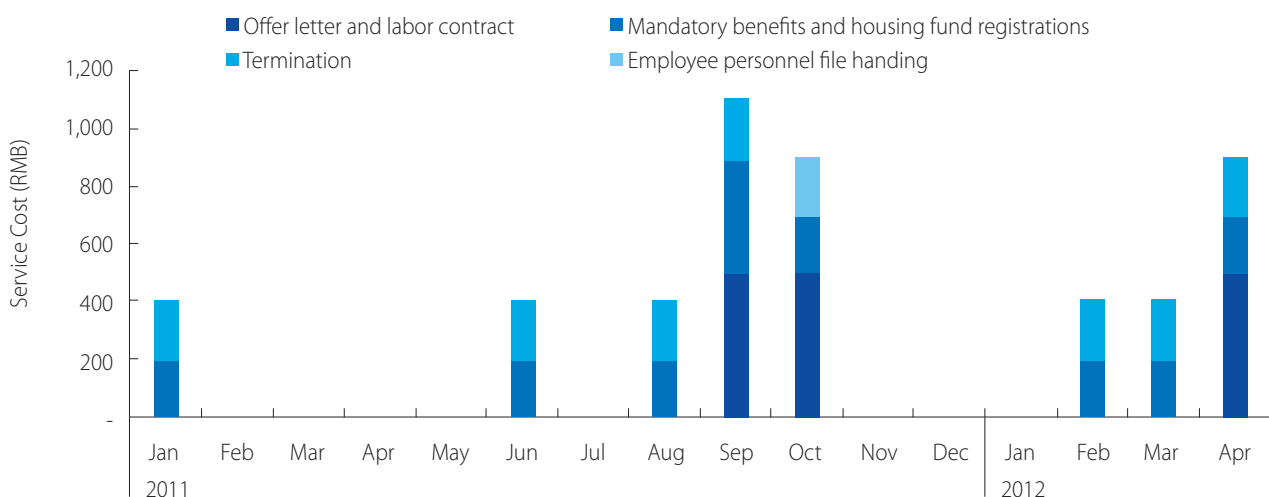
Outsourcing payroll and HR administration services helps these companies achieve low turnover and keep service costs low over time. Our HR administration service fees are charged on a per-service basis, so you only pay for what you need.

## Example Client (IT)

Total Service Costs over Time

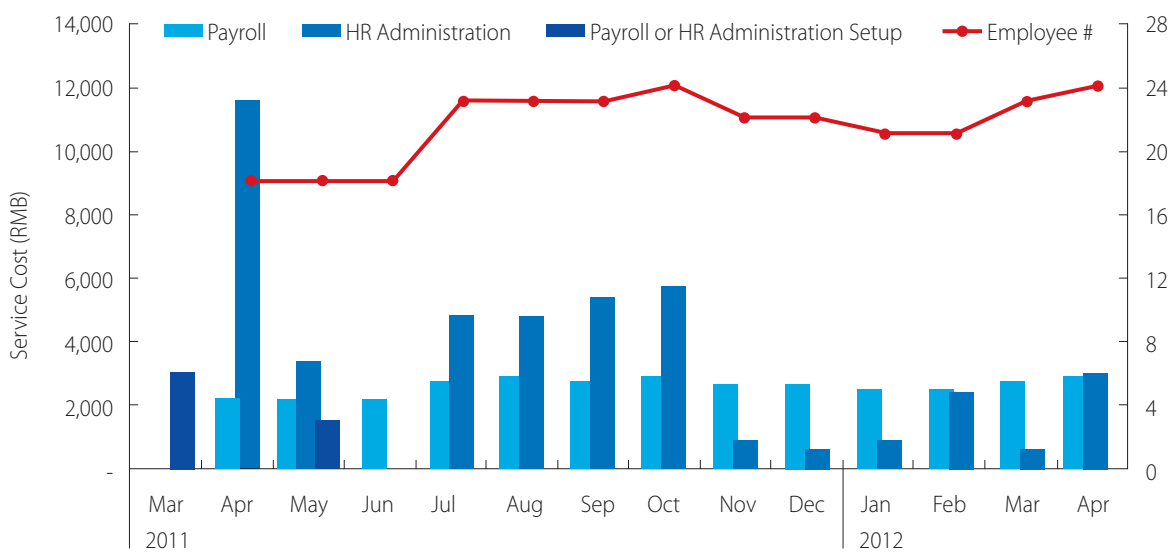


HR Administration Cost Breakdown over Time

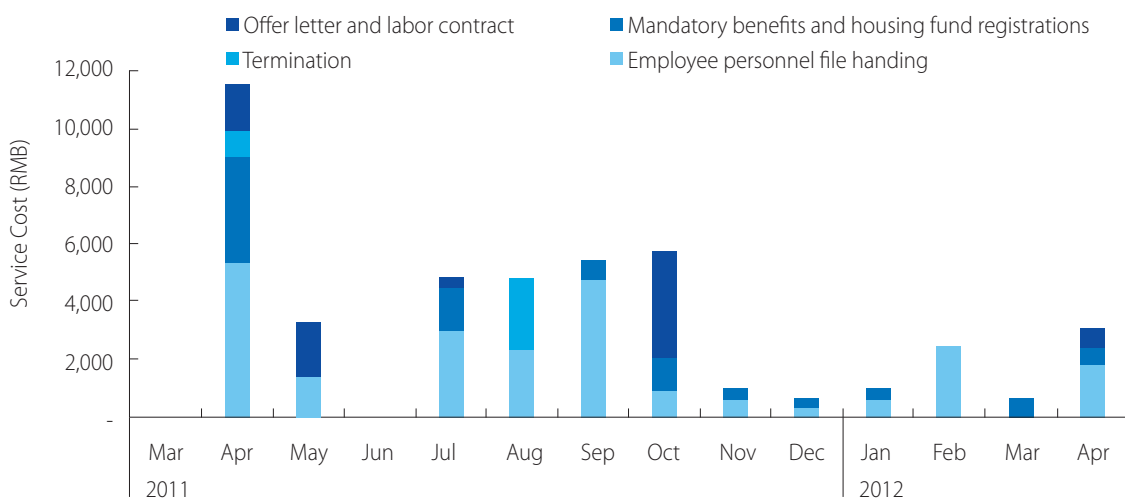


## Example Client (Pharma)

### Total Service Costs over Time



### HR Administration Cost Breakdown over Time





# ARE YOU IN EMERGING ASIA?

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Twenty Years Of Excellence 1992-2012

Dezan Shira & Associates has been providing business advisory, corporate establishment, tax, accounting, payroll, due diligence and audit services to multinational investors and SMEs in China since 1992. With twenty offices spread across China, Hong Kong, India, Vietnam and Singapore, and a network of related firms elsewhere in Asia, Dezan Shira & Associates is Asia's premier foreign direct investment practice. Contact us today to find out how we can help your business expand across China and emerging Asia.



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