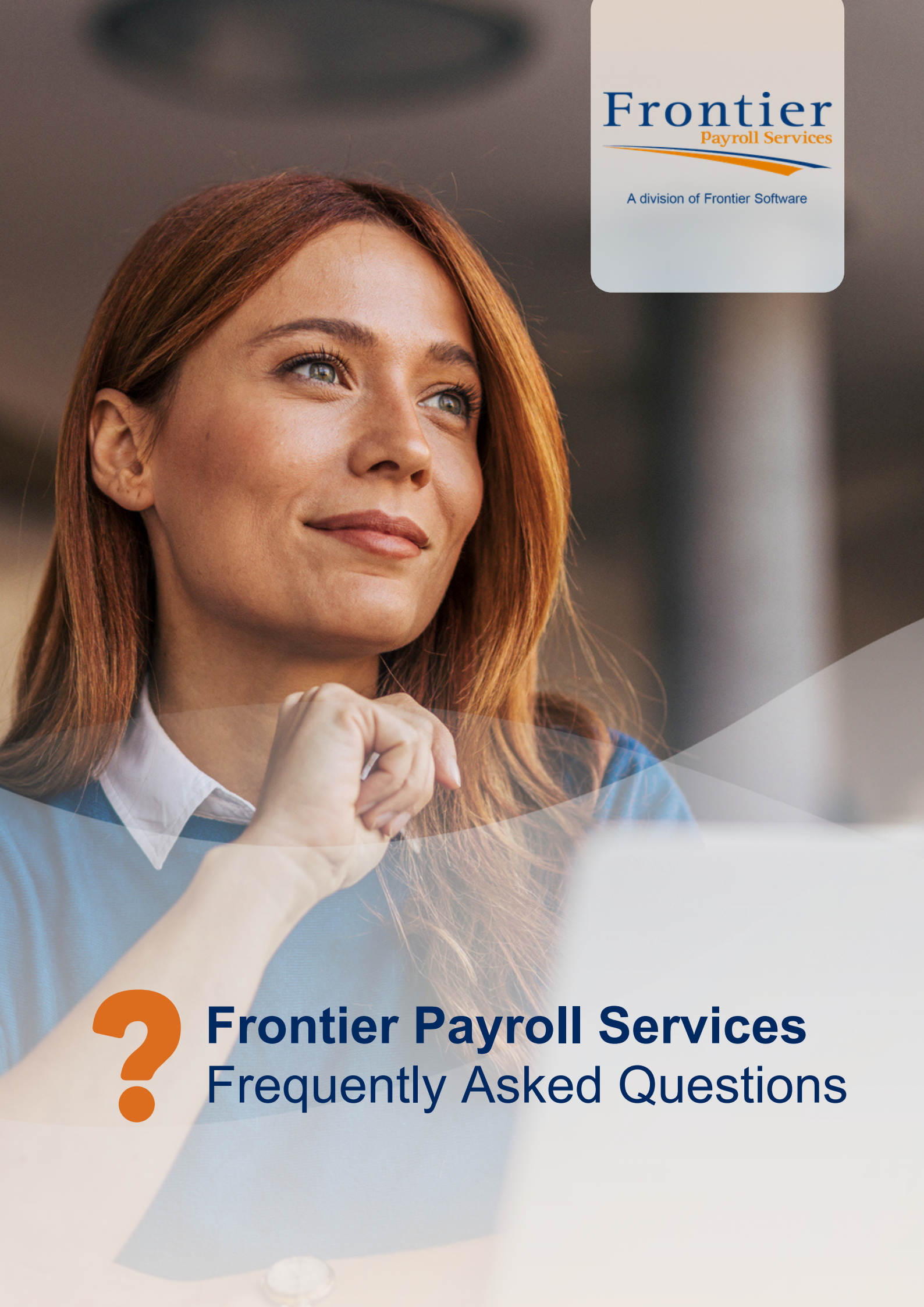




Frontier
Payroll Services

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Frontier Payroll Services Frequently Asked Questions

Frequently Asked Questions



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Q1. What is payroll outsourcing?

Payroll outsourcing transfers responsibility for running your payroll from internal staff to specialist providers. Instead of maintaining your own payroll team and software, you partner with a provider that has the people, systems and processes to ensure your employees are paid correctly, on time, every time.

Depending on your needs, that can mean everything from pay calculations and payslips to Single Touch Payroll (STP2) reporting, superannuation processing, award compliance and employee self-service. Frontier Payroll Services (FPS) outsourcing solution is very adaptable and can easily be tailored to suit your organisation's requirements.

FPS has been delivering outsourced services to Australian organisations for more than 30 years, making Frontier Software one of Australia's most experienced providers in this space.

Q2. Is payroll outsourcing right for us?

Payroll outsourcing suits a wide range of organisations, from small businesses to large enterprises, across every sector including private, public, not-for-profit and education. It will be a strong fit for your organisation, if you:

- Do not have dedicated payroll specialists in-house
- Are growing quickly or managing a fluctuating workforce
- Deal with complex awards or enterprise agreements
- Want to stay on top of compliance without the ongoing burden
- Are looking to reduce the total cost of running payroll
- Have business continuity exposure from reliance on one or two key people
- Are going through a merger, acquisition or restructure
- Want your HR and finance teams focused on more strategic work

Q3. Do we lose control of our payroll?

This is a common concern, and the answer is no. Outsourcing does not mean you're not in charge. You retain full visibility and authority over your payroll at every stage. This includes:

- Secure client portal: Real-time online access to payroll data, reports and payslips, with role-based permissions.
- Structured approval workflows: Every payroll is reviewed and approved by your nominated authoriser before any payments are made. Nothing is processed without your sign-off.
- Comprehensive reporting: Clear insight into payroll costs, headcount, leave liabilities and compliance obligations at all times.
- Regular communication: Scheduled reviews and proactive updates keep you informed.
- You set the parameters; we manage the process.

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Q4. What parts of payroll can we outsource?

You can choose the parts you want to outsource - here's a snapshot of what can be outsourced:

- Payroll processing, including allowances, overtime and penalty rates
- Modern award and enterprise agreement interpretation and compliance
- PAYG withholding calculations
- Superannuation guarantee calculations and contribution processing
- STP Phase 2 reporting to the ATO
- Payslip generation and distribution, including via employee self-service
- New starter onboarding and termination processing
- Leave management and accrual calculations
- Payroll tax calculations and lodgements across states and territories
- Workers' compensation premium calculations
- Payroll reporting and business intelligence
- Employee payroll helpdesk services

You can choose the model that suits your business and change it as your business grows and changes.

Q5. What are the key benefits?

Key benefits include:

- Compliance confidence: Australian payroll legislation changes constantly. We monitor those changes and update our systems accordingly, so you don't have to.
- Cost efficiency: The true cost of in-house payroll, once you factor in staff, software, training and the price of errors, is often higher than expected. Outsourcing frequently delivers a lower total cost.
- Accuracy and reliability: We use purpose-built payroll technology and rigorous quality controls to ensure your people are paid correctly and on time.
- Scalability: An outsourced model flexes with your workforce, whether you are growing rapidly, navigating seasonal peaks or going through structural change.
- Access to expertise: You gain access to experienced payroll professionals without the cost of employing them directly.
- Business continuity: No more exposure when your payroll person is absent or leaves the organisation.
- Capacity for strategic work: When your team is not tied up in payroll administration, they can focus on higher-value priorities.

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Q6. How secure is our data?

Employee payroll data is among the most sensitive information your organisation holds, and we treat it accordingly. Our security framework includes:

- Data encryption: All data is encrypted in transit and at rest using industry-standard protocols.
- Role-based access controls: Only authorised personnel, on both sides, can access sensitive payroll data.
- Australian-based infrastructure: Your payroll data is processed and stored on secure, Australian-based servers. It is never sent offshore.
- Privacy Act compliance: We handle all personal information in line with the Privacy Act 1988 (Cth) and the Australian Privacy Principles (Office of the Australian Information Commissioner, 2024).
- Regular security assessments: We conduct vulnerability assessments and penetration testing to maintain system integrity.
- Business continuity and disaster recovery: Robust backup and recovery procedures protect your data and ensure service continuity.

Q7. Will outsourcing save us money?

The true cost of in-house payroll is frequently underestimated. Beyond staff salaries, there are ongoing costs for software licensing, compliance training, error correction and the potentially significant cost of non-compliance. Outsourcing can improve your cost structure by:

- Reducing staffing costs: No need to recruit, train, manage and retain specialist payroll staff in a competitive labour market.
- Eliminating or reducing technology investment: You access enterprise-grade payroll software as part of your service fee.
- Reducing the cost of errors: Rigorous quality controls minimise errors and the rework that comes with them.
- Avoiding compliance penalties: Non-compliance costs, including ATO penalties and Fair Work back-payments, can easily exceed the cost of a well-managed outsourced service.
- Improving budget predictability: Per-employee, per-pay-run pricing gives you a consistent, foreseeable cost base.

Q8. What payroll system do you use?

Frontier Software's outsourced payroll services are delivered on ichris, our own enterprise-grade payroll and HR platform. ichris is a purpose-built Australian solution with a proven track record across government, defence, healthcare, education, utilities and professional services.

Because we run your payroll on our own platform, we have full control over system capability, security, compliance currency and service quality. You benefit from our ongoing investment in the platform, regular compliance updates and the confidence of knowing your payroll runs on proven, enterprise-grade technology.

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Q9. Is outsourcing better than keeping payroll in-house?

For many organisations, yes. But the right answer depends on your specific circumstances. Outsourcing tends to be the better option if:

- Your in-house team lacks specialist payroll expertise or is stretched across competing priorities
- You operate under complex awards, enterprise agreements or multi-state arrangements
- You are experiencing growth or workforce volatility
- Compliance risk, key-person dependency or business continuity are concerns
- You want better payroll technology without the capital investment

Keeping it in-house may make more sense if:

- You already have a dedicated, experienced payroll team and robust technology in place
- Your payroll is simple, stable and low-risk
- You have specific governance reasons to retain the function internally

But - there is a middle ground. A co-managed model lets you keep selected functions in-house while Frontier Software takes care of the rest. Our consultants can help you determine the right mix.

Q10. Can we do a partial handover?

Yes, and many of our clients do. Frontier Software offers flexible co-managed payroll arrangements, where you retain certain functions in-house and we manage the rest.

This works well for organisations that:

- Want to remain involved in specific activities such as timesheet approval or data entry
- Have in-house capability in some areas but need specialist support in others, for example award interpretation or STP reporting
- Are transitioning gradually to a fully managed model
- Have governance requirements that mean certain functions must remain internal

In a co-managed arrangement, we agree the division of responsibilities upfront and document it clearly in your service agreement, so there are no grey areas and nothing falls through the gaps.

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Q11. How much does it cost?

The cost varies depending on your number of employees, the complexity of your payroll, your preferred service level and any integrations required. Frontier Software's pricing is transparent and typically structured on a per-employee, per-pay-run basis. As a general guide:

- Bureau and co-managed services are priced at a lower per-employee rate, reflecting the shared-responsibility nature of the arrangement.
- Fully managed services carry a higher per-employee rate, reflecting the greater scope of work and responsibility we carry on your behalf.

The best way to get an accurate figure is to schedule a conversation with our team. No obligation, and no generic pricing sheets.

Q12. How are super and PAYG managed?

Both are managed as standard components of our service.

Superannuation: We calculate each employee's superannuation guarantee entitlement in line with current legislation. From 1 July 2025, the superannuation guarantee rate is 12 per cent of ordinary time earnings (Australian Taxation Office 2024). Contributions are processed and received by employees' super funds within seven business days of payday. We also manage salary sacrifice arrangements, voluntary contributions and defined benefit fund obligations where applicable.

PAYG Withholding: We calculate PAYG withholding for each employee using current ATO tax withholding tables, taking into account TFN declarations, applicable tax offsets and Medicare levy variations. PAYG withholding is included in your STP lodgement and we assist with annual reconciliation and end-of-year finalisation.

Q13. What service levels are available?

Frontier Software offers three main models, and we will work with you to find the best fit:

- **Full-Service Payroll Office:** We take end-to-end responsibility, from data collection and processing through to payslip distribution, STP lodgement and superannuation. Your team reviews and approves; we handle everything else.
- **Comprehensive Managed Payroll:** A shared model where your team retains selected functions, such as timesheet collection or leave approvals, while we manage processing, compliance and reporting. Highly flexible.
- **Flexible Partial Outsourcing:** You provide prepared payroll data and we handle the processing and lodgement. Well-suited to organisations with capable in-house teams that need reliable processing support.

During your initial consultation, we will take the time to understand your situation and recommend the model that best fits your requirements.

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Q14. How do we choose the right service level?

A few factors will shape the decision:

- Payroll complexity: The number of employees, the awards or agreements that apply, and the mix of employment types all influence the level of expertise and support you will need.
- In-house capability: If your team wants to remain involved, a co-managed model may suit. If you would prefer to step back entirely, a fully managed model makes more sense.
- Budget: Different models carry different cost structures. We will help you understand the trade-offs.
- Growth trajectory: Fast-growing organisations often find a fully managed model scales more smoothly than co-managed arrangements.
- Risk appetite: If you have a low tolerance for compliance risk, a fully managed service provides the most comprehensive oversight.

There is no one-size-fits-all answer and we are committed to finding what works for you.

Q15. Can it scale as we grow?

Yes, and this is one of the most significant advantages of outsourced payroll. Unlike an in-house model where growth typically means more headcount, more software and more training, our outsourced model is built to be flexible and adaptable.

Frontier Software's outsourced payroll can accommodate:

- Rapid workforce growth, including onboarding large numbers of new employees quickly
- Seasonal fluctuations, common in retail, hospitality, agriculture and similar industries
- Expansion into new states or territories, including new payroll tax and workers' compensation obligations
- Corporate restructures, mergers or acquisitions
- International expansion, where payroll requirements vary across multiple countries

As your organisation evolves, your service model can be reviewed and adjusted alongside it. Frontier Software grows with you.

Q16. Is there a way to see what we would save?

Yes. Frontier Software can provide a payroll cost comparison analysis to give you a clear picture of your potential savings. We will examine your current in-house payroll costs, including staff, technology, training and compliance overhead, and compare them with the estimated cost of our outsourced service.

To access this analysis or discuss the financial case, contact our team. We are happy to work through the numbers with you.

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Q17. What does implementation involve?

A sound implementation sets the foundation for everything that follows. Ours is structured, methodical and designed to minimise disruption. Here is what is typically involved:

- **Discovery and scoping:** A detailed review of your current payroll environment, including employee data, awards and agreements, pay components, reporting requirements and integration needs.
- **System configuration:** Setting up the ichris platform to reflect your payroll rules, pay codes, cost centres and organisational structure.
- **Data migration:** Transferring employee and historical payroll data from your existing system, with thorough validation.
- **Award and agreement setup:** Configuring applicable modern award and enterprise agreement rules, including rates, penalties, allowances and leave entitlements.
- **Integration setup:** Configuring and testing connections with your HR, finance and time and attendance systems.
- **Parallel processing:** Where appropriate, running payroll in parallel with your existing system for one or more pay cycles to validate outputs before going live.
- **User training:** Ensuring your internal team is comfortable with the client portal, approval workflows and reporting tools.
- **Go-live support:** Dedicated support during your first live payroll cycles to ensure everything runs smoothly.

Q18. What ongoing support is available?

Frontier Software provides structured, ongoing support to all outsourced payroll clients. You will always have access to expert assistance when you need it. Our support model includes:

- **Dedicated service team:** A team with detailed knowledge of your specific payroll environment, awards, employment conditions and requirements.
- **Named point of contact:** A named payroll specialist as your primary contact for day-to-day queries and escalations.
- **Service Level Agreements:** Response and resolution timeframes clearly defined in your service agreement.
- **Escalation pathways:** Complex or urgent issues are escalated to senior specialists without delay. Escalation tiers and contacts are defined in your agreement.
- **Regular review meetings:** Scheduled check-ins to review service performance, discuss upcoming legislative changes and address emerging issues.
- **After-hours support:** For urgent payroll matters, after-hours escalation pathways are available. Full details are set out in your service agreement.

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Q19. How long does transition take, and will it disrupt our payroll?

Timelines vary depending on the size and complexity of your payroll. Straightforward environments can typically be up and running in six to eight weeks. Larger or more complex organisations, particularly those with multiple awards, enterprise agreements or system integrations, may take three to six months. We minimise disruption by:

- Assigning a dedicated implementation project manager to your engagement
- Following a structured, phased approach with clear milestones and defined accountability
- Conducting thorough data validation and parallel processing before going live
- Maintaining open communication with your team throughout
- Providing hypercare support in the critical period immediately following go-live

Our goal is straightforward: your employees should not notice any change to when or how they are paid.

Q20. How do payroll approvals work?

You stay in control. Every payroll run goes through a structured approval process before any payments are made. This includes:

- Data collection: Timesheets, leave requests, new starters, terminations and pay changes are collected and entered.
- Payroll processing: Our team calculates gross pay, deductions, PAYG withholding, superannuation and net pay.
- Pre-authorisation report: You receive a comprehensive report, including variance analysis against the prior pay period.
- Your sign-off: Your designated authoriser reviews the report and approves via the secure online portal.
- Payment processing: Once approved, we process employee payments and make the relevant statutory lodgements.
- Post-payroll confirmation: We send confirmation reports confirming payments have been made and lodgements completed.

Nothing is processed without your explicit written approval.

Q21. Is our data stored onshore?

Yes, always. All payroll data processed and stored by Frontier Software is held on Australian-based servers. We do not store client data offshore.

This is consistent with our obligations under the Privacy Act 1988 (Cth) and the Australian Privacy Principles, which include requirements relating to the cross-border disclosure of personal data (Office of the Australian Information Commissioner 2024). For clients in regulated industries or with specific data residency requirements, we can provide additional documentation and assurances.

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Q22. How do you handle Single Touch Payroll, including STP Phase 2?

STP Phase 2 reporting is fully integrated into our outsourced payroll service, not added as an afterthought. We take care of:

- Lodging STP reports with the ATO after each payroll run
- Ensuring all required data fields, including income types, tax treatment codes and disaggregated gross components, are captured and reported correctly
- Managing STP finalisation at end of financial year
- Handling ATO correspondence or queries related to your STP lodgements

Because STP is embedded in our processing workflow, your obligations are met accurately and on time, without placing any additional burden on your team.

Q23. Will our employees notice anything different?

In most cases, very little, and that is exactly the goal. A well-managed payroll transition should be seamless from the employee's perspective. What they are likely to experience:

- Their pay continues to arrive on time and accurately
- Payslips may look slightly different but will contain all the same information
- They may access payslips via an employee self-service portal
- If an employee helpdesk is included in your arrangement, they will have a dedicated support team for payroll queries

We recommend being transparent with your employees about the change. Frontier Software can help you prepare clear, straightforward communications to set expectations and address common questions before go-live.

Q24. Can you handle complex awards and enterprise agreements?

Yes, and this is one of our strengths. Australia's industrial relations framework includes a substantial number of Modern Awards, each with its own pay rates, penalties, allowances and entitlements. Getting this right is critical and it is an area where many in-house teams find it difficult to keep pace (Fair Work Commission 2025). Our capabilities include:

- Correctly applying base rates, penalty rates, overtime provisions and allowances under Modern Awards
- Managing enterprise agreement-specific pay structures, conditions and entitlements
- Calculating and reviewing annualised salary arrangements in line with Fair Work requirements
- Keeping pay rates current following annual National Minimum Wage and Award review determinations

Our ichris platform supports complex pay rule configuration, so the correct rates and entitlements are applied automatically and consistently.

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Q25. How do you manage payroll across multiple states or countries?

Multi-jurisdictional payroll can be an area of particular complexity, and one where having a specialist provider delivers clear value. Frontier Software has extensive experience managing obligations across multiple jurisdictions. Multi-state compliance in Australia includes:

- Payroll tax: Each state and territory has its own payroll tax regime, with different rates, thresholds and grouping provisions. We manage your obligations across all relevant jurisdictions.
- Workers' compensation: Premium rates and scheme rules vary by state. We apply the correct rates for employees in each location.
- Long service leave: Entitlements and portability arrangements differ by state. We calculate accruals and manage payments in line with applicable state legislation.

For organisations with employees in multiple countries, please contact our team to discuss international payroll solutions tailored to your specific requirements.

Q26. Where is our payroll processed?

All payroll processing is conducted in Australia by Frontier Software's Australian-based managed payroll team. We do not offshore payroll processing to third-party providers overseas.

All processing is conducted on the ichris platform, hosted on secure, Australian-based infrastructure. Your payroll data is processed and stored in Australia at all times.

Q27. What reporting will we receive?

Comprehensive reporting is a standard component of our service, not an add-on. You will always have clear visibility over your payroll obligations, costs and workforce data. Standard reporting includes:

- Pre-authorisation reports: Detailed payroll calculation reports before each payroll is approved, including variance analysis against the prior pay period.
- Payroll journals: Payroll costing reports formatted for upload to your general ledger.
- Payroll summaries: High-level summaries of gross pay, deductions, PAYG, superannuation and net pay by cost centre, department or entity.
- Leave liability reports: Current leave balances and accrual liabilities by employee and leave type.
- Superannuation contribution reports: Confirmation of contributions processed each pay period.
- STP lodgement reports: Confirmation of data lodged with the ATO after each payroll run.
- Year-end reports: Annual payroll reconciliation, STP finalisation and other compliance reports.

Beyond standard reporting, ichris supports custom reporting and business intelligence outputs tailored to your specific needs.

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Q28. Do you have an employee payroll helpdesk?

Yes. Frontier Payroll Services offers a dedicated employee payroll helpdesk as part of our service, giving your employees a single point of contact for payroll queries and reducing pressure on your internal team. The helpdesk can assist with:

- Payslip queries and pay discrepancies
- Leave balance and accrual enquiries
- Superannuation contribution and fund details
- Tax withholding and year-end income statement queries
- Access and navigation support for the employee self-service portal

The helpdesk is staffed by Frontier Software's payroll specialists with expertise in Australian payroll legislation and your specific employment conditions. Availability and response timeframes are defined in your service agreement.

Q29. What happens if there is a payroll error?

Despite rigorous controls, errors can occasionally occur. What matters is how they are handled.

- Identification: Detected during processing, at approval or when reported by an employee.
- Notification: We advise you promptly with a clear explanation of what occurred.
- Remediation: Corrective action is agreed with you, as to whether an off-cycle payment, next-pay correction or amended STP lodgement is required.
- Root cause analysis: We investigate and implement improvements to prevent a recurrence.
- Documentation: All errors and actions are recorded for audit trail purposes.

We take accountability seriously and will give you a straight answer.

Q30. Can you integrate with our existing systems?

Yes. Our payroll platform connects with a wide range of HRIS, finance and time and attendance systems, eliminating double-entry, reducing errors and keeping data consistent.

Integration capabilities include:

- HR systems: Automated transfer of employee data, including new starters, terminations and condition changes.
- Finance systems: Integration with your general ledger or AP platform for automated payroll costing and posting.
- Time and attendance: Direct flow of timesheet, roster and exception data into payroll.

Our technical team will assess your systems during implementation and design an approach that suits your environment.

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Q31. What do you need from us to provide us with a quote?

To put together an accurate, tailored proposal, we will typically ask for:

- Total number of employees, broken down by employment type (full-time, part-time, casual)
- Pay frequency (weekly, fortnightly or monthly)
- Number of legal entities or ABNs
- States and territories where employees are based
- Modern Awards and/or enterprise agreements applicable to your workforce
- Current payroll system in use
- Key integration requirements, such as HR, finance or time and attendance systems
- Any specific complexity factors, such as multiple cost centres, salary packaging or defined benefit superannuation
- Preferred service level (fully managed, co-managed or bureau)

With this information, we can provide a detailed, transparent proposal that accurately reflects the scope and cost of your outsourced payroll service.

Q32. How do we get started?

The process is straightforward. Here is how it works:

- Initial consultation: Contact our team for a no-obligation conversation. We will take the time to understand your payroll environment, current challenges and what you are hoping to achieve.
- Proposal: We will prepare a tailored proposal covering our recommended service model, scope, implementation approach and pricing.
- Agreement: Once you are satisfied with the proposal, we formalise the arrangement through a service agreement that clearly defines responsibilities, service levels, governance and escalation procedures.
- Implementation: Our team configures ichris, migrates your data, sets up integrations and completes parallel processing and testing.
- Go-live: Following successful testing and sign-off, your outsourced payroll goes live with dedicated hypercare support during your first pay cycles.
- Ongoing service: Your dedicated Frontier Software service team manages your payroll on an ongoing basis, with regular reviews and a genuine commitment to continuous improvement.



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