

HOW DAILY PAY WORKS

(AND HELPS YOUR EMPLOYEES OUT AT NO COST)



WORKFORCE MANAGEMENT SOLUTIONS
DESIGNED SPECIFICALLY FOR CONTRACTORS

What is Daily Pay?

To better compete with other industries in the hiring war, organizations are starting to use time and attendance and payroll to make pay available to employees on a daily basis.

Daily pay providers let your employees control when they get an advance. Contractors can empower their employees to meet financial goals and pay bills on time. Employees who reach financial security stay longer, reducing turnover and costs.

- » Only pays employees if time and attendance is sufficient
- » No employer fees
- » 100% automated
- » No funding or managing advances
- » Zero cash advances
- » Boost job satisfaction and employee retention
- » Help your company stand-out in the crowd
- » Stop employees moving to other employers who don't offer this benefit
- » Improve time and attendance compliance

How Time & Attendance Integrates with Daily Pay Providers

1. Each Contractor can create its own rules as to which employees are eligible, how much etc
2. As soon as an employee completes a shift, Contractor Workforce Management transmits the hours worked and base pay to the daily payroll provider
3. Clock-outs are captured in real time from telephone or internet enabled devices like smart phones, PC's tablets. Clock-outs from biometric fingerprint readers vary with type of unit and polling frequency
4. Employees who sign up with the daily payroll provider can access their payroll at anytime
5. There is a fee for the employee to get paid the next day. Same day is usually higher. Fees vary by daily payroll provider
6. At the end of the pay period, MITC Time and Attendance integrates with your payroll sending the full payroll including adjustments, pay differentials, holiday pay, PTO and Overtime
7. The daily payroll provider deposits the remaining balance with the employee
8. Your payroll software/service does not need to change unless it does not support daily pay. All major payroll providers like ADP, Ceridian, Paylocity, PayCOM etc offer integration. Tax filing, W2 procedures, 401K and HSA filing all remain the same

How Employee Gets Advance and Balance

Example

- » Employee usually earns \$10.00/hour but gets a \$2.00 differential for certain jobs
- » Employee is paid biweekly
- » Half way through the paid period, the employee needs \$200
- » The employee requests \$200 from the daily pay provider
- » MITC Time and Attendance has reported to the daily payroll provider that the employee has worked 50 hours
- » The employee has a balance of \$500 available
- » Daily payroll provider deposits \$200 less fee (for example \$2.00) in employee bank account
- » At the end of the payroll period the employee has worked 90 hours and earned:

90 hours x \$10.00/regular hour	= \$900.00
30 hours x \$2.00/differential hour	= \$60.00
10 hrs overtime x \$10.6667/hour (blended)	= \$106.67
Gross Total	= \$1,066.67
Less Taxes	= \$213.27
Net Total	= \$853.40

Daily pay lender deposits \$653.40

How is Daily Pay Being Used?

Daily pay providers fund the advances. The employer runs and remits payroll as it normally does. Employees receive 100% of payroll on payday or earlier and the daily pay provider gets paid back through the normal payroll process for any early transfers made.

Louisville, Kentucky-based BrightSpring, which was formerly known as Rescare, is one of the largest providers of home and community-based health services in the United States. Its home care services line employs about 20,000 caregivers. BrightSpring started offering daily pay recently at their organization.

“Traditionally, we’ve paid people in a semi-monthly cycle, and that’s the way we’ve always done it,” Rexanne Domico, president of home health care services and neuro rehabilitation at BrightSpring, told Home Health Care News. “The idea really came up when we started talking about how do we pay more frequently? How can we crack that code?”

“The problem sometimes for this workforce is the ability to access pay when they need it,” she said.

With one in four caregivers living below the poverty line, lack of cash could discourage prospective caregivers and force them into different, more cash-rich, lucrative lines of work. For example, candidates could receive immediate money waiting tables or earn higher wages working for Amazon

“We fully believe that the companies that are able to attract and retain caregivers are the companies that are going to see the growth in the coming months and years in the space,” Domico said. “The ability to solve [for pay challenges] for this workforce is ... a huge answer to this problem.”

BrightSpring began exploring its daily pay initiative about a year ago. The program, which is called “Pay Out,” went live at the end of 2018. It allows employees across the organization — not just caregivers — to access pay as it’s earned.

Already, about 9,000 employees are using Pay Out, Domico said, and the program is achieving what it’s meant to: attracting employees and improving retention.

“We are seeing a lot of interest when we’re talking with our applicants about Pay Out,” Domico said. “We see caregivers saying they’re picking up additional hours because they can get paid for those hours quicker than working somewhere else. We also see some early impact on retention with the people who are engaging in daily pay.”

ABOUT CONTRACTOR WORKFORCE MANAGEMENT

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