
Payroll and Timekeeping Clerks

(O*NET 43-3051.00)

Significant Points

- Payroll and timekeeping clerks are found in every industry.
- Workers train on the job; employers prefer high school graduates who have computer skills.
- Those who have completed a certification program will have an advantage in the job market.

Nature of the Work

Payroll and timekeeping clerks perform a vital function: ensuring that employees are paid on time and that their paychecks are accurate. If inaccuracies occur, such as monetary errors or incorrect amounts of vacation time, these clerks research and correct the records. In addition, they may perform other clerical tasks. Automated timekeeping systems that allow employees to enter the number of hours they have worked directly into a computer have eliminated much of the data entry and review by timekeepers and have elevated the job of payroll clerks, allowing them to perform more complex tasks. In offices that have not automated this function, however, payroll and timekeeping clerks still perform many of the traditional job functions.

The fundamental task of *timekeeping clerks* is distributing and collecting timecards each pay period. These workers review employee work charts, timesheets, and timecards to ensure that information is properly recorded and that records have the signatures of authorizing officials. In companies that bill clients for the time worked by staff—law or accounting firms, for example—timekeeping clerks make sure that the hours recorded are charged to the correct job so that clients can be properly billed. These clerks also review computer reports listing timecards that cannot be processed because of errors, and they contact the employee or the employee's supervisor to resolve the problem. In addition, timekeeping clerks are responsible for informing managers and other employees about procedural changes in payroll policies.

Payroll clerks, also called payroll technicians, screen timecards for calculating, coding, or other errors. They compute pay by subtracting allotments, including Federal and State taxes and contributions to retirement, insurance, and savings plans, from gross earnings. Increasingly, computers perform these calculations and alert payroll clerks to problems or errors in the data. In small organizations or for new employees whose records are not yet entered into a computer system, clerks may perform the necessary calculations manually. In some small offices, clerks or other employees in the accounting department process payrolls.

Payroll clerks record changes in employees' addresses; close out files when workers retire, resign, or transfer; and advise employees on income tax withholding and other mandatory deductions. These workers also issue and record adjustments to workers' pay because of previous errors or retroactive increases. Periodically, they prepare and mail earnings and tax-withholding statements for employees' use in preparing in-

come tax returns. Payroll clerks need to be aware of changes in tax and deduction laws, so that they can implement them.

In small offices, payroll and timekeeping duties are likely to be included in the duties of a general office clerk, a secretary, or an accounting clerk. However, large organizations employ specialized payroll and timekeeping clerks to perform these functions. In offices that have automated timekeeping systems, payroll clerks perform more analysis of the data, examining trends and working with computer systems. They also spend more time answering employees' questions and processing unique data.

Work environment. Payroll and timekeeping clerks usually work in clean, pleasant, and comfortable office settings, but they also may face pressure to meet deadlines. Clerks usually work a standard 35- to 40-hour week; however, longer hours might be necessary during busy periods.

Training, Other Qualifications, and Advancement

Payroll and timekeeping clerks train on the job. Employers prefer high school graduates who have computer skills.

Education and training. Most employers prefer applicants with a high school diploma or GED. Payroll and timekeeping clerks train on the job, gaining skills by watching and learning from other workers. New workers receive training in payroll, timekeeping, personnel issues, workplace practices, and company policies. Some also complete training programs in high schools, business schools, or community colleges.

Other qualifications. Computer skills are very desirable. In addition, payroll and timekeeping clerks must be able to interact and communicate with individuals at all levels of the organization. Clerks need poise, tactfulness, and diplomacy, and the interpersonal skills to handle sensitive and confidential situations.

Certification and advancement. Many professional organizations for payroll and timekeeping offer classes to enhance the skills of their members. Some organizations offer certification programs; completion of a certification program can show competence and can enhance advancement opportunities. For example, the American Payroll Association offers two levels of certification, the Fundamental Payroll Certification and the Certified Payroll Professional. The first is open to all individuals who wish to demonstrate basic payroll competency. The second and more advanced credential is available to those who have been employed in the practice of payroll for at least 3



Payroll and timekeeping clerks review work charts and timesheets to ensure that employees are paid on time.

Projections data from the National Employment Matrix

Occupational Title	SOC Code	Employment, 2006	Projected employment, 2016	Change, 2006-16	
				Number	Percent
Payroll and timekeeping clerks.....	43-3051	214,000	220,000	6,600	3

NOTE: Data in this table are rounded. See the discussion of the employment projections table in the *Handbook* introductory chapter on *Occupational Information Included in the Handbook*.

years, among other requirements. Both certifications require experience and a passing score on an exam.

Employment

Payroll and timekeeping clerks held about 214,000 jobs in 2006. They can be found in every industry, but a growing number work for employment services companies as temporary employees. Many also work for accounting, tax preparation, bookkeeping, and payroll services firms, which increasingly perform the payroll function as a service to other companies. Approximately 16 percent of all payroll and timekeeping clerks worked part time in 2006.

Job Outlook

Slower-than-average job growth is expected. Those who have completed a certification program will have an advantage in the job market.

Employment change. Employment of payroll and timekeeping clerks is expected to grow 3 percent during the 2006-16 decade, slower than the average for all occupations. The increasing use of computers will limit employment growth of payroll and timekeeping clerks. For example, automated time clocks, which calculate employee hours, allow large organizations to centralize their timekeeping duties in one location. At individual sites, employee hours increasingly are tracked by computer and verified by managers. This information is compiled and sent to a central office to be processed by payroll clerks. In addition, the growing use of direct deposit will reduce the need to draft paychecks because pay is transferred automatically each pay period. Also, more organizations are allowing employees to update their payroll records electronically. In smaller organizations, payroll and timekeeping duties are being assigned to secretaries, general office clerks, or accounting clerks.

As entering and recording payroll and timekeeping information becomes more simplified, the job itself is becoming more varied and complex. For example, companies now offer a greater variety of pension, 401(k), and other investment plans to their employees. Also, the growing use of wage garnishment for child support is adding to the complexity. These developments will contribute to job growth for payroll and timekeeping clerks, who will be needed to record and monitor such information.

As firms increasingly outsource the payroll function, most job growth is expected to be in companies that specialize in payroll—including companies in the employment services industry and the accounting, tax preparation, bookkeeping, and payroll services industry. Many of these companies are data processing facilities, but accounting firms also are taking on the payroll function to supplement their accounting work.

Job prospects. In addition to job growth, numerous job openings will arise each year as payroll and timekeeping

clerks leave the labor force or transfer to other occupations. Those who have completed a certification program, indicating that they can handle more complex payroll issues, will have an advantage in the job market.

Earnings

Salaries of payroll and timekeeping clerks may vary considerably. The region of the country, size of city, and type and size of establishment all influence salary levels. Also, the level of expertise required and the complexity and uniqueness of a clerk's responsibilities may affect earnings.

Median annual earnings of payroll and timekeeping clerks in May 2006 were \$32,400. The middle 50 percent earned between \$26,190 and \$39,420. The lowest 10 percent earned less than \$21,150, and the highest 10 percent earned more than \$46,500. Median annual earnings in the industries employing the largest numbers of payroll and timekeeping clerks in May 2006 were:

Management of companies and enterprises	\$33,880
Accounting, tax preparation, bookkeeping, and payroll services.....	33,700
Elementary and secondary schools	33,600
Local government	33,490
Employment services	30,290

Some employers offer educational assistance to payroll and timekeeping clerks.

Related Occupations

Payroll and timekeeping clerks perform a vital financial function—ensuring that employees are paid on time and that their paychecks are accurate. In addition, they may perform various other office and administrative support duties. Other financial clerks include bill and account collectors; billing and posting clerks and machine operators; bookkeeping, accounting, and auditing clerks; gaming cage workers; procurement clerks; and tellers.

Sources of Additional Information

For general information about payroll and timekeeping clerks, contact:

► American Payroll Association, 660 North Main Ave., Suite 100, Suite 660, San Antonio, TX 78205-1217.

Internet: <http://www.americanpayroll.org>

► WorldatWork, 14040 N. Northlight Blvd., Scottsdale, AZ 85260. Internet: <http://www.worldatwork.org>

Information on employment opportunities for payroll and timekeeping clerks is available from local offices of the State employment service.