

# 'Same Day ACH to the Rescue' for Paychex Clients

Eric Wade remembers a time before Same Day ACH. The memories aren't fond.

Wade is Product Strategy Manager at Paychex, which pays one in 12 of America's private sector workers. In the old days, if one of those workers found a problem with their Direct Deposit, and wanted the rest of their money that payday, it was simultaneously a reasonable request and a tall order.

"It always bothered me, up until Same Day ACH, what you had to do to correct it. It was so archaic," said Wade. "Here it is on a Friday, and you're trying to correct this person's pay, and you couldn't send the money to them electronically through the ACH Network because they weren't going to get it until Monday." It meant Paychex issuing a check "and going through hoops" to get it to the right location, or the employer had to hand write a check.

"Same Day ACH is great because it solves those problems for correction pay," said Wade.

With 710,000 clients, primarily in the U.S., Paychex also handles a substantial amount of employee benefits, including being the nation's largest 401(k) recordkeeper based on the number of plans.

While correcting payroll is one of Paychex's most common uses of Same Day ACH it's not the only one. Sometimes smaller businesses get swamped and forget to run their payroll in time for traditional ACH.

"Same Day ACH to the rescue," said Wade.

In certain states, when an employee is terminated, they must be paid immediately. Wade said there's always been uncertainty about whether next day ACH qualified as immediate, so a check was usually issued.

"With Same Day ACH, you have more of an argument that this qualifies as immediate. You pay them the same day," he said.

"Same Day ACH has been great for all of those ad hoc emergency scenarios."

But you don't need a crisis to use Same Day ACH. Some Paychex customers prefer it for routine payroll. With traditional ACH for Direct Deposit, employers process their payroll days before payday and the funds are collected from the employer a day or more ahead of time. However, if employers run their payroll on payday with Same Day ACH, employees are still paid that day, but the funds are not collected from the employer until the payday. Wade said it gives those companies more time to get payroll data together, as well as allowing them to hold onto funds a bit longer.

Paychex has also seen instances where, for example, companies that once ran payroll on Wednesday for Friday instead run it Wednesday for Wednesday, so their employees are paid sooner. "Now it's an employee benefit as well," said Wade.

As Same Day ACH turned five in September 2021, Wade said the extension of Same Day hours until 4:45 p.m. ET has been especially helpful in marketing it to Paychex customers in the West. When the per payment limit increases from \$100,000 to \$1 million in 2022, he expects that will enable more employers to utilize Same Day ACH.

"The overall concept of getting paid quicker is now a reality," said Wade. "As employee demand grows, we will continue to see significant innovation in this space for years to come."



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