

January 9, 2011

Description (note 1)	Intuit Online Payroll Basic	Intuit Online Payroll Plus	QuickBooks Basic Payroll	QuickBooks Enhanced Payroll	QuickBooks Assisted Payroll	Paychex Flexible	Paychex Small Biz Paperless	ADP Compliance w/Pay Conv
Employees (note 7)	10	10	10	10	10	10	10	10
% employees using direct deposit	100%	100%	100%	100%	100%	100%	100%	100%
Pay periods per year	52	52	52	52	52	52	52	52
Payroll frequency	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly
Monthly fee (note 2)	\$ 38.50	\$ 52.50	\$ 14.53	\$ 21.82	\$ 58.65	\$ 169.00	\$ 119.00	\$ 311.57
Per employee/pay period fee	N/A	N/A	N/A	N/A	\$ 1.00	N/A	N/A	N/A
Direct deposit fee per deposit	\$ -	\$ -	\$ 1.25	\$ 1.25	\$ 1.25	Included	Included	Included
Additional discount (note 2)	\$ 55.02	\$ 97.02						
Monthly fee for 1 year (note 2)	\$ 462.00	\$ 630.00	\$ 174.30	\$ 261.80	\$ 703.80	\$ 2,028.00	\$ 1,428.00	\$ 3,738.80
Check fees	Note 1	Note 1	Note 1	Note 1	Note 1	Note 5	N/A	Included
Per employee/pay period fee	N/A	N/A	N/A	N/A	\$ 520.00	N/A	N/A	N/A
Direct deposit fees	\$ -	\$ -	\$ 650.00	\$ 650.00	\$ 650.00	\$ 780.00	Included	Included
Setup fee	N/A	N/A	N/A	N/A	\$ 49.00	\$ 50.00	Included	\$ 200.00
Prepare W2's (note 3)	Note 4	Note 4	N/A	Note 4	\$ 82.50	\$ 97.50	Included	\$ 84.00
Tax preparation/filing fees	Note 4	Note 4	N/A	Note 4	Included	\$ 754.00	Included	Included
QuickBooks interface	Included	Included	Included	Included	Included	\$ 180.00	Note 6	Note 6
Total annual cost	\$ 462.00 ✓	\$ 630.00	\$ 824.30 ✓	\$ 911.80	\$ 1,956.30	\$ 3,659.50	\$ 1,428.00	\$ 3,822.80

Notes

- 1 All of the QuickBooks pricing reflects our certified ProAdvisor discounts. QuickBooks doesn't offer any service that prints checks; a company has to supply check forms and print them if needed.
- 2 Where an annual fee was quoted, we divided it by 12. Where a per pay period fee was quoted (in our case, weekly), we multiplied that fee by 52 and divided the result by 12. Intuit's Online payroll services charge a monthly fee of \$1.50 for each employee after the first one, so we adjusted the monthly fee based on the number of employees in our comparison. Additional discount includes offers of service for free or at a reduced rate. For example, for Intuit Online Payroll Plus, Intuit's current offer includes 1 free month of service and 2 months at a reduced rate of \$9.99 per month. These additional discounts are reported but not deducted from the monthly fee for 1 year, since they only apply in the first year.
- 3 Intuit's fee for Assisted Payroll is based on \$40 + \$4.25 for each W2. ADP's fee is based on a flat charge of \$30 + \$5.40 for each W2. Paychex Flexible's fee is \$45 + \$5.25 for each W2.
- 4 With Intuit Online Payroll and QuickBooks Enhanced Payroll, a user can file all payroll taxes using E-File and pay them using E-Pay at no charge. Printing W2's is just like printing checks - the software does it for no extra cost, but it's up to the firm to supply the forms and do it.
- 5 Since we assumed 100% of employees would use direct deposit, we didn't include the cost to print checks, a service for which Paychex charges extra. The extra cost is \$8 per pay period for courier delivery or \$4 per pay period for delivery via US Mail. In our example, courier delivery would add \$416, or about 11% to the annual cost of the Paychex Flexible program.
- 6 Paychex Small Biz doesn't offer a QuickBooks interface but it does offer one for Microsoft Excel. While technically this data could be imported to a QuickBooks company file, doing so is beyond the ability of a typical user. It would probably take less time to make GL journal entries summarizing the relevant payroll data. ADP includes a QuickBooks GL interface at no charge provided the company's outside accountant is added as a contact.
- 7 Intuit Online Payroll will suffer from decreased performance if used for a payroll of more than 100 employees, so this should be considered a practical maximum. Intuit Online Payroll also does not support payments to 1099 contractors, but the PayCycle Plus service, a virtually identical offering by an Intuit subsidiary, does. QuickBooks payroll products only support employees receiving a W2 and direct deposits to US financial institutions.