

December 10, 2008

Description (note 1)	QuickBooks Online Payroll	QuickBooks Basic Payroll	QuickBooks Enhanced Payroll	QuickBooks Assisted Payroll	Paychex Flexible	Paychex Small Biz Paperless	ADP Compliance w/Pay Conv	ADP Special Thru 12/31/08
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)	\$ 9.95	\$ 16.58	\$ 24.92	\$ 51.00	\$ 169.00	\$ 119.00	\$ 311.57	\$ 280.41
Per employee/pay period fee	N/A	N/A	N/A	\$ 1.00	N/A	N/A	N/A	N/A
Direct deposit fee per deposit	\$ 0.99	\$ 0.99	\$ 0.99	\$ 0.99	Included	Included	Included	Included
Monthly fee for 1 year (note 2)	\$ 89.55	\$ 199.00	\$ 174.30	\$ 612.00	\$ 2,028.00	\$ 1,428.00	\$ 3,738.80	\$ 3,364.92
Check fees	Note 1	Note 1	Note 1	Note 1	Note 5	N/A	Included	Included
Per employee/pay period fee	N/A	N/A	N/A	\$ 520.00	N/A	N/A	N/A	N/A
Direct deposit fees	\$ 514.80	\$ 514.80	\$ 514.80	\$ 514.80	\$ 780.00	Included	Included	Included
Setup fee	N/A	N/A	N/A	\$ -	\$ 50.00	Included	\$ 200.00	\$ 125.00
Prepare W2's (note 3)	Note 4	N/A	Note 4	\$ 82.50	\$ 97.50	Included	\$ 84.00	Included
Tax preparation/filing fees	Note 4	N/A	Note 4	Included	\$ 754.00	Included	Included	Included
QuickBooks interface	Included	Included	Included	Included	\$ 180.00	Note 6	Note 6	Note 6
Total annual cost	✓ \$ 604.35	\$ 713.80	\$ 689.10	\$ 1,729.30	\$ 3,889.50	\$ 1,428.00	\$ 4,022.80	\$ 3,489.92

Notes

- 1 All of the QuickBooks pricing reflects our certified ProAdvisor discounts. QuickBooks Assisted Payroll pricing reflects an Intuit price increase effective 11/07/08. QuickBooks doesn't offer any service that prints checks; a company has to supply check forms and print them if they're required.
- 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. From 11/10/08 to 2/1/09, Intuit is offering a promotion that provides 3 free months of Online Payroll. We include this promotional pricing in our calculations.
- 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 QuickBooks Online Payroll and 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 QuickBooks 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. QuickBooks Online Payroll also does not support payments to 1099 contractors. QuickBooks payroll products only support employees receiving a W2 and direct deposits to US financial institutions.