CASE STUDY

Process Improvement Value Outcomes Team (PIVOT)

Handling everyday payroll challenges

The challenges

We consistently hear about payroll and loan administration challenges from clients across industries.

- **Issues with payroll** often include contribution deferrals not being started, rehires not being captured, and deferrals being funded even when set at 0%. When using a third-party payroll provider, there may be additional problems such as incorrect compensation records, noncompatible data integration, and media file exchange errors.
- **Issues with loans** include delayed repayment starts for new loans and repayments stopped too soon or too late. This can result in delinquencies, loan overpayment checks, and ultimately uncashed check volume.

These challenges can create an administrative burden, poor experiences, and frustration. If you're constantly dealing with payroll issues, you can't focus on your employees, educational programs, or anything else beyond immediate concerns.

The solutions

PIVOT worked with clients' consultants and HR teams to analyze each loan and payroll challenge. As we ascertained the root causes of issues and defined what success would look like, changes were communicated effectively, keeping everyone informed throughout solution implementation.

- **Payroll control report:** A custom report that flags payroll discrepancies, empowering clients to take corrective action before issues affect participants or plan integrity.
- **Payroll provider partnership:** Vanguard partnered with payroll providers to diagnose, resolve, and implement payroll data exchange and integration solutions on behalf of clients.
- **Loan repayments:** A token added to our current media-out files allowed us to send the final payment amounts needed to bring participants' loans to exactly $0. This prevents loan overpayments, reducing participant dissatisfaction, inquiries, and uncashed refund checks.

The outcomes

Our solutions saved money for clients, eased administrative headaches, and improved their participants' experience.

- **1,000+** corrected compensation records.
- **$150,000+** saved by avoiding correction-processing costs.
- **$250,000** in cost savings from reduced corrections funding.
- **50%** reduction in delinquent loans.
- **33%** reduction in outstanding loan overpayment checks.

Successfully implemented control reports led to faster issue identification of discrepancies, from 6–12 months to just 1 month. This boost in efficiency and risk mitigation meant significant reductions in cost and client team burden. With fewer issues to troubleshoot, teams were able to redirect their focus to strategic priorities.

The experiences of these Vanguard clients may not be representative of the experiences of other Vanguard clients and are not a guarantee of future investment performance or success.