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payroll errors and explores the vital role payroll professionals serve in building an engaged workforce while directly impacting the 152 million workers who make up the

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As Americans file their Form 1040 U.S. Internal Revenue Service (IRS) income taxes ahead of the April 18 deadline, a new survey from [The Workforce Institute](#) at [Kronos](#)

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“Payroll professionals support more than 152 million American workers every payday – and their efforts often go underappreciated,” said Joyce Maroney, director, The Workforce Institute at Kronos. “For organizations seeking to gain an edge in their employee engagement initiatives, the payroll department is a valuable resource capable of making a vital and instant impact. To unlock payroll’s true potential, it must be relieved of the burden created by outdated, manual, and often spreadsheet-based processes. Providing modern tools and technology will not only reduce the number of costly and potentially engagement-ending errors, but it will allow payroll experts to excel as true knowledge workers capable of taking on a more strategic and proactive role in supporting organizational transformations.”

Key Findings:

- **Paid too little, too late, or not at all: 54 percent of Americans have had a paycheck problem, while salaried, hourly, and gig (i.e. freelance / contract) workers each face different challenges.**
 - More than a quarter (26 percent) of hourly workers have been paid too little, while 15 percent say they’ve been paid late. Just one in 20 – six percent – have been overpaid.
 - For the salaried worker, 15 percent say they’ve been shortchanged in their check. Although 16 percent report being paid late, another 23 percent say they’ve been paid early – a nice problem to have! Nine percent have had a paycheck bounce, though, which is more than hourly and gig workers combined.
 - While still a small group, gig workers might be the toughest to pay correctly. One in five (20 percent) have been paid late; one in five (20 percent) have been paid too little; and 16 percent say they’ve had their paycheck direct deposited into the wrong account.

- Overall, at least 10.6 million³ workers (seven percent) have had a paycheck

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men, on average, would pocket \$25 each before saying something, compared with \$258 for women.

- Employees can't claim they didn't notice the error: more than three-quarters (77 percent) of Americans check their paystub every payday to make sure their taxes, withholdings, and overall earnings are correct.
- **Living paycheck-to-paycheck makes payroll errors costlier: 56 million⁵ American workers have paid a personal bill late because of a payroll error.**
 - Almost three out of five employed Americans – 58 percent or 87 million workers and their families – live paycheck-to-paycheck, according to the survey, while hourly employees (65 percent) are more likely than salaried employees (52 percent) to report this.
 - Payroll errors have forced over one-third (37 percent) of American workers to make a late payment on a bill such as their car loan, credit card, mortgage, or apartment/home rent.
 - Salaried employees (45 percent) are more likely than hourly employees (29 percent) to have made a late payment because of a payroll error.
- **Perplexed by paychecks: Almost 64 million⁶ Americans say their paystub is hard to read.**
 - The survey discovered 42 percent of all employees say taxes and deductions on their paycheck are confusing to read and understand.
 - Year-end tax forms confuse American workers, too. While half say they're confident they have never had a problem with documents such as an IRS W-2 Form, 35 percent of employees have had a problem such as a mistake. Another 15 percent admit they do not understand their tax forms enough to even recognize an error.
 - Nearly half of American workers (45 percent) say they would feel more engaged with their job if their employer helped them better understand the impact of taxes and deductions on their overall earnings.

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