



Payroll Provider & Aggregator Update

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Today's Highlights

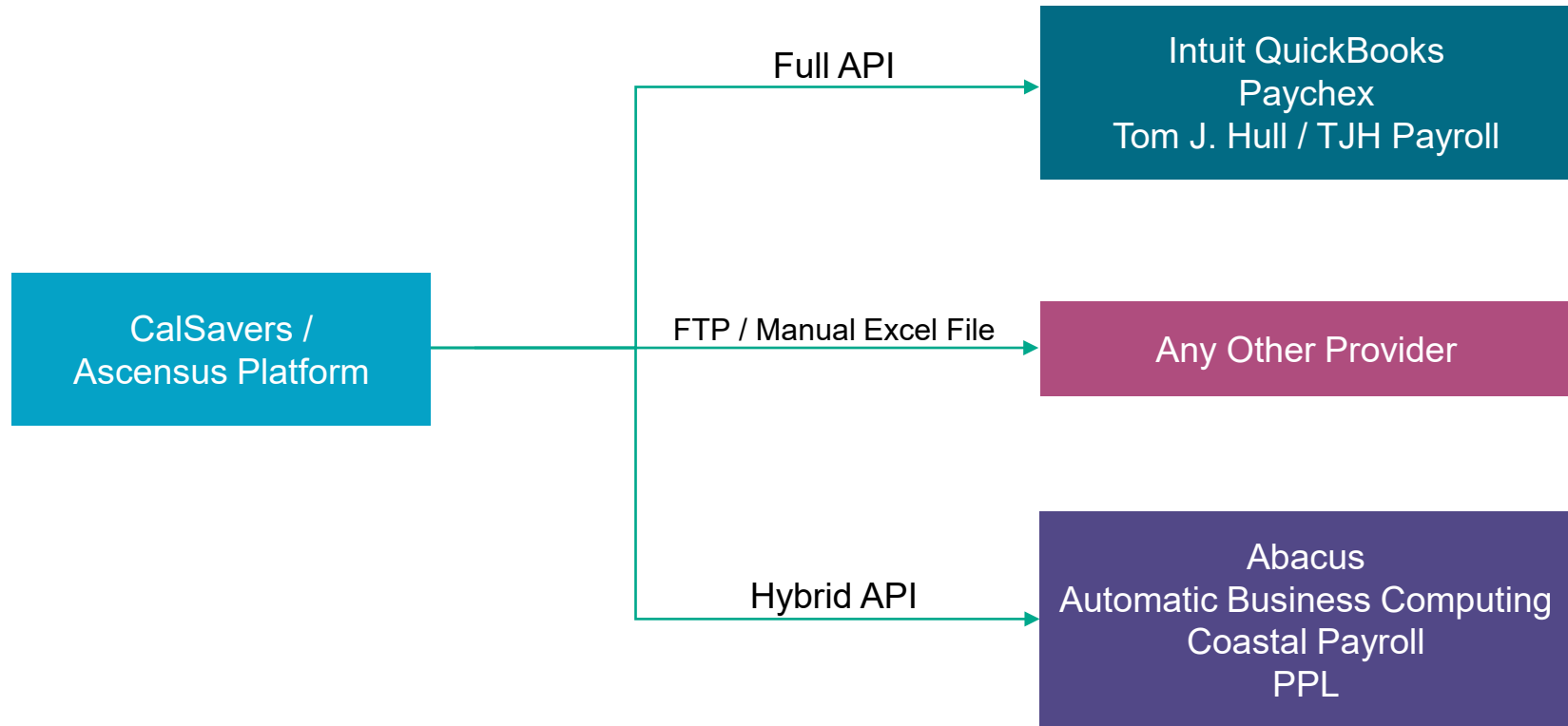
- ✓ **Business Case for Payroll Aggregators**
- ✓ **Aggregator Comparison**
- ✓ **Payroll Provider Fee Landscape**



The Business Case

Current Integrations

Different models can cause confusion for facilitating employers and support teams.



Two Integration Paths

One-off builds vs. Scalability

Direct to Provider

- Requires willingness to connect initially, and engage with further technical support as issues emerge
- Changes on provider's end:
 - aren't always communicated in a timely manner, or at all;
 - create additional work on program end; and
 - most critically, **cause issues for connected employers.**
- Significant, variable investment of time & resources required for each individual integration
- Provider determines employer pricing (i.e. whether it is a la carte or a bundled service)

Payroll Aggregators

- Each aggregator brings multiple providers, via pre-existing relationships
- Aggregator helps maintain connections amidst potential changes on provider's end
- One-time investment of resources to open entire network; limited, predictable, ongoing resources required for each provider's user interface
- Comes with standard, transparent pricing structure (based on employee count) for employers who choose to utilize the integration



Comparing Aggregators

Assessing Payroll Aggregators

Each brings different providers and service model variations



- Specializes in smaller payroll providers
- Multiple ways to integrate
- Higher price for smaller impact
- Real-time syncing of data



- Unknown number of direct payroll integrations
- Larger systems integrator for all HR
- Minimum number of connections to use service
- No real-time sync of data



- Specializes in larger payroll providers
- No minimum number of connections
- Real-time syncing of data



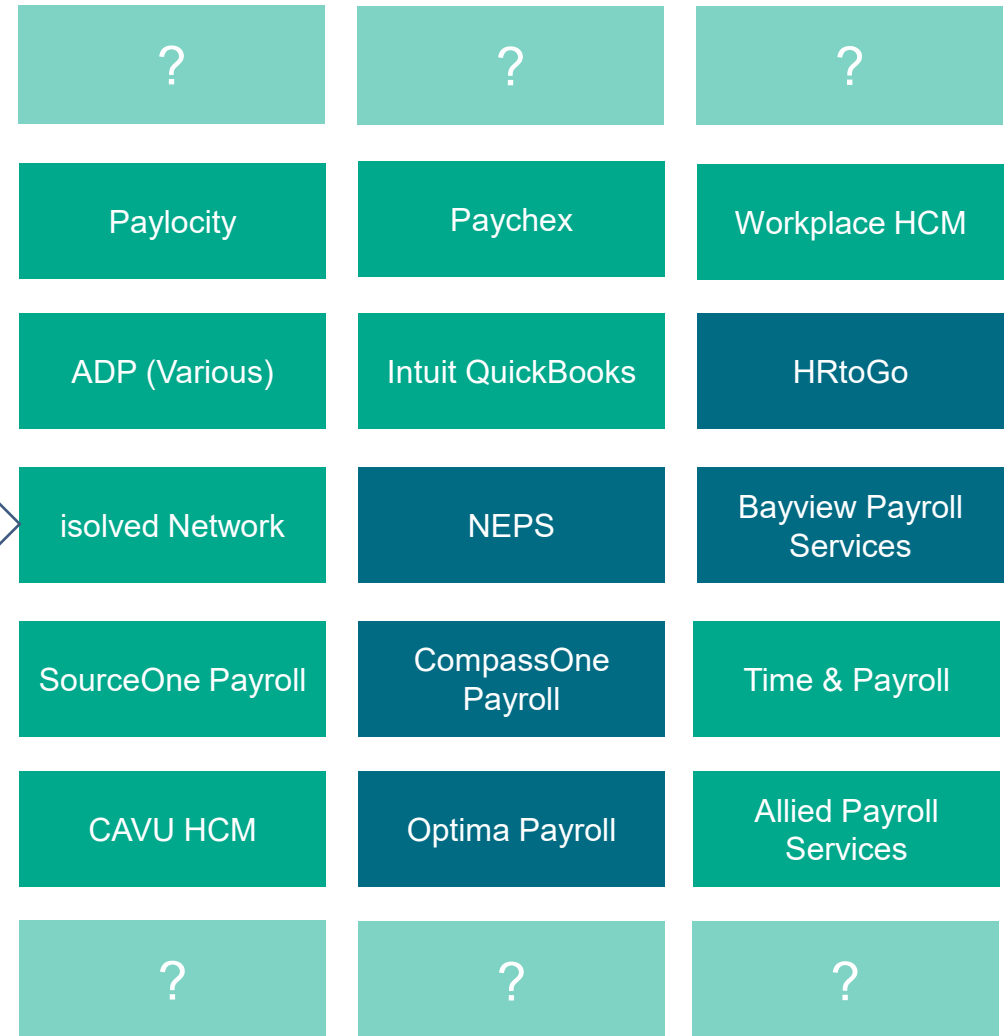
- Unknown number of direct payroll integrations
- Larger systems integrator with many products
- Expensive for just payroll integrations
- Real-time syncing of data

Payroll Integrations

- Currently integrated with Ascensus qualified retirement division (subject to corporate vendor management process)
- 15+ major payroll providers; 10 overlap with program
- Continually adding new providers; sought input on targets based on CalSavers indicated relationships
- Implementation can be model for additional aggregators and their provider networks in the future

CalSavers / Ascensus Platform

SFTP



Current Payroll Provider to CalSavers ERs

Number of Employees	Monthly Cost
0 to 25	\$30
26 to 50	\$45
51 to 100	\$60
101 to 499	\$85
500 to 999	\$125
1000 or more	\$250



Provider Fee Snapshot

Provider Integration Fees

SFRP / CalSavers Integration Details

Integration Type	Set-up Fee	Ongoing Fee	ERs ¹	EEs Added	Participating EEs	Contributions
Full API – Paychex	\$0	\$15 / pay	1,415	N/A	N/A	\$22.9 million
Full API – TJH Payroll	\$40	\$0	262	N/A	N/A	\$2.2 million
Full API – Intuit	N/A (bundled)	N/A (bundled)	3,988	57,154 (14.3 / ER)	25,060 (6.3 / ER)	\$44.6 million
Aggregator – Payroll Integrations	N/A	Tiered (EEs) ²	Over 100 / Over 50 ³	N/A	N/A	N/A
Hybrid API – Regional Provider	Implementation	Per pay transmittal; monthly reporting	N/A	N/A	N/A	N/A

Ascensus Qualified Retirement Plan Integration Details

Integration Type	Set-up Fee	Ongoing Fee	ERs ¹	EEs Added	Participating EEs	Contributions
Aggregator – Payroll Integrations	N/A	Tiered (EEs) ²	159	N/A	5,005 (31.5 / ER)	N/A
Full API – Major Provider	\$62	\$70 / month	1,949	N/A	N/A	N/A
Payroll Aggregator	\$50 / month	\$2 / EE	557	N/A	N/A	N/A

¹ Ascensus does not collect data on fees paid by employers to their payroll providers; however, these are reasonable estimates based on employers utilizing each particular integration.

² Pricing tiers are uniform across SFRP and retirement, starting at \$30 / month for 1-25 participating employees, up through \$250 / month for 1000 or more participating employees.

³ Represents the number of non-CalSavers SFRP employers that have connected to, and remitted payroll via, Payroll Integrations.