



Accounting professional's guide to switching payroll software mid-year

Authored by Jon Davis

Reviewed by David Kindness, CPA

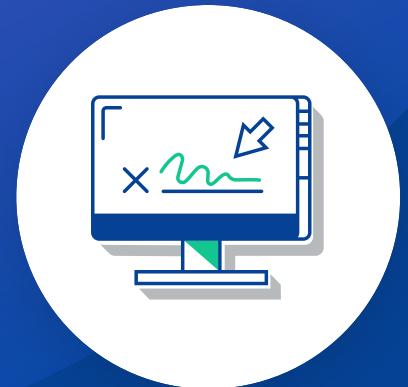


Table of Contents

Introduction	3
Why do some accounting firms switch payroll software mid-year?	3
What to keep in mind before your mid-year move	4
Get data ready to be migrated	5
Questions that should be asked and answered	6
During the switch	6
Conclusion	7

Why making a mid-year payroll software switch makes sense for your practice

Many accounting professionals use the middle of the year to evaluate the vendors they work with, and if any fall short of expectations, they may decide the time is right to move on. For example, some practices use the mid-year point to determine whether the payroll software they use is meeting all of their needs. Though switching payroll providers is a move you can make at any time of the year, the months of June and July can be popular with practices.

1 Why do some accounting firms switch payroll software mid-year?

Here are some considerations that may have organizations thinking it's time for a new vendor:

- ✔ Customer service is lacking — emails go unanswered, or it takes too long to troubleshoot issues.
- ✔ Their current provider is making too many mistakes in filing payroll or paying associated taxes.
- ✔ Integrations don't meet their current needs, or they start using a new tool in the middle of the year that their current payroll software doesn't integrate with (accounting software, project management software, etc.).
- ✔ The current software platform does not include HR functionality to handle your clients' back-office tasks such as PTO requests, sick days, or compensation inquiries.
- ✔ The employee self-service options are difficult to use or the payroll software doesn't provide clients with access.
- ✔ Some firms begin their fiscal year in the summer. If they are migrating to a different [payroll software](#), they have a timeline in which they will research tools in March or April and budget for spending in June or July.



75%

of accounting professionals say they use payroll software to process payroll for their firm's clients.

Source: OnPay 2025 Accounting Survey

2 What to keep in mind before your mid-year move

- Your clients might pay their employees at different intervals and with different pay schedules. Will the new vendor be able to support various departments, pay groups, or pay frequencies used by your clients?
- Make sure that the new provider has access to all the correct historical payroll data or is able to pull the necessary data from your previous provider. Will you have to migrate this data or will your new provider handle it for you – and if so, is there a cost involved?
- When moving, you'll still need to make sure tax filings from early in the year are handled by the provider you were using at that time. Don't just count on it – better to be safe than sorry.
- Can the new vendor handle your client's specific industry needs? For example, if your firm helps agriculture or farming businesses, there are going to be payroll software companies that are unable to file Form 943. OnPay does, but keep in mind that not all providers do.



Over 95%

of accounting practices identify payroll services as a key element of their service offerings.

Source: OnPay 2025 Accounting Survey

- If your clients have a lot of employees (or planning to bring on new hires as the mid-year point approaches), it can be a good idea to have the employee's information ready to go 30 to 60 days before the move.
- Payroll taxes are such an important part of the equation, and Uncle Sam expects his share. It pays to double- and triple-check that your new provider can help to ensure that all taxes are accounted for and can be administered correctly. Most should be able to review any previous taxes from past quarters, so that all information is accurate when migrating.
- Will you need a window of time between your old and new providers to make sure all of the employees who work for your clients get paid? In other words, will you need the previous platform to still be running to pay client employees one last time so that there's no downtime when you switch?
- See if the new vendor has an employee self-service portal where day or night workers are able to view pay stubs, update personal information, and access tax documents. Most modern platforms should have this available for your clients.

3 Get data ready to be migrated

Making sure information gets from point A to point B properly – and securely – is one of the most important parts of moving to a new payroll software company. That’s because whoever you choose to work with is going to need your clients’ employee data and year-to-date payroll reports that show wages, deductions, and payroll taxes.

This will be important so that tax forms, other documents, and records are accounted for as the end of the year approaches. Below is a table with information that’s likely to be a big part of this transition process.

Information needed to switch payroll providers

Get the information below ready around 30 days before moving to your new vendor.

- ✓ Staff lists with Social Security numbers and mailing addresses for all employees that clients have. This will be critical when tax time comes around and W-2s or 1099s need to be prepared. Be sure to send this information to your new provider securely.
- ✓ Any employee garnishments and supporting documents clients can share.
- ✓ Current year copies of Form 941 payroll filings – the current vendor should be able to share these with your client.
- ✓ Direct deposit information for workers, if your clients pay employees this way.
- ✓ State unemployment rates for all states that clients report to.
- ✓ Client accrual policies and balances.
- ✓ W-4s for all client employees – these were likely completed during the onboarding process when new hires joined.
- ✓ Any employee deductions clients set up should be accounted for in the new system.
- ✓ Bank account information for your clients.
- ✓ Company tax identification (tax ID numbers) for clients.
- ✓ Year-to-date payroll summary by employee and by quarter for each client.
- ✓ Special or additional compensations, like different pay rates, tipped wages, clergy housing, bonus policies, and shareholder insurance (if applicable to any clients).

4 Questions that should be asked and answered

When considering a new payroll provider, asking the following questions can help to make a smooth transition for your accounting practice.

- ✓ Will the new provider import your clients' historical payroll data, and if so, is there a fee?
- ✓ Does the new provider offer integrations with other systems you use, and can they confirm with you before making any changes?
- ✓ Does the new provider provide training so that you can see how everything works?
- ✓ Does the new provider have a dedicated account team that is easy to reach?
- ✓ What type of support do they offer?
 - For example, will you mostly communicate via email?
 - If you prefer speaking with a customer service representative, do they offer phone support?
 - Or live chat if you prefer to get answers this way?
 - If they are not available, will they have a help center where you can get most of your questions answered?

5 During the switch

Communication is key

It can be a good idea to give your clients advance notice before making a change, as it may take them some time to get used to the idea of a new system. For instance, the process for requesting paid time off might work differently, and workers will need to find their earnings information in a new place.

Bridge the transition gap

When migrating clients, there will likely be a small gap between closing out the old service and starting the new one. For a smooth transition, share the last payroll you ran for each client with your new provider. This ensures all previous payrolls are accounted for in the new system. When you resume processing live client payrolls, everything picks up at the correct "taxation point," so all numbers sync up. Moving forward, this makes sure taxes are in the right quarters, and all Social Security maximums are correct.

Dive into the data

Give your clients (and yourself) time to review data in employees' profiles, such as prior wages, and be sure to look at the state SUI rates. If you review all the pay items and deductions and something seems off, at that point the new provider should immediately help with changes or corrections. It's much harder to capture this type of "data snapshot" once you start running client payroll, so don't let this fall by the wayside.

Keep an eye out

Be on the lookout for emails, calls, and follow-ups after you sign up with your new vendor and move all of the information over. During the switch, an onboarding team and specialists will make sure that everything is set up correctly so you can hit the ground running. If they are calling or reaching out, there's likely a reason they need to speak with you (or may need additional information).

Special taxation is a reason to switch

Another reason why accounting firms use the middle of the year to switch is because there are client tax considerations that their current provider is unable to assist with. For example, shareholder insurance is taxed differently than W-2 wages. Clergy housing is not taxable but must be reported on W-2s, and not every payroll company can properly account for this.

Is it easy to mark clergy members as exempt from Social Security and Medicare taxes (FICA) when running payroll? Is a client FUTA or SUTA exempt, and is your current provider able to handle the calculations? Depending on the needs of your clients, it could be time for a company to switch because they have a more sophisticated setup that their current provider is unable to address.

No matter when you want to switch — we're here to help

Though moving to a new payroll provider can seem overwhelming, a little preparation can go a long way (and keep your clients happy). No matter when you decide that the time is right to migrate to a different vendor, our team can help you at every step. Good luck as you research different options — our team is excited to help and make this transition as smooth as possible.

Make the switch today to OnPay by visiting [OnPay.com/accountants](https://onpay.com/accountants)

