



Simply brilliant software

What is cloud payroll & what makes it different?





What is the cloud?

In today's digital world, how we store and use data has changed dramatically thanks to cloud computing. This technology is now common in both personal and work environments, making it crucial to understand what "cloud" really means.

So, what does "cloud" mean when it comes to computing? To put it simply, the cloud is a metaphor that refers to the ability to access programs and data over the internet. One everyday example of the cloud is email. When you send or receive an email through a service like Gmail, Yahoo, or Outlook, that email is not only sent to the recipient's device, it's also stored on a server provided by the email service. This server is part of the "cloud," a network of servers that store data and applications over the internet.

So, unlike the tangible journey a letter makes through the postal system, before eventually landing through your letterbox — the journey of an email through the cloud is invisible until it materialises in your inbox. Some other examples of cloud-based vs. device-based applications include:

- Messaging platforms like WhatsApp, where your messages are stored by WhatsApp, rather than on your phone's memory.
- Streaming platforms, such as Netflix, where all the films and TV shows you could imagine are saved on the Netflix server, rather than on your own device.

What is cloud payroll?

Cloud payroll is a way to manage employee pay and benefits using online tools. Similar to how cloud computing allows you to store and access data via the internet, cloud payroll lets businesses manage payroll tasks seamlessly from anywhere with an internet connection.

All payroll information is securely stored online, making it easy to access from any device, at any time. This convenience means less paperwork and the freedom to handle payroll even when you're not at the office.

How cloud payroll software compares to traditional payroll systems?

1. Flexibility

Processing payroll and flexibility aren't generally two things that go hand in hand. Payroll is something that demands a high level of accuracy, as well as adherence to strict deadlines and schedules.

But what about being able to be flexible when it comes to where, when, and how you manage payroll.

Limitations of on-premises payroll systems

With traditional, desktop-based payroll software, you're tied to a single device for processing payroll. If you switch to another device, your previous work won't carry over, limiting your flexibility. This can make it more difficult to meet payroll deadlines, adding unnecessary stress to the process.

How cloud payroll software can help you be more flexible:

Cloud-based software is changing the way we work, making it easier for people in traditional roles to work with more flexibility. This is especially helpful for working remotely, a trend that's growing fast. A report from Beaming and Opinium showed that about 30% of businesses moved to cloud-based applications mainly to make working from home easier.

Cloud payroll software can go beyond simply enabling working from home; it allows you to work from any location in the world. All you need is an internet connection, and you're ready to start processing the payroll, no matter how far you are from the office.

What's more, as an accountancy practice grows, cloud systems can grow with it, handling more clients without extra paperwork or hassle. This means accounting firms can focus on giving better advice to more clients, instead of getting stuck in administrative work. In short, cloud technology makes remote work easy and helps accounting practices expand without the usual growing pains, proving it's a crucial tool in today's work environment.





2. Collaboration

Effective collaboration is crucial when it comes to payroll. When team members fail to work together effectively, it can lead to miscommunication, the same work being done twice, payroll errors, or not being able to get the payroll finalised in time for payday. This in turn can impact the smooth running of businesses, as well as the satisfaction of clients and employees.

Limitations of on-premises payroll systems

Using desktop-based payroll software makes team collaboration challenging. Since payroll updates are saved on just one device, team members must use the same device to continue working, which is impractical when multiple employees handle payroll from different locations. This setup limits flexibility and hinders efficient teamwork.

How cloud payroll software can help you and your team be more collaborative:

Cloud software that allows for multiple users means that you can collaborate and work alongside colleagues who are in different locations. So, let's say you've gone to meet a payroll client on-site for example, and they'd like to add bonuses to their employees' pay for that week. With cloud technology, you can take out your laptop, or tablet, access the client's payroll, and add the bonus pay there and then.

Then, your colleague, who's currently working on finalising the client's payroll in the office, will see the bonus pay that you've added and can make sure it is included in that payroll run. This fosters effective collaboration, reduces the chance of errors being made, and most importantly, keeps clients and employees happy.

3. Data Security

With payroll systems storing vast amounts of sensitive personal and financial information, a data breach can have catastrophic consequences for businesses. This includes reputational damage, loss of trust from clients and employees, and even penalties and fines.

Limitations of on-premises payroll systems

Keeping payroll data solely on your device can be risky. If someone steals your device or it falls into the wrong hands, unauthorised individuals might access sensitive information. You could use an external hard drive or memory stick to back up your data, but these are also at risk of being lost or stolen, which could lead to a GDPR breach. Relying on just one device for data storage puts your payroll information at risk, both in terms of security and compliance.

How cloud software can help you keep your data secure:

Cloud-based software provides a secure solution to managing sensitive data, effectively mitigating the risk of GDPR non-compliance.

Data transferred to the cloud is usually encrypted, making it very difficult for unauthorised individuals to interpret it if intercepted. Cloud service providers use highly secure data centres with robust physical security measures and advanced cybersecurity protections. This makes it much harder for unauthorised individuals to access the data.



4. Data Recovery

Imagine your computer crashes, there's a fire, or your laptop is stolen, if you don't have a secure way of backing up your data, it can be easily lost - and you won't be able to get it back. When it comes to payroll, this means employees may not be paid on time, which can really hurt your business.

Limitations of on-premises payroll systems

Storing payroll data only on your device is risky because if your device is stolen, damaged, or lost, your data disappears too. External hard drives or memory sticks might seem like a solution, but they can easily be misplaced, leading to potential data loss. While third-party file hosting services offer another option, you need to manually upload your data every time you make changes, which can be tedious and error-prone. Relying on a single device for payroll storage is not only inconvenient but also insecure, jeopardising both your data's safety and your peace of mind.

How cloud software can help you avoid losing payroll data:

Cloud-based systems host data on a secure server, so regardless of what happens to your PC, your payroll data will always be kept up to date, without the need to make any backups. This serves as a safeguard against data loss that could happen due to things like hardware malfunctions, natural disasters, or human error.

Cloud systems provide more than just data storage; they offer a robust infrastructure for data protection, ensuring both the availability and recoverability of your data. This gives businesses the confidence to operate without fear of data loss, knowing their information is secure and retrievable whenever needed.





5. Staying compliant

With payroll, there are often legislative changes introduced - from new obligations like Enhanced Reporting Requirements or auto-enrolment to a rise in minimum wage rates. If you don't stay on top of these updates and make sure your payroll software is up to date, you are at risk of non-compliance. This can lead to employees not being paid correctly, as well as the risk of penalties and reputational damage.

Limitations of on-premises payroll systems

Using desktop-based payroll software means you have to manually update it whenever payroll legislation changes. If you forget or delay these updates, you risk paying employees incorrectly and not complying with legal requirements. This manual process can lead to errors and legal issues, making it crucial to stay on top of updates..

How cloud software can help you avoid losing payroll data:

With cloud-based software, any updates are automatic. This ensures all users have access to the most recent version of the software, without the need to manually run updates. This can be especially handy when there have been legislative changes, and it can help you stay compliant. For example, if there is an increase to the minimum wage, cloud payroll software will automatically update, so you don't need to worry about making any changes or manually updating your software to the latest version.



Reducing admin work with employee self-service portals

One major benefit of cloud-based payroll software, which serves accountants, employers, and employees, is an employee self-service portal.

An online portal for employees allows them to handle various payroll-related tasks independently, which they would typically request from their employer or payroll processor. These tasks can include:

- Accessing current and past payslips
- Requesting annual leave
- Viewing leave taken and remaining balance
- Updating personal information

By empowering employees to complete these tasks on their own, the portal reduces administrative workload and enhances employee satisfaction, as they no longer need to look for assistance or chase up information.



Looking to the future of payroll

Cloud payroll software offers significant advantages over traditional desktop-based systems. Its accessibility allows users to manage payroll tasks from anywhere, ensuring efficiency and flexibility.

The ease of use and seamless updates ensure that users can focus on their core operations without technical disruptions. By transitioning to cloud-based payroll software, businesses can enhance their payroll processes and stay ahead in today's dynamic work environment.

Looking to the future, embracing cloud solutions positions businesses to seamlessly adapt to technological advancements and evolving workplace needs, ensuring they remain competitive and ready for whatever comes next. Consider making the switch to enjoy these substantial benefits and future-proof your payroll management.



Ready to adopt cloud payroll? Bright has released a cloud version of BrightPay in Ireland for the 2025 tax year.

Make the switch today to experience the benefits cloud payroll software can bring to your business.



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400,000

Businesses using Bright products



98%

Bright customer satisfaction rate



30+

Years' industry experience



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