New Payments Platform

Snapshot: NPP and Payroll

For more information email **info@nppa.com.au**

Speed
payments in near real-time

Always on
24 hours a day, seven days a week, 365 days a year

Data enriched
more remittance information with payments

Simple addressing (PayID)
use an easy-to-remember identifier

The New Payments Platform is a fast, versatile, data-rich payments system available any time of the day, any day of the year.

Opportunity for Payroll

The New Payments Platform is intended to extend beyond consumer P2P payments with relevance for business and corporate payments, including payroll. The Platform's combination of faster funds availability and enriched data capability could be used to drive considerable operational and process efficiency improvements.

Having been built on the ISO 20022 message schema, the global standard for electronic data interchange between financial institutions, the New Payments Platform has the ability to combine payment and payroll data together (in the message itself or via a link to an externally hosted document). Payroll payments could be made to employees real-time, 24x7. Employees are also able to use the Platform's addressing service, PayID, to receive payroll payments into their account. This means that if an employee changes their bank, all they have to do is port their PayID to their new bank account and all of their payments will automatically be directed into their new account, thereby eliminating the need to update payroll files with new BSB and account numbers.

Corporates and payroll providers have the potential to be able to send payment initiation messages to participating financial institutions in order for payroll payments to be made. There is also the opportunity for payroll providers to connect directly to the New Payments Platform in order to send payment initiation messages to multiple financial institutions. Payroll providers could also explore the opportunity of setting up a payroll specific overlay service which could be explicitly tailored to the needs of the payroll industry.

Payroll providers and corporates interested in understanding more about how the New Payments Platform can be used to support payroll payments should talk to their financial institution.

Payroll Example
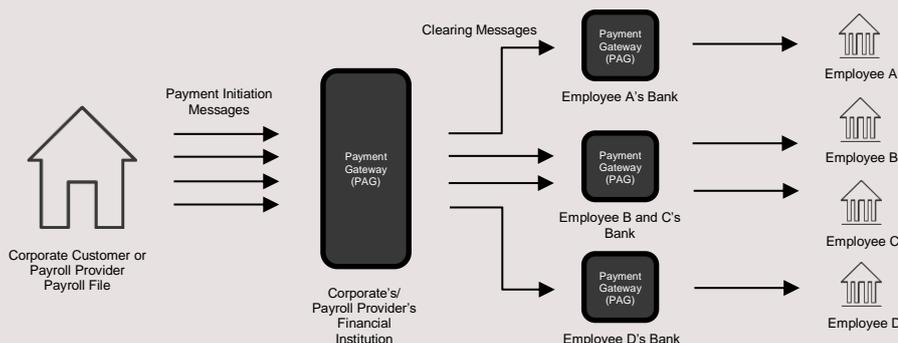
1. Payment initiation messages could be sent from third parties, containing structured payroll data such as Employee ID, Gross Income, Tax withheld, etc.

2. These data elements would be captured in the payment clearing messages via the NPP basic infrastructure or referenced via a url to an external data source

3. Payments can be cleared and settled in close to real-time 24x7

4. Employees would receive both the payment data and payment linked together (if using an overlay service)