

# Good things happened

## A short history of payroll.



Did you know payroll is over 5,000 years old? Although methods of payment have changed over time, many of the principles still apply.

Let's take a look at the history of payroll.

3,300 BC Mesopotamia

### The beer bullion

The world's oldest payslip, a tablet inscribed with **cuneiform**, depicts payment from the state to its workers in beer.

50 BC Ancient Rome

### Edible origins

Did you know the word 'salary' comes from salt? In ancient Rome, soldiers were paid in salt, a highly valued commodity, so it was used as a form of trade and currency.

73 AD Masada

### Shortchanged?

The payslips belonging to a Roman auxiliary soldier, Gaius Messisus, reveals that most of his salary went straight back to the Army to pay for his food, clothing and equipment.

476BC-100 AD The Middle Ages

### The birth of barter

Barter, a system of exchange, appeared in the early Middle Ages. Goods were exchanged for an array of miscellaneous commodities, assigning goods and services at an estimated value.

800AD Western Europe

### Silver penny's big start

Emperor Charlemagne introduced a monetary system based on the silver penny, which dominated from the 9th century to the middle of the 13th. It remained the standard for European currency until 1971 with the introduction of the decimal system.

1700s England

### Company coins

England's 'truck system,' allowed factories and large landowners to pay workers in groceries or cloth from their company stores.

By the late 1700s, many employers had incorporated the use of tokens.

1760 The Industrial Revolution

### Revenue records

During the Industrial Revolution, the rise of mass employment and production set a precedent for accurate records of workers and their pay.

1800s Europe →

### Work to live

Victorian Workhouses provided work and shelter for poverty-stricken people who had no means to support themselves. The Poor Law helped Victorian workhouses become prison systems for the most vulnerable members of society.

1900s United States

### A slave to scrip

**Scrip** was a privately issued currency that had its origins in the truck system, usually in the form of metal tokens, redeemable only at the company store. The scrip system was common in American coal towns in the early 20th century, and miners could 'draw scrip' from the company, essentially receiving credit against future wages.

1949 USA

### ADP is born

Henry Taub launched Automatic Payrolls, Inc in Paterson, New Jersey in 1949.

1960s Computing Revolution

### Computational payroll power

The '60s represented a period of prosperity for payroll processing. Businesses wanting to remain competitive and automate manual processes were soon using computers in their offices.

1980s

### The rise of payroll

In the '80s, dozens of payroll companies began to emerge. Payroll management was getting easier and more affordable, so companies of all sizes could now outsource this complicated yet crucial task.

2015

### ADP iHCM launches

ADP launches its solution that brings payroll and HR together helping employers get visibility, insight, analytics and time-saving tools.

March 2020 COVID-19

In March and April 2020, governments sought to mitigate the economic effects of COVID-19, and the world witnessed a fourfold increase in regulatory changes in just 30 days.

1941 United Kingdom

### The beginning of PAYE

In 1941, new British tax laws created two million new taxpayers who'd never had to budget for annual tax collections before. A new solution was needed. Winston Churchill's Chancellor, Sir Kingsley Wood, introduced a system of collecting tax at source by withholding income.

1950s

### LEO leads the payroll transformation

Thanks to changing payroll legislation, accurate and efficient payroll management became critical. The first computerised payroll system launched when LEO (Lyons Electronic Office) was developed allowing payroll data to be stored and saved.

1961

### ADP goes public

In 1961, the company changed its name to Automatic Data Processing, Inc. ADP went public with 300 clients, 125 employees and revenue of approximately \$400,000.

2010 United Kingdom

### The Equality Act

The Equality Act was introduced in 2010 and stipulated men and women performing the same employment must receive equal pay unless any difference can be justified. Businesses that do not comply risk an expensive tribunal case and reputational damage.

2019

### Regulatory complexity

In 2019 alone there were 56,624 legislative changes globally.

2021

### ADP leads the payroll market

ADP continues to lead and innovate within the HR and payroll industry, paying over 38 million workers worldwide.

Today, 75% of the Fortune 500 use ADP to process their payroll.

### Is your HR data based on payroll data?

These days, businesses that employ staff need a reliable payroll system that helps them comply with legal requirements and make the correct payments on time.

To remain fully compliant, organisations must have accurate HR data. A reliance on complicated manual processes, which introduces human error, and outdated employee data management systems that limit visibility can reduce the accuracy of employee data.

Without accurate data, businesses run the risk of expensive fines, reputational damage, and poor employee/employer relations.

The good news is these costs are avoidable.

### ADP iHCM brings payroll and HR together.

ADP iHCM is a cloud-based platform that simplifies payroll and HR management in one scalable, compliant solution. Accessible from any device. Easy to implement and cost-efficient, now there's a single system to manage your company's payroll and employee time, training, talent and recruitment.

See how we can help you stay compliant. Let's talk. →

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