

Implementation of paying Employees daily by integrating Workday & DailyPay

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Abstract:

This article focusses on how we can build solution to pay employees daily by integration Workday with Vendors who can process daily pay based on employee consent. In this model, the Workday payroll is going to interact with DailyPay vendor to transmit employee roaster and time keeping data to DailyPay and based on the employee option the pay will process and credit to employee account on the same day. This article proves the success of this design with a successful case study by implementing this design in the Retail industry with over forty thousand employees and concludes with the implementation strategy.

Keywords: ERP, Workday Payroll, US Payroll, Timekeeping, DailyPay, Gross, Employee Roaster, Pay Frequency, Earned Wages Access (EWA), Integration System User (ISU).

Introduction

Organizations usually decide in what frequency their employees need to get paid and accordingly define payroll rules and payroll processing calendars. Organization in US have an option of process and pay employees Weekly, Bi-weekly, or Monthly based on their business and their employee nature. Based on the frequency they select the payroll processing team is expected to strategize and process payroll. Aftermath of Covid Pandemic, the strategy and focus has shifted towards to well-being of employees and not just payroll. Companies are focusing more on providing the employee with the best benefits and keeping the employees more satisfied. Also, organization was looking into options to pay their employees quickly as possible to satisfy their monetary benefits. One important option is can we pay the employees daily? Are there any options wherein we can pay employees daily without changing the payroll process? The answer is Yes, and we can do the same using the option of interacting with vendor DailyPay

1. What is Workday Payroll?

Workday Payroll is a Cloud-Based payroll management solution which is designed to automate and streamline the payroll business process for organizations irrespective of sizes and categories of employees. It helps payroll businesses to effectively manage their employees' compensation, earnings and deductions configuration rules, tax deductions, tax compliance, payroll reporting, and payroll analytics in a single software solution platform. Workday Payroll offers real-time calculations, managing FLSA rules, delivered connectors with major vendors like ADP, Fidelity, seamless integrations between HR and Finance Systems. Workday Payroll also comes in with best user self -service experience interface, maintaining employee tax elections, direct deposit information and pre built audit controls which make payroll administrator to administer the payroll activities effectively.

2. What is DailyPay?

Daily pay, also referred to as on-demand or same-day pay, is a modern payment system that allows employees to access their earnings at the end of each workday. Unlike traditional payroll systems that operate on weekly, biweekly, or monthly schedules, daily pay offers immediate access to earned wages, making it an attractive option for many workers and employers. Popularized in gig economies, hourly employment sectors, and industries with high turnover rates, daily pay is increasingly being adopted as a flexible and employee-centric compensation model.

Advocates of daily pay emphasize its ability to provide financial flexibility, alleviate stress, and increase job satisfaction. By giving employees control over their cash flow, it helps them address urgent financial needs, avoid debt, and better manage short-term expenses. However, critics highlight potential challenges, such as poor financial planning, increased administrative complexity for employers, and the risk of employee overdependence on immediate earnings.

3. Advantages and Disadvantages

Every process has its own pros and cons and some of the advantages and disadvantages of DailyPay are provided below

Pros	Cons
Improved Financial Flexibility	Poor Financial Planning
Reduced Financial Stress	Increased Administrative Costs For Employers
Increased Employee Satisfaction And Retention	Potential Cash Flow Challenges For Businesses
Encourages Productivity	Risk Of Employee Overdependence
Helps Manage Short-Term Financial Goals	Limited Applicability To Salaried Roles
Reduces Reliance On High-Interest Loans	Increased Administrative Complexity
Simplifies Payroll Processing For Employers	
Attracts A Broader Talent Pool Supports Emergency Situations	

Benefits of Earned Wages Access

Benefits for Employees

More control over personal finances

EWA allows additional planning for episodic events such as holidays, travel & emergencies.

Avoid late fees, overdrafts, and payday loans

No waiting days or weeks in between paychecks to help pay bills and meet financial obligations.

Improving financial wellness.

Access to financial wellness tools and resources.

Benefits for Employers

Reduce Turnover

Cost savings generated through turnover reduction and longer tenured employees.

Promote Financial Wellness

Help employees pay bills on time and reduce financial stress.

Increased Productivity

Employees are more motivated to work longer hours and pick up more shifts.

Figure 1: Employee and Employer Benefits of EWA

DailyPay Product

DailyPay products behave like an Online ATM for the employees. It is very transparent wherein we can view the real-time earnings. It also provides flexibility to instant access to the earnings and personalized to have profile to account for deductions.

DailyPay: Online ATM for Your Employees

Transparent

interface to view real-time earnings

Instant Access

to earnings to any direct deposit account

Simple

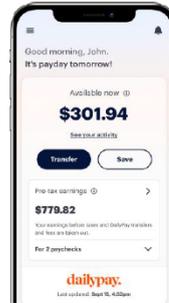
utilization-based fee structure

Personalized

pay profile to account for deductions

PAY

Employees can control how and when they get paid with instant access to earned income



SAVE

Employees can save to their own account in three different ways — scheduled automatically, based on period earnings and/or at the time instant pay transfer, all for free.

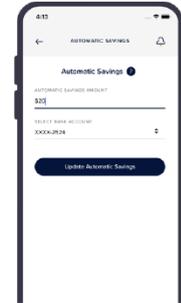


Figure 2: DailyPay

Live Case Study

One of the Top Retail Company has clubs across all 50 states in USA having more than 40000 different categories of employees. These employees are either salaried, hourly, commission and unit rate of pay. This company is currently following weekly payroll to pay their employees and wants to enable the option of their employees to get their pay daily based on their consent and willingness. This company is currently utilizing Workday HR, Workday Timekeeping and Workday Payroll for their business function and we need to integrate this system into DailyPay vendor to implement the solution.

Implementation Methodology

This implementation was divided into various steps like Data Setup, Communications Strategy and Training, Data Transmissions and Live QA.

Data Setup	Communications Strategy and Training	Data and Transmissions Testing	Live Data QA
<p>Payroll & IT</p> <ul style="list-style-type: none"> Share Payroll Calendar Report buildout via internal report writing, SOW execution, or custom development 	<p>HR & Operations</p> <ul style="list-style-type: none"> Develop Launch Communication Strategy with Account Manager Employee & Employer Facing Trainings & Demos 	<p>Payroll & IT</p> <ul style="list-style-type: none"> Transmission Setup & Testing Share testing regimen & process for DDU QA All files include correct information & formatting 	<p>IT</p> <ul style="list-style-type: none"> Confirm ongoing data exchange

Figure 3: Implementation Methodology

Process Flow

The Process will be transmitting the Workday Roaster, Gross, and Net Earnings to Daily Pay Vendor. Employees are required to Opt-in to the Daily Pay. This can be done by downloading the DailyPay App and opt-in or in the browser. When the Employee opt-in into DailyPay they will be required to update their bank account information where they want their pay to be credited in DailyPay. DailyPay will create a DailyPay

account for the employee who opted in and send a Webservice call to Workday to update their Direct Deposit Information in Workday.

Committed Transmission

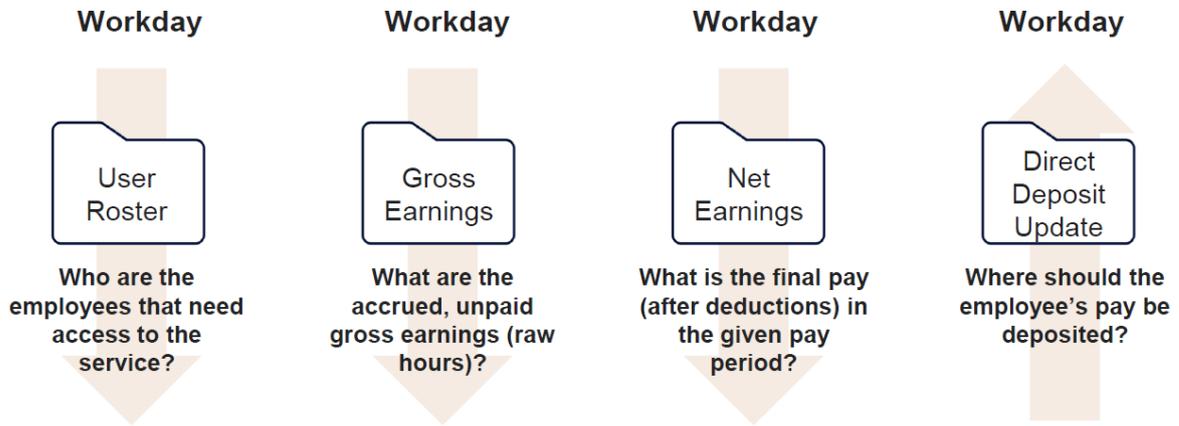


Figure 4: Data Transmission

Technical Architecture

The Workday integration with DailyPay will leverage built-in API Web services to capture data for the User Roster, Net Earnings, Direct Deposit Update, and Gross Earnings. This guide will walk the client through creating an integration systems user (ISU) and a payment election notification. The ISU will be used to build six different DailyPay processes by using the Workday Web Services.

User Roster: A list of all eligible employees and the list of their active direct deposit accounts

Net Earnings: Provides total net and gross earnings information for each employee for each payroll run. This will be a custom report built in Workday to send the time punches information

Direct Deposit Update: a list of all required direct deposits that must be updated prior to payroll processing

Termination: A list of users who do not have an active status within the client's system (Terminated, LOA, etc.)

Gross Earnings (Optional): A list of the last 21 days of time block data for all hourly employees

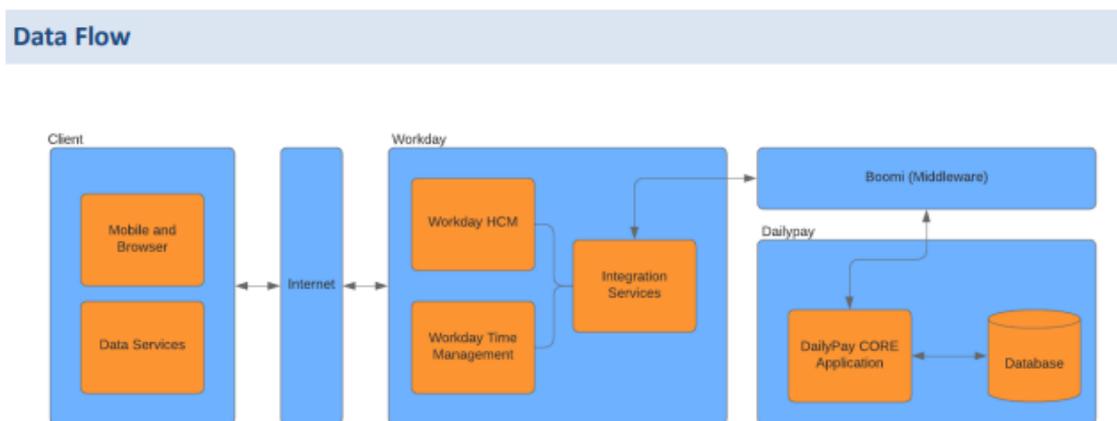


Figure 5: Data Flow

The Workday integration with DailyPay will leverage built-in API Web services to capture data for the User Roster, Net Earnings, Direct Deposit Update, and Gross Earnings.

All these integrations will run through DailyPay integration system users (ISU) who will only have access to data that is required for this integration solution. We need to create Integration System User (ISU) specific to DailyPay that will be used to GET worker data, payroll information, and time keeping, only if the client is using Workday Time. The ISU will also need the ability to update users' Direct Deposit information upon users' enrollment and cancellation from the DailyPay service.

Upon initial integration, the DailyPay integration platform will make an API call to obtain all users information such as employeeID, email, phone number, address, employee type, paygroup, etc. to build the users' profile. Once the user's profile has been created, their status will be placed into "Pending" in the DailyPay system until they choose to enroll. If the user completes the enrollment process and takes out their first transfer, they will go through the DailyPay Direct Deposit Update process, which switches the user's direct deposit to a DailyPay assigned account.

Aside from capturing user profile data, we will also collect information for our Net Earnings process, which will allow us to build historical data on the net and gross pay of the user. This will be used to help calculate the users advance rate, which equals the percentage of available 31 balance given to the user per their earnings. This file is also used to ensure that when the user is ready to sign up, they have accurate reports of payroll information in our system.

Workday Time, a Gross Earnings file, will be created to calculate total shift earnings for hourly employees, which a percentage of their earnings would be made available to them as a balance. The process of capturing user, payroll, time and updating direct deposit data will allow DailyPay and Workday to effectively streamline the benefit of offering on demand pay to our mutual clients.

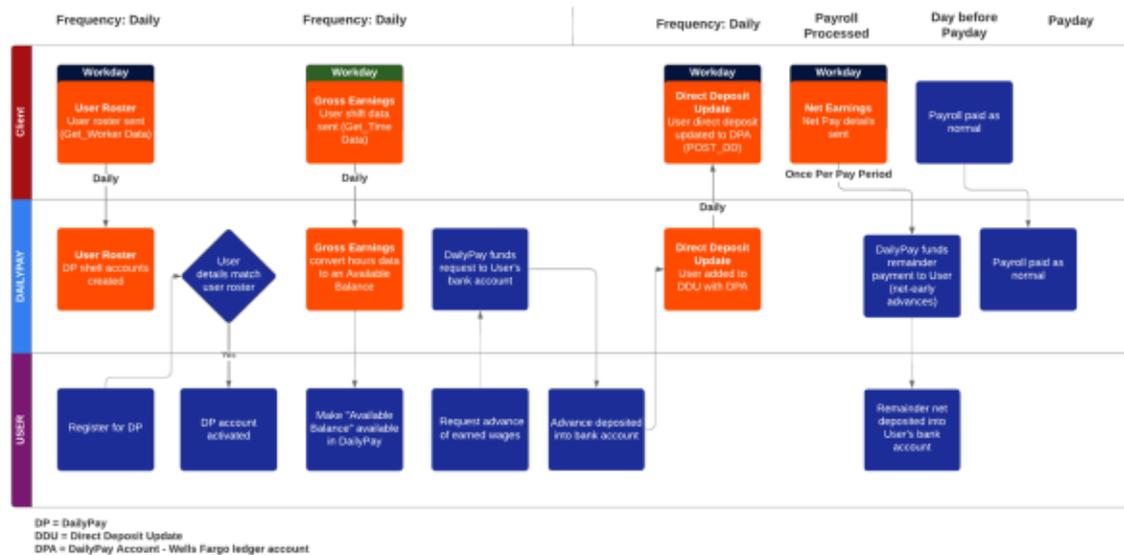


Figure 6: Data Build Process

Transport Protocols & Authentication

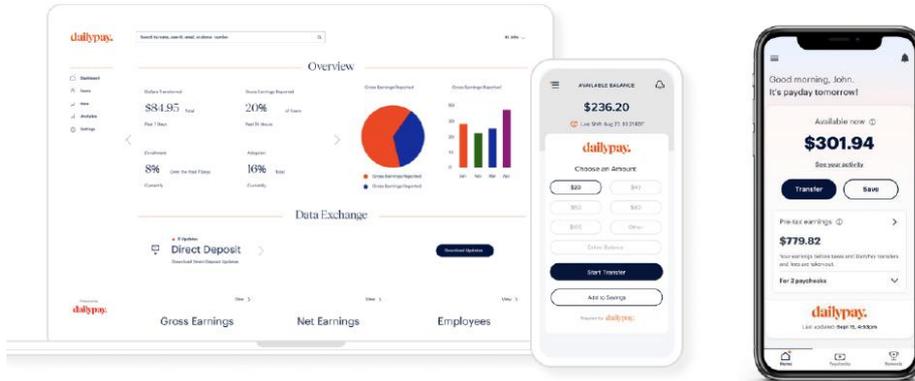
All web service calls to the Workday web service from DailyPay are invoked using the Workday integration user credentials set up in the interface host entry in the Workday client. All such requests are made using https to ensure that the transport is secure. Once Workday receives the request it authenticates the credentials for the integration user verifies that the user has the appropriate security for the web service before allowing the request to be processed. If the credentials are not correct or the integration user does not have appropriate security, then Workday would send back an error message in the response indicating that the request was rejected.

In addition, once information is received by DailyPay's data exchange platform, the information will be sent to DailyPay's Core platform. All API requests made to the Core platform will authenticate using an API token that is generated per client. If the credentials are not correct an error message will be sent back in response indicating the request has been rejected

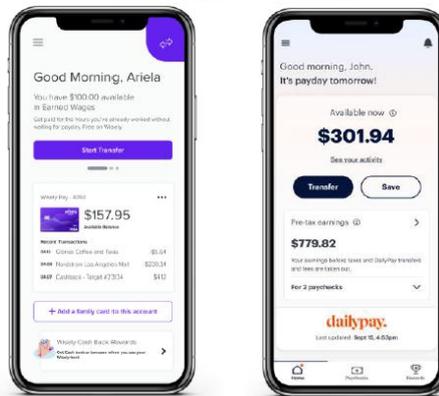
Education, Training and Awareness

This implementation required training and education to both Managers and Employees. As employees are expected to download the app and opt-in, the sample screenshot of opt-in is created in the training manual and batch-based training was implemented to all employees to make aware of this functionality

Client Portal Training



Manager Training



Transfer Stats

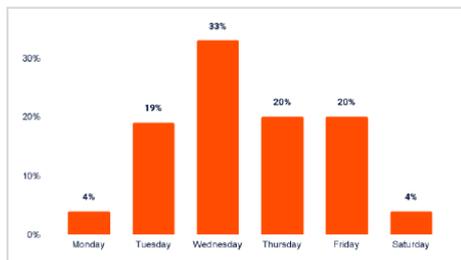
Total Transferred	\$3,357,898
Avg. Transfer Amount	\$89
Past 7 Days	\$95,351
Past 30 Days	\$353,553

Client Summary

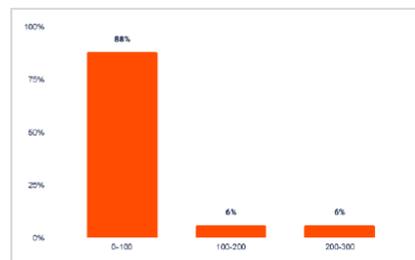
Payment Type



Transfer by Day of Week



Transfer Amount Distribution (\$)



Maximum Program Results = Maximize Employee Enrollment

Figure 7: Training & Education

Custom Report Design to pull the Daily Time Clock Information

Report Type: Advanced
 Data Source: [All Time Blocks](#)
 Data Source Filter: [Time Blocks Secured by Supervisory Organization](#)
 Data Source Type: Indexed
 Primary Business Object: [Time Block](#)

> **Additional Info**

Columns Sort Filter Prompts Output Share Advanced

21 Items

Business Object	Field	Column Heading Override	Column Heading Override XML Alias
Time Block	<input checked="" type="checkbox"/> Worker	Worker	Worker
<input checked="" type="checkbox"/> Worker	<input type="checkbox"/> Employee ID	Teammate_ID	Teammate_ID
Time Block	<input checked="" type="checkbox"/> Calculated Date	Reported_Date_Unit	Reported_Date_Unit
Time Block	<input checked="" type="checkbox"/> Out Date	Reported_Date_Hours	Reported_Date_Hours
Time Block	<input checked="" type="checkbox"/> Time Entry Code	Time_Entry_Code	Time_Entry_Code
Time Block	<input checked="" type="checkbox"/> Calculated In Time	Calculated_In_Time	Calculated_In_Time
Time Block	<input checked="" type="checkbox"/> Calculated Out Time	Calculated_Out_Time	Calculated_Out_Time
Time Block	<input checked="" type="checkbox"/> CF SRI Units/Classes	Units	Units
Time Block	<input checked="" type="checkbox"/> CF Unit Rate for 1 class	Unit_Rate	Unit_Rate

Time Block	<input checked="" type="checkbox"/> CF EE Hourly Rate from Position or Worker (---)	Hourly_Rate	Hourly_Rate
Time Block	<input checked="" type="checkbox"/> Status	Status	Status
Time Block	<input checked="" type="checkbox"/> Calculated Quantity	Calculated_Quantity	Calculated_Quantity
Time Block	<input checked="" type="checkbox"/> Calculation Tags	Calculation_Tags	Calculation_Tags
Time Block	<input checked="" type="checkbox"/> Time Calculations	Time_Calculations	Time_Calculations
Time Block	<input checked="" type="checkbox"/> Source	Source	Source
Time Block	<input checked="" type="checkbox"/> Is Approved	Is_Approved	Is_Approved
Time Block	<input checked="" type="checkbox"/> Time Block	Time_Block	Time_Block

Figure 8: Custom Workday Report for Daily Gross

Direct Deposit – Custom Validation in Workday

As we are going to get the DailyPay Account information, we should not allow Employees to updated or remove their DailyPay Account from their Direct Deposit entry for whom they have opted for DailyPay option.

Maintain Custom Validations

- Inventory Return
- Inventory Shipment
- Inventory Stock Request
- Manage Interview Feedback
- Miscellaneous Payment Request

2 items

Severity	Validations	New Validation
Critical	Prevent TM from changing DailyPay Election	New Validation

View Custom Validation Prevent TM from changing DailyPay Election

Condition Rule Prevent TM from changing DailyPay Election

Description Prevent TM from changing DailyPay Election

Comment Included the validation as part of the Daily Pay Project to Prevent TM from changing DailyPay Election

Category (empty)

Derived Logic Current Payment Election includes DailyPay Bank Account equal to Y And Pay Type in the selection list Payroll Multiple, Payroll - Multiple And Account Nickname not equal to Dailypay And Current Worker in the selection list Worker

Validation Message You are unable to update your Regular Payroll payment election as you are currently enrolled in the DailyPay Early Wage Access Benefit. Please contact the Payroll Team (payrollrequests@lt.life) if you have any questions.

Rule Conditions Validation Message Rule Usage

Rule Conditions 4 items

And/Or	(Source External Field or Condition Rule	Relational Operator	Comparison Type	Comparison Value
And		<input checked="" type="checkbox"/> Current Payment Election includes DailyPay Bank Account	equal to	Value specified in this filter	Yes
And		<input checked="" type="checkbox"/> Pay Type	in the selection list	Value specified in this filter	Payroll Multiple Payroll - Multiple
And		<input checked="" type="checkbox"/> Account Nickname	not equal to	Value specified in this filter	Dailypay
And		<input checked="" type="checkbox"/> Current Worker	in the selection list	Value from another field	<input checked="" type="checkbox"/> Worker

Figure 9: Custom Validation to prevent updating DailyPay Information

Case Study Outcome:

This model has been successfully implemented and got tremendous positive feedback from Employees. Employees satisfaction level has increased, and more than 3000 Employees have opted within a month of implementation.

Conclusion

Workday Payroll is revolutionizing payroll management by its unique process model with robust configuration capabilities. It provides the payroll business function to configure their own earnings, deduction, and calculation rules. Often organizations change policies to keep their employees happy and to have greater satisfaction. This Daily pay offers a modern solution to traditional payroll challenges, providing employees with immediate financial flexibility and helping employers attract and retain talent. Its benefits, including reduced financial stress, increased productivity, and support during emergencies, make it an appealing option for hourly workers and gig employees. However, the system comes with potential drawbacks, such as administrative complexity, cash flow challenges for businesses, and the risk of poor financial planning among employees. By understanding the pros and cons outlined in this article, employers and employees can make informed decisions about adopting or utilizing daily pay. With proper implementation and support, daily pay can serve as a powerful tool to enhance workplace satisfaction and financial stability. However, it requires careful consideration and planning to ensure that its benefits outweigh its challenges for all stakeholders involved.

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