

## Payroll processors love *PayMaster*<sup>™</sup> because it makes their job easy.

- Accountants, payroll services, consulting firms

ADP and the other major payroll service firms aren't the only ones processing payroll for others.

All around the country, you can find hundreds of accounting and consulting firms and individuals who process payroll for a few or for many clients. And, many of those firms and consultants use *PayMaster* to process payroll.

They've found, as Don Turner, owner and president of Jorad & Company (spotlighted on page 5), says, that "With *PayMaster*, we're able to offer our clients a personal level of service that's not available from ADP. Clients always comment on how much more they like our service. They say the reports are concise and easy to read. Their accountants have no difficulty in getting the information they need from the *PayMaster* reports." □■

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### Payroll processors are looking forward to *PayMaster* 7.25

Many of our accounting and payroll processing customers have told us that they're very pleased the new version of *PayMaster* will print the W-3 information on the laser form, shown above.

One W-3 form is included with each order for W-2s. If you would like to order additional copies, please see page 8 of this issue of the BLUE PAGES. □■

### Reminders

- Order your W-2s soon. Prepaid orders received by 9/30/99 get a 15% discount. Only W-2s ordered from us are guaranteed to work with *PayMaster*.
- Process **end of month/quarter** at the end of each quarter, so your new quarter figures will be accurate.

## What's new in *PayMaster 7.25*, available later this year?

*PayMaster* Version 7.25 is scheduled to ship in December. It will, of course, incorporate the changes for 1999 W-2s, which you will need if:

- you file mag media, and/or
- you're in New Jersey (to correctly calculate and print unemployment insurance, health care subsidy, and Workforce Development Fund amounts).

But, those aren't the only changes. Version 7.25 will also:

1. Adjust the printing of the 4-up laser W-2 for vertical alignment.
2. Print all copies of the laser W-2 consecutively.
3. Print the W-3 on the laser form (please see page 1).

4. As shown above, print the EFTPS prompt amounts on the pre-check register's FTD report. Thanks to Dean England from Pacific Data for the suggestion!
5. Print a consolidated FTD for multi-division payrolls.

6. Print a \*\* on the check history report in front of any void checks that were *not* deducted from the pay files.
7. Print FUTA and SUTA reports by division, as well as by state unemployment code. (Enter ALL when asked for SUTA subcode to get each division.)
8. With *PayMaster's* Direct Deposit Option, indicate whether your file has an automatic debit. (Some banks require a debit transaction from the employer's account to offset all the employees' deposits.)

Version 7.25 will ship automatically to all users on AutoUpdate. If you're not on AutoUpdate, call us now to get information. If you have both Telephone Support and AutoUpdate, you receive a discount if they run concurrently. We can pro-rate your AutoUpdate subscription so it's concurrent with your Telephone Support.  ■

## User spotlight

Continued from page 5

They're always so nice, even if the question is dumb and they've answered it a million times."

"I was glad to learn that this year's W-2 program update will print the W-3 report. That's going to save us a lot of time at the end of the year."

Don says, "I know we never have to worry about the quality of the *PayMaster* program. It's excellent! And the tax tables are always up to date. I've always been impressed by Computer Aid. A couple of years ago, I flew out to Virginia just to meet Donna, Kyle, and the rest of the staff."  ■

## SSA estimate statements

SSA begins mailing personal earnings and benefit estimate statements to all workers 25 or older this October. It will have a year-by-year display of earnings and show current and projected estimates of retirement, survivor, and disability benefits from Social Security.

## THE BLUE PAGES

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## Tax law changes

Effective dates, if known, are noted.

### Federal

#### ■ **Electronic Federal Tax Payments System (EFTPS)**

Effective 1/1/00, EFTPS is mandatory for employers with tax liability of \$200,000 or more starting January 1 of the second succeeding year, e.g., aggregate deposits over \$200,000 during calendar year 1998 require EFTPS as of 1/1/2000.

This new mandate negates all previous EFTPS mandates. Employers previously required to make EFTPS but who are under \$200,000 for the critical period can elect not to use EFTPS. They are given a fresh start and can revert to paper.

The new threshold will apply to aggregate federal depository taxes, not just employment taxes.

#### ■ **Mag media**

1999 Federal W-2 mag media format has changed. Requires *PayMaster 7.25*.

Mag media filers can obtain the status of their submissions by accessing the SSA online Wage Reporting Service. The modem number is now 410-966-8450.

### **Meals**

IRS will not appeal the Ninth Circuit's decision in *Boyd Gaming Corp.* which held that a casino may deduct 100% of the cost to provide free on-premises meals to employees, based on its policy that employees must remain on premises during shifts.

**IRS will relax its attitude toward on-premise meals in general, not just those provided by casinos.**

### **Tip rulings now stand Restaurants 2, IRS 2**

In 1999, the Florida Federal District Court ruled in favor of Quietwater, Inc. (a Pensacola Beach, FL company that operates the Jubilee/Captain Fun Restaurant) that the IRS may not make an assessment for the employer's share of FICA taxes allegedly due on tips unreported by employees, without first identifying the tip earnings of the individual employee. This even though the IRS responded that its assessment was authorized by *Morrison Restaurants vs U.S.* (The 11th Circuit Court had held that the IRS' interpretation of the law was reasonable.)

The court also noted that since the 1997 *Morrison* decision allowing the IRS to estimate unreported tips on an aggregate basis when calculating employer FICA taxes, Congress **and** the President have clearly expressed dissatisfaction with the IRS's unauthorized expansion of its tax gathering powers.

### State child support

CT Effective 10/1/99, the amount of disposable income exempt from attachment changes from a fixed amount of \$145 to a floating amount of 85% of the first \$145 of disposable income.

MO Allowable administrative fee for all orders is \$6 per month.

OR Unless otherwise ordered by a court, 75% of an individual's interest in a retirement plan is exempt from attachment for an obligation for support.

### State minimum wage

CA Effective 1/1/00, non-exempt employees must receive 1½ times their regular rate of pay for hours worked over 8 in a day, 40 in a week, and the first 8 worked on the 7th consecutive workday.

Hours worked in excess of 12 in a day are to be compensated at twice the regular hourly rate.

Employees may adopt by secret ballot election by at least ⅔ of affected employees an alternative workweek that allows work for no more than 10 hours a day within a 40-hour work week without payment of daily overtime.

MA Effective 1/1/00, minimum wage increases from \$5.25 per hour to \$6.00. Effective 1/1/01, will increase to \$6.75. Tipped employees may continue to be paid \$2.63.

RI Effective 7/1/99, minimum wage was increased from \$5.15 to \$5.65 per hour.

### State new hire reporting

LA Employers must now include the occupations of their newly hired employees in their regular New Hire Report.

### State unemployment

NC Employers with 100 or more employees must file quarterly tax and wage information on mag media.

### State withholding

KY Forms K-1 and K-3, Employer's Return of Income Tax Withheld, will be revised. For info, call 502-564-4581.

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## Schedule B

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and void checks **are** included, the pre-check register Totals Page will show that the select and void checks are included. Then the FTD amounts for those checks are also included in the Totals Page FTD amount (see the July 30 Payroll Including Selects and Voids example). **And** the correct amount is entered automatically by *PayMaster* on the Schedule B. Both examples are shown below.

## Tax law changes

continued from page 3

IN Employees may claim an additional exemption for qualifying dependents, effective immediately

Effective 7/1/99, local taxes increase to:

- Hancock resident, 1.15%
- Hancock non-resident, .4%
- Madison resident, .9%
- Madison non-resident, .225%
- St. Joseph resident, .6%
- St. Joseph non-res., .3%

Switzerland resident, .9%  
Switzerland non-res., .225%

ME Effective 1/1/00, new withholding tables to reflect increase in personal exemption amount from \$2750 to \$2850.

MI Effective 7/1/99:  
Detroit resident tax rate 2.9%  
Detroit non-res tax rate 1.45%  
Effective 7/1/00:  
Detroit resident tax rate 2.8%  
Detroit non-res tax rate 1.4%

MO Retroactive to 1/1/99, each withholding allowance increases from \$1200 to \$2100. No new tables yet, but employers using percentage method tables (*PayMaster* users) can use the new allowance amount immediately.

NY Effective 7/1/99, new withholding tables issued for the City of New York.

OH Effective 1/1/00, local taxes increase to:

- Archbold Village 1.5%
- Bedford City 2.25%
- Mogadore Village 2%
- Boston Heights increase to 1.5% effective 7/1/99
- Huber Heights increase to 1.95% effective 6/1/99

School taxes:  
Mississinawa LSD 1%  
TriVillage LSD 1.5%

VT Effective 1/1/00, personal income tax rate decreases to 24% of federal liability.

## User spotlight – Jorad & Company

Don Turner knows that service is the key to success. He's the owner and president of Jorad & Company, a business consulting firm in Napa, California. Prior to developing Jorad & Company, he owned 22 restaurants at one time.

***“With the help of PayMaster, we are able to offer our clients a personal level of service that's not available from ADP. Clients always comment on how much more they like our service.”***

Don Turner, Owner & President,  
Jorad & Company

When Don was in the restaurant business, his 22 restaurants did payroll in-house on a minicomputer. When he sold those restaurants and had another three, he used payroll services such as ADP. He says, “Payroll services were cumbersome and not cost-effective.” So in 1984, he bought *PayMaster* from Computer Aid to process payroll in-house. He used it for all three restaurants until he sold them in 1986.

“I heard about *PayMaster* from Advanced Analytical and through my contacts at the California Restaurant Association where I was a director. It was a much better solution than a payroll service. With *PayMaster*, I had control. And the cost was much more reasonable than paying a payroll service.”

So it was only natural when he developed Jorad & Company that Don offered payroll processing as one of their many services, using the same program that worked so well for his restaurants.

“Now that I'm competing with payroll services, they contact me

and offer to buy my client list. But I'm not interested. We feel that with the help of *PayMaster*, we are able to offer our clients a personal level of service that's not available from ADP. Clients always comment on how much more they like our service. They say the reports are concise and easy to read. Their accountants have no difficulty in getting the information they need from the *PayMaster* reports.”

Processing the payrolls for over 20 clients (construction companies, law firms, high tech companies, and, of course, restaurants) is Jill Ruggiero, Office Manager and Executive Secretary. Jill, who's been on the staff for 3½ years, says, “Before I started working here, I had never even touched a computer, so I had computer anxiety, plus I hadn't done payroll. But I worked through it and caught on pretty quickly. *PayMaster* was the first computer program I used. It was easy to understand and, as time went on, I felt really comfortable

with it. Now I know the program like the back of my hand! I can even initialize companies without having to look in the manual.”

“I remember when I first started, I really appreciated the software support, being able to pick up the phone and call with my questions. I love the newsletters. I try to keep up on the tax law changes as much as I can, but it's so much easier to just grab the BLUE PAGES because it covers the main ones.”

“Almost all of our clients have had previous payroll services. I have to go through a lot of stuff in their

reports to get what I need to set up their employees in *PayMaster*. I love the reports in *PayMaster* – they're so easy to read.”

“We use a lot of the features in *PayMaster*. About 25% of our clients have tipped employees. Many have garnishments. There's health insurance deductions, employee advances, meals, additional income. *PayMaster* figures that all out.”

“Some clients have retirement – the first one was a little complicated. Once I got that set up, it's easy. One thing I love is that some deductions are a dollar amount, and others can be a percentage. That is so nice!”

Jill Ruggiero, Don Turner, and Lisa Slattery of Jorad & Company

“Workers comp audits don't bother us. They come in. They've very quiet, barely say anything. Then they leave. The last one was in and out of here in 20 minutes. So the reports must be easy for them to understand. And we know we're doing things correctly.”

Lisa Slattery, Jorad & Company's bookkeeper, fills in for Jill. Lisa says, “When Jill is out, I can put in new employees and process payroll without any problems. *PayMaster* is easy to use. Plus, I like having access to their customer support when you need to call right away.

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## Special Q&A on Schedule B and how it works

Q. I'm confused about how *PayMaster* enters information on the Schedule B. How does it work?

A. When you process a regular payroll (batch, interactive, standard), *PayMaster* puts the amount from the pre-check register's federal tax deposit report on the Schedule B.

It uses the date you enter at the first "Enter check date" prompt (when printing the pre-check register) for the Schedule B date.

Q. What if I enter an incorrect date at the first prompt, and then enter a different date at the "Enter check date" prompt when actually printing checks?

A. Since *PayMaster* still uses the date you entered at the first prompt, you must manually

incorrect date field and enter it in the correct date field on the Schedule B. (From *PayMaster*'s main menu, select REPORTS/941/DAILY TAX LIABILITY, and make the appropriate changes.)

Q. What happens when I process select checks, or void a check?

A. Void and select checks are not put on Schedule B because you

same day you process a regular payroll. Also, *PayMaster* will not allow a negative number in a Schedule B field.

Q. How do I get the information from select and void checks into the Schedule B?

A. You can do it manually, as you do when entering a different check date when printing checks.

Or, you can "include the selects and/or void checks" when you process your next regular payroll. This way, those amounts are automatically included in the federal tax deposit amount on the FTD Report page of your pre-check register, **and** automatically included in that payroll's amount that goes on the Schedule B.

Continued on page 7.

delete the FTD amount from the                      may be processing those on the

Throughout **THE BLUE PAGES**, there are references to payroll tax laws and requirements in effect as of the date specified. These references to the laws and the explanations provided are designed to familiarize the employer with said laws, but are not meant to serve either as a legal or accounting opinion, or as any indication that reference to the Internal Revenue Code or Regulations issued thereunder and appropriate administrative or court rulings interpreting same is unnecessary. All persons using this newsletter should look to and rely upon their respective legal counsel and accountants with respect to these laws and requirements.

## Schedule B

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Be careful – you may not want to include select and void checks in the next payroll. A lot depends on which quarter each falls into.

It's important that you compare the Schedule B amount to the amount on the 941 and to the actual deposits. Also, look at the Schedule B dates to verify that they are the correct dates.

In our example, shown beginning with the July 16 payroll on the previous page, three payroll checks were processed for one division of Marleny's Restaurant, resulting in a FTD deposit of \$227.48

It was then discovered that an employee was paid for only about half the hours he worked. So his July 16 paycheck was void, resulting in a FTD of -\$66.10 (see the Void Check example on the previous page).

A select check was prepared, resulting in an FTD of \$227.48 (see the Select Check example.)

### **What to do about Schedule B?**

If nothing is done (no changes made manually, and selects and voids are **not** included when processing the following payroll (see the July 30 Payroll Without Selects and Voids example), the resulting Schedule B would be incorrect.

However, if, when the following payroll is processed, the select

Continued on page 4

## W-3 forms available from Computer Aid

With *PayMaster 7.25* now printing the W-3 information on the laser form, you'll want to take advantage of this feature. One W-3 laser form is automatically included in each order of laser W-2s we ship.

If you process payroll for multiple companies, you can order additional W-3 forms from us. The cost for a minimum order of 10 forms is \$2.00. Additional forms are 20¢ each.

Call us today (703-281-7486) and ask to have the W-3 order form faxed to you. If you add the order on to your W-2 order, you'll save additional shipping and handling charges.



## Also, payroll checks and other forms...

You can order any of your payroll form supplies, including matching envelopes, from us:

- W-2 and W-3 forms (laser, dot matrix)
- payroll checks (laser, dot matrix)
- Create A Check software and the special check paper and MICR toner used with it
- accounts payable checks (laser, dot matrix)
- 941 forms (laser)
- Schedule B forms (laser)
- CA DE6 forms (laser)
- invoice statements (laser, dot matrix)
- 1099 and 1096 forms (laser, dot matrix)

Call us today for price and ordering information.



## AutoUpdate gives you peace of mind

*PayMaster* users on AutoUpdate receive, as part of your AutoUpdate subscription:

- program updates automatically (including Version 7.25 which is scheduled for December release and handles W-2 changes)
- revised tax tables for up to three states when you send in the form (in the December BLUE PAGES)
- a 10% discount if you are on annual telephone support and it runs concurrently with AutoUpdate (we can pro-rate it for you so they will run concurrently).
- peace of mind that you're always up-to-date for tax law changes.



Order your W-2s now  
W-3 forms also available