

# THE BLUE PAGES

PAYMASTER PRO LLC  
501 CHURCH ST NE SUITE 306 VIENNA VA 22180 | 703-281-7486

## W-2 Season is Fast Approaching!

### Don't Wait Until the Last Minute to Order Your W-2 Forms.

For all of us who work with payroll, the falling leaves of autumn signify not just a change of seasons but the approach to our busiest time of year.

Ordering your W-2 forms now means you'll be able to take advantage of the discount, and you won't have to worry about it at the last minute.

Of course, when you order your W-2s forms from PayMaster Pro, you can be assured that they will work with PayMaster.

The IRS has announced that W2 forms will have a slight change to the paper format for tax year 2010. The electronic format EFW2 has changed as well for tax year 2010.

PayMaster for Windows will have an update as soon as the specifications becomes final .

Be sure to keep your support contract current so that you can receive these updates.

Fill out the enclosed order forms and fax them back today for the largest savings.



All orders must be **prepaid** and availability is not guaranteed after 12/15/10 .

Order your forms today and get a **10% discount if received by 10/31/10** **5% discount if received by 11/30/10**, and receive the added bonus of having that task out of the way before the busy holiday season starts!

## Advance EIC Repealed for 2011

Beginning 2011 the advance payment option for the earned income credit will no longer be available. This option allowed individuals who were eligible for the credit to receive it as part of their paychecks instead of waiting to file their tax return and receive it as a refund.

The decision to remove the AEITC program is based on recent findings that it is underutilized by eligible employees and abused by employers and employees alike. Government research suggests that **only 3% of qualified employees participate** in

the program and **that 20% of claimants have invalid Social Security Numbers**. Thought of as a wasteful program, eliminating the AEITC will save the taxpayer \$1.1 billion over the next ten years without affecting the eligibility of low-income employees and their ability to still claim the credit.

Paymaster will have a zero tax table update for 2011 so that you will not accidentally underwithhold these employees.

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## Federal and State News

### State News

#### Colorado

*Withholding tax.* Employers will have a new eight-digit account number for withholding taxes, beginning with September 2010 returns (due in October).

#### Arkansas

*Withholding tax.* The Arkansas Department of Finance and Administration (DFA) may close a business that fails to report or pay withholding tax due for any two reporting periods within a 24-month period. The DFA has already served approximately 600 businesses with closure orders based on their failure to pay withholding taxes as of May 2010.

#### Ohio

*Withholding tax.* Ohio is adjusting its personal income tax brackets for the 2010 tax year to account for inflation. A spokesperson for the Ohio Department of Taxation (DOT) has said that there are no current plans to revise the withholding tables.

### Social Security Wage Base Not Expected to Change in 2011

The Social Security Administration's Office of the Chief Actuary (OCA) is projecting that the Social Security wage base will remain at \$106,800 in 2011, but that it could reach as high as \$161,700 by 2019.

At the end of 2009, about 53 million people were receiving benefits:

Total expenditures in 2009 were \$686 billion. Total income was \$807 billion (\$689 billion in tax revenue and \$118 billion in interest earnings), and assets held in special issue U.S. Treasury securities grew to \$2.5 trillion.

The assets of the OASI Trust Fund and of the combined OASI and DI Trust Funds are projected to be adequate over the next 10 years under the intermediate assumptions. However, the assets of the DI Trust Fund are projected to steadily decline over the next 10 years under the intermediate assumptions, falling below 100 percent of annual cost by the beginning of 2013 and continuing to decline until the trust fund is exhausted in 2018.

### SSN Randomization

The Social Security Administration (SSA) is changing the way Social Security Numbers (SSNs) are issued. This change is referred to as "randomization." The SSA is developing this new method to help protect the integrity of the SSN. SSN Randomization will also extend the longevity of the nine-digit SSN nationwide.



There are currently 435 million numbers available for assignment. However, the current SSN assignment process limits the number of SSNs that are available for issuance to individuals by each state. Changing the assignment methodology will extend the longevity of the nine digit SSN in all states. SSN randomization will affect the SSN assignment process in the following ways:

It will eliminate the geographical significance of the first three digits of the SSN, currently referred to as the area number, by no longer allocating the area numbers for assignment to individuals in specific states.

It will eliminate the significance of the highest group number and, as a result, the High Group List will be frozen in time and can be used for validation of SSNs issued prior to the randomization implementation date.

Previously unassigned area numbers will be introduced for assignment excluding area numbers 000, 666 and 900-999.

Due to these changes in SSN assignment, PayMaster will no longer be able to check for valid SSNs on entering an employee. As of June 25, 2011 the High Group List will no longer be relevant or updated by the SSA therefore the only way to check for valid SSNs will be through the SSNVS service.

**2010 W2 Order Form**

Name : \_\_\_\_\_  
 Street Address : \_\_\_\_\_  
 City / State / Zip : \_\_\_\_\_  
 Phone : \_\_\_\_\_  
 Fax : \_\_\_\_\_

Check / Credit Card (circle one) VISA MasterCard American Express Discover  
 COD (Add \$25.00)

Credit Card Number: \_\_\_\_\_ CSV \_\_\_\_\_ Exp Date: \_\_\_\_\_

Name as it appears on card: \_\_\_\_\_

Billing Addr ( if different ) \_\_\_\_\_

Billing City / State / Zip \_\_\_\_\_

Quantity	Order #	Description	Unit Price	Total

**Special Printing Instructions:**

<b>Subtotal A</b>	
Shipping 15% of Subtotal A <b>(\$10 Min)</b>	
+ COD \$25	
Subtract Discount By 10/31/10 10% of Subtotal A By 11/30/10 5%	
<b>SubTotal B</b>	
VA add sales tax 5.0%	
Printing Fee (\$150/hr)	
<b>Balance Due</b>	

Circle here if Computer Aid will be printing your W2s this season

**PayMaster Pro LLC**  
**2010 W-2 Pricing Chart**  
**Fax ( 703) 281-3461**

**10% Off before 10/31/10**  
**5% Off before 11/30/10**

Description	Order By:	50	100	200	300	500	1000	2000	4000	5000
Perforated Paper 2UP Laser	PP2	\$8.00	\$16.00	\$32.00	\$48.00	\$80.00	\$160.00	\$320.00	\$640.00	\$800.00
Perforated Paper 3UP Laser	PP3	\$8.00	\$16.00	\$32.00	\$48.00	\$80.00	\$160.00	\$320.00	\$640.00	\$800.00
Perforated Paper 4UP Laser	PP4	\$8.00	\$16.00	\$32.00	\$48.00	\$80.00	\$160.00	\$320.00	\$640.00	\$800.00
<b>Laser preprinted: Copy A only</b>	<b>Copy A</b>	<b>\$9.00</b>	<b>\$18.00</b>	<b>\$36.00</b>	<b>\$54.00</b>	<b>\$90.00</b>	<b>\$180.00</b>	<b>\$355.00</b>	<b>\$710.00</b>	<b>\$900.00</b>
W3 Laser	W3L	<b>COST PER SHEET \$1.00</b>								
Laser 2UP Envelopes	2UPENV	\$8.00	\$16.00	\$32.00	\$48.00	\$80.00	\$160.00	\$320.00	\$640.00	\$800.00
Laser 3UP Envelopes	3UPENV	\$8.00	\$16.00	\$32.00	\$48.00	\$80.00	\$160.00	\$320.00	\$640.00	\$800.00
Laser 4UP Envelopes	4UPENV	\$8.00	\$16.00	\$32.00	\$48.00	\$80.00	\$160.00	\$320.00	\$640.00	\$800.00
<b>Limited Quantity Available of Preprinted Forms (Will not be DOS compatible)</b>										
Laser Preprinted Forms (Copy 1,D,employee)		\$9.00	\$18.00	\$36.00	\$54.00	\$90.00	\$180.00	\$355.00	\$710.00	\$900.00
1099 Laser Forms	1099L	\$15.00	\$30.00	\$60.00	\$90.00	\$150.00	\$300.00	\$600.00	\$1200.00	\$1500.00
1099 Env	1099ENV	\$8.00	\$16.00	\$32.00	\$48.00	\$80.00	\$160.00	\$320.00	\$640.00	\$800.00

## Federal News continued...

### Proposed Legislation Would Extend HIRE Act

Senator Charles Schumer (D-NY) has introduced legislation in the Senate that would extend the aforementioned tax benefits for employers until June 30, 2011, with respect to individuals hired after July 22, 2010. The bill has been referred to the Senate Finance Committee for consideration.

The Obama Administration is crediting the HIRE Act with contributing to the hiring of **5.6 million workers** since being implemented in February through July, and is encouraging other private employers to take advantage of the tax credit.



This kind of tax cut, delivers considerable "bang for the buck", compared to other types of spending designed to increase jobs. Even where employers would have been hired anyway, the fact that employers would have greater cash flow is significant during a recession - they could invest more, which creates jobs. One needs to consider the Act in its entirety, not just the initial effect on hiring. Both the general stimulus effect from lowered employer taxes and the incremental effect on hiring. In exchange for the federal government's covering the employer's share of FICA, the government saves on paying out jobless benefits, and governments at all levels get the benefit of income tax. In addition, a working person has the wherewithal and the confidence to spend money, and the biggest drag on the economy so far, perpetuating the cycle of high unemployment, has been weak consumer spending.

The U.S. Department of the Treasury last week released a new state-by-state report on the number of newly hired workers who are eligible for tax credits under the Hiring Incentives to Restore Employment (HIRE) Act as a measure of how many workers were added.

Nationally, from February 2010 to June 2010, businesses have hired an estimated 5.6 million new workers who had been unemployed for eight weeks or longer, making those businesses eligible to receive billions in HIRE Act tax exemptions and credits for hiring long-term unemployed workers.

So far, the top states where the HIRE Act has been applied, based on the number of workers who are eligible for the credit include: California (756,000 workers), Texas (365,000 workers), New York (339,000), Florida (304,000), Illinois (260,000), Pennsylvania (248,000), Ohio (209,000), Georgia (205,000), Michigan (185,000), and Indiana (173,000 workers)

### **Don't Let Your Auto-Update and Support Expire !**

With end of year fast approaching it's a good time to check if your support contract is up to date. Without a current support contract you will miss :

**important year end updates ,  
modules to make your job easier and  
procedures that help you stay compliant.**

Your continued support allows PayMaster Pro to:

**keep on top of the ever changing tax laws and  
requirements so you do not have to,  
and develop new reports and procedures to  
keep your company in compliance.**

**PayMaster Support Hours**  
*Monday-Friday 9AM-5PM EST*  
*(800) 327-4243*

### **We will be closed on the following Holidays.**

Thanksgiving	Nov 25,26 2010
Christmas	Dec 24 2010
New Years	Dec 30,31 2010

**PAYMASTER PRO LLC**  
501 CHURCH ST NE SUITE 306 VIENNA VA 22180 | 703-281-7486

*“Helping Employers Do Payroll Right”*

Phone: (800) 327-4243  
Support Fax: (866) 504-1991  
Check Orders: (703) 281-7486  
VA Fax: (703) 281-3461  
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We Value Your Business, Thanks Again!

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*Hospitality*