

THE BLUE PAGES

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2010 W2 update available now.

As of December 10, the year end auto-update is now available. All auto-update subscribers can download it directly from our web site or call support for assistance with the installation.

This update is a rollup of everything that we released this year, plus the 2010 W2 printing modules. There are many new reports and optimizations included so be sure to install this at your earliest convenience.

As of this writing, **a change in the federal withholding tables for 2011** and an 'OASDI holiday' **have not yet been revealed.** This will require this update to be installed as soon as available to avoid correct withholding for 2011. As soon as the IRS releases tax tables this update will go into production. Also many state tax tables have not been released so they are not included in this pack. These are usually just a patch so you can grab these from within PayMaster. *Please see page 4 for details on how these will be delivered.*

EIC is no longer available as a payroll event in 2011. Qualified taxpayers can still claim this credit at the end of the year. A SQL Patch that disables all EIC, updates SUTA Max, ME,MN state tax and IN,OH locals is available in the update to be run before your first payroll .

All users on Auto Update should contact PayMaster for an important year end update before attempting to print the W-2 forms. **. If you are not on Auto Update, please call (800) 327-4243 for pricing or to have us print your W2s for you.**

Holiday Hours

PayMaster Pro offices will be closed:
Friday Dec 24 and
Thursday and Friday Dec 30-Dec 31.

No Need to Run End of Year

The Windows version of PayMaster does not require you to run End of Quarter or End of Year or archive your company. All reports are based on check date so you can run your January payrolls without having to worry about your year end information.

Before you print your 2010 W-2s:

You should have received detailed instructions on EOY procedures and W-2 printing with your W-2 order. If you have not ordered from us or have misplaced these documents they are always available on the internet.

www.paymaster-pro.com
and see the section labeled Support/ Newsletters and Archives.

There you will find
2010 Before You Print your W-2s
2010 WIN W-2 Detailed Printing Instructions
W3 Reconciliation Work Sheet
W-2 Shipping Insert
W-2 2010 Pricing and order form

and a complete archive of the Blue Pages.

Also see the Payroll Blog online for information about updates, tax table changes and other payroll news.

<http://paymaster-pro.com/payrollblog/>

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Important Federal / State Tax Updates

Social Security Wage Base Stays the Same: The maximum amount of earnings subject to Social Security (OASDI) tax will stay at **\$106,800** for 2011 .

Taxable Wage Base Increases

The following states have announced that they will be increasing their taxable wage base in 2011:

- * Alaska (\$34,600 previously \$34,100)
- * Indiana (\$9,500, previously \$7,000);
- * Iowa (\$24,700, previously \$24,500);
- * Mississippi (\$14,000, previously \$7,000);
- * Montana (\$26,300, previously \$26,000);
- * New Hampshire (\$12,000, previously \$10,000);
- * New Mexico (\$21,900, previously \$20,800);
- * North Dakota (\$25,500, previously \$24,700);
- * Oregon (\$32,300 previously \$32,100 in 2010)
- * Oklahoma (\$18,600, previously \$14,900);
- * South Carolina (\$10,000, previously \$7,000);
- * South Dakota (\$11,000, previously \$10,000);
- * Vermont (\$13,000, previously \$10,000);
- * Washington (\$37,300, previously \$36,800); and
- * Wisconsin (\$13,000, previously \$12,000).

Taxable Wage Base Decreases

The following states have announced that they will be decreasing their taxable wage base in 2011:

- * Hawaii (\$34,200 previously \$34,900)
- * Nevada (\$26,600, previously \$27,000);
- * New Jersey (\$29,600, previously \$29,700); and
- * Wyoming (\$22,300, previously \$22,800).

Indiana — Withholding.

Effective Nov. 1, 2010, three counties have changed their income tax rates: Hancock County has increased its CAGIT/CEDIT rate for residents to 1.55% (previously, 1.1%) and its rate for nonresidents to 0.4% (previously, 0.35%). Jay County has decreased its CAGIT/CEDIT rate for residents to 2.45% (previously, 2.95%) and Huntington County increased its CAGIT/CEDIT rate for residents to 1.75% (previously, 1.60%).

Michigan — Unemployment.

Michigan employers will pay federal unemployment tax (federal Form 940) for the 2010 tax year at a higher tax rate than most other employers due to the State's failure to repay its outstanding 2008 federal loans . Most employers pay federal unemployment tax (FUTA) at a net 0.8% tax rate on the first \$7,000 of taxable wages. Michigan employers will pay FUTA at a net 1.4% tax rate (an additional \$42 per employee).

Minnesota — Withholding.

Minnesota has issued new withholding tables, effective Jan. 1, 2011. Tax rates remain the same. Some tax brackets have changed. The value of a withholding allowance will increase from \$3,650 to \$3,700 .

Maine — Withholding.

Maine Revenue Services has issued new percentage method withholding tables, effective Jan. 1, 2011. Tax rates and withholding allowance amounts will remain the same as in 2010. There are some changes to the wage brackets in the tables

Colorado — Wage and Hour.

On January 1, the state minimum wage rate will increase from \$7.24 per hour to \$7.36 per hour, and the minimum cash wage rate for tipped employees will increase from \$4.22 per hour to \$4.34 per hour .

Hawaii — Disability.

The maximum weekly disability wage base will decrease to \$884.29 in 2011 (\$901.70 in 2010). The maximum weekly deduction will decrease to \$4.42 (\$4.51 in 2010). The maximum weekly disability benefit amount will decrease to \$513 (\$523 in 2010)

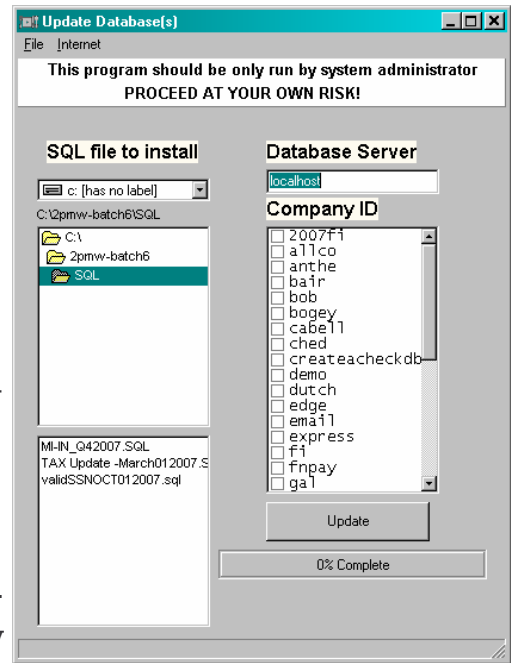
Q&A : PayMaster for Windows

Update Your Tax Tables

A new feature in the year end update allows **you** to download the latest tax tables at **your** convenience. As long as you have a working connection to the internet you will be able to download the latest database patches as soon as they become available.

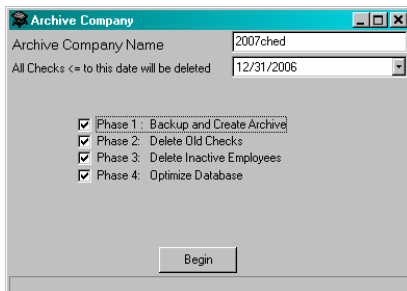
HOW TO:

- 1) Logon to any active company and go to Utilities/Apply SQL Patches.
- 2) Note the new menu selection called "Internet"
- 3) Select "Check for SQL Patches"
- 4) If any new patches are found a short description of what the patch does will be displayed and you can decide if it is applicable to your company. Make note of the name of the patches that are applicable to your situation.
- 5) After reading and closing the description, a message will tell you how many patches were found.
- 6) You can only apply one patch at a time but you can apply it to multiple companies by checking off the companies on the right.
- 7) Once a SQL file is selected and the companies you want it apply to are selected , press the "Update" button.
As each company is processed a confirmation will let you know that it was successful.
- 8) Repeat for each applicable patch.



Archiving your Company

Also new for this year is the ability to archive your company. Many clients have expressed an interest in being able to purge out inactive employees and last years checks from their current years database. Although not necessary as the MySQL database can hold 100s of thousands of records, **performance gains** can be had for very large datasets.



NOTE: For larger companies this process can take a very long time. Do not attempt to do this while payrolls are in progress or any employee maintenance.

The archive module will do a 4 step process.

- 1) Backups your current dataset and put the entire current dataset in your archive company.
- 2) Delete all check that are before the selected date.
- 3) Delete inactive employees who no longer have any checks. Delete inactive jobs, deductions from active employees.
- 4) Optimizes current dataset.

For complete instructions consult the printed manual, or the insert included in all W2 orders. You can also find instructions for this on our web site.

“Helping Employers Do Payroll Right”

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WE'RE ON THE WEB!

WWW.PAYMASTER-PRO.COM



Happy Holidays !

TO :

PAYMASTER
Hospitality
It pays to know your business

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Payroll the Right Way since 1983
We Value Your Business, Thanks Again!