

**Save money by ordering your W-2s now.
Get a 15% discount if your
prepaid order is received by September 30.**

Only W-2s ordered from us are guaranteed to work with *PayMaster*™.

We get a discount from our printer when we order W-2s early. And we pass that discount on to you if you order early. This way, you save money. And you'll have your W-2s in November and won't have to worry about rush shipments.

Don't know which kind to order? Here are a few illustrations. Page 2 has a table to help you decide. The style you need depends on whether you file magnetic media, the kind of printer you have, and how many copies you need for your state.

W-2 Two-Wide

W-2 Mailer

The enclosed order form shows how many parts each state requires.

W-2 Twin Set

***PayMaster 6.3* does the new business income tax credit for FICA on tips**
Valentine Glassco, AutoUpdate subscriber and owner of Shore Pizza Huts in Grasonville, MD, saved \$1,100 through April with *PayMaster 6.3*, the version that tracks and prints a report showing the business income tax credit for FICA on tips. (See the article on page 3.) If you're not on Auto Update, upgrade now so you can easily take advantage of this new tax credit. And sign up for AutoUpdate so you'll have future program enhancements as soon as they are available.

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Which W-2 forms should you order?			
If you are a federal & state mag media filer, & have:	4-part state	6-part state	8-part state
Narrow carriage dot matrix printer	TT3B (3 ply carbonless)	TT4B (4 ply carbonless)	TT3A + TT4B (3 and 4 ply carbonless)
Standard wide carriage dot matrix printer	TT3B (3 ply carbonless)	TT4B (4 ply carbonless)	92614 8-part 2-wide (4 ply carbonless)
Heavy duty wide carriage dot matrix printer	92624 4-part 1-wide mag media mailer (6 ply + 3 carbons) or above	92624 4-pt 1-wide mag media mailer (6 ply + 3 carbons) or above	92621 6-part 1-wide mag media mailer
Laser printer	preprinted laser forms or plain perforated laser paper		
If you are a paper filer or federal mag media filer, and have:	4-part state	6-part state	8-part state
Narrow carriage dot matrix printer	92611 4-part 1-wide (4 ply carbonless)	TT3A + TT3B (3 ply carbonless)	TT4A + TT4B (4 ply carbonless)
Standard wide carriage dot matrix printer	92613 6-part 2-wide (3 ply carbonless) or above	92613 6-part 2-wide (3 ply carbonless) or above	92614 8-part 2-wide (4 ply carbonless) or above
Heavy duty wide carriage dot matrix printer	92622 4-pt 1-wide mailer (6 ply + 3 carbons) or above	92615 6-part 2-wide mailer (6 ply + 3 carbons) or above	use either above
Laser printer	preprinted laser forms or plain perforated laser paper		
All, except self-mailers, require window envelopes			

If your only printer is a laser printer, you have two choices: the laser cut sheets above or the W-2 Printer Program (works with your *PayMaster* data) which prints your W-2s on blank perforated paper (prints the W-2 information and the form at the same time). The latter choice saves collating.

With a heavy duty printer like the Okidata Microline 393 Plus, you can use mailers. One pass through your printer. Remove the outer SSA, state and employer copies. The part that's left goes to the employee. Plus it's pre-sealed in its own envelope which is addressed as you print the W-2s.

Have a wide carriage printer but it can't handle the thickness of the mailer? With two-wide W-2s and one pass through the printer, you print each employee's W-2 twice—the copies on the left for the SSA, state and employer and on the right for the employee. Use with matching window envelopes.

Narrow carriage printer and you're a 6- or 8-part state? Order the twin sets (TT3A + TT3B or TT4A + TT4B). Two passes through the printer—once on set A to get the SSA, state, and employer copies; again on set B to get the employee copies. Use with matching window envelopes.

Helpful hint: Order enough W-2s. Remember, if you have a dot matrix printer, it may take you a few tries to get them lined up. And, each 42nd W-2 is a summary of the previous 41 W-2s.

THE BLUE PAGES

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PayMaster version 6.3 does the new business income tax credit for FICA on tips

Important tax savings are available for you if you take advantage of them. Effective January 1, 1994, a new tax law was passed to allow a tax credit for employer FICA taxes paid on employee tip income in excess of minimum wage.

Example of federal tax credit calculation for food and beverage tipped employees

Weekly tips reported by employee	\$240.00
Weekly wages paid to employee (30 x \$2.125) <u>+63.75</u>	
SUBTOTAL	\$303.75
Wages at minimum wage (30 x \$4.25) <u>-127.50</u>	
AMOUNT OF TIPS ON WHICH CREDIT IS FIGURED	\$176.25
Social Security/Medicare (FICA) tax rate	x <u>.0765</u>
AMOUNT ELIGIBLE FOR INCOME TAX CREDIT	\$13.48
POTENTIAL ANNUAL SAVINGS PER TIPPED EMPLOYEE (\$13.48 X 52 WEEKS)	\$700.96
Number of employees	x <u>30</u>
ESTIMATED FEDERAL TAX CREDIT	<u>\$21,028.80</u>

PayMaster tracks this amount and gives you a report whenever you wish, for the current period; last quarter; and month-, quarter-, or year-to-date.

USE THIS WORKSHEET FOR YOUR COMPANY. IT COULD MEAN A SAVINGS OF THOUSANDS OF DOLLARS.

FICA tip credit worksheet to estimate savings for your customers

Weekly tips reported by employee	\$_____
Weekly wages paid to employee	\$_____
SUBTOTAL	\$_____
Wages at minimum wage	-_____
AMOUNT OF TIPS ON WHICH CREDIT IS FIGURED	\$_____
Social Security/Medicare (FICA) tax rate	x <u>.0765</u>
AMT ELIGIBLE FOR INC TAX CREDIT	\$_____
POTENTIAL ANNUAL SAVINGS PER TIPPED EMPLOYEE (\$ _____ X 52 WEEKS)	\$_____
Number of tipped employees	x _____
ESTIMATED FEDERAL TAX CREDIT	\$_____

Sign up for annual AutoUpdate to keep current with *PayMaster* program changes, including the new tax credit report.

Why subscribe to AutoUpdate?

1. You'll save money. The annual AutoUpdate cost is less expensive than paying separately for the upgrades as they are available.
2. You'll be able to take advantage right away of *PayMaster's* new features, including the FICA Credit on Tips report.
3. And, you'll be all set for whatever changes are made each year to the paper and/or mag media W-2s and your state tax laws.

Please call or FAX if you'd like more information or to sign up for annual AutoUpdate.

Phone: 800-327-4AID

FAX: 703-281-3461

PayMaster users on annual telephone support receive a \$75 discount if their AutoUpdate subscription runs concurrently with the support. If you're on support and want to sign up now for AutoUpdate, call us to see about prorating your telephone support, so the two can run concurrently and you can take advantage of the \$75 discount.

<i>PayMaster</i> support & AutoUpdate prices			
#of div's and/or companies	Annual software support	Annual Auto-Update	After discount
1	\$275	\$300	\$500
2-10	\$320	\$330	\$575
11-30	\$425	\$380	\$730
31-50	\$535	\$430	\$ 890

Special W-2 Issue