

Track and control your labor costs better.
Move up to **Xtra**—a one-time cost of \$750 to \$1,000
gives you all the **Xtra** features.

If you're not already using the **Xtra** version of *PayMaster*TM, now's the time to upgrade. The **Xtra** version of *PayMaster 7.0* will:

- ◆ Automatically record your 941 liability on a Schedule B worksheet when you update the pay files. You can display, change, or print this worksheet at any time.
- ◆ Print your actual 941 and Schedule B forms.
- ◆ Include FUTA and SUTA on your department summaries.

You'll have access to the many other great benefits that *PayMaster Xtra* offers, including:

- ◆ Void a specific check, by check number, issued at any time during the year.
- ◆ I-9 report, showing employees who have "n" as response in I-9 field on employee screen.
- ◆ Accrual amounts for FUTA & SUTA on payroll transaction register. No need to manually accrue for General Ledger purposes.

- ◆ Bank reconciliation.
- ◆ Three more additional income fields for a total of five.
- ◆ Four more deduction fields for a total of nine, each of which can be pre-tax.

- ◆ Three levels instead of one (department, classification, job). Allows you a more detailed breakdown of costs.
- ◆ Summaries by department or by job.
- ◆ YTD Compensation Report for 401(k) plans.

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Move up to **Xtra**, continued from page 1.

Have you ordered your W-2s yet?

Think about ordering the laser W-2s — they're so much easier now with the employee 4-up copy. No collating!

- ♦ Check history report. Print for any range of employees, for any range of dates, including previous year. Keep data forever if your hard disk is large enough. You choose when to delete data (by date). Shows employee name, SSN, date of birth, hire date, termination date; and **for each check:** check#, date, net pay, wages, taxes less EIC, miscellaneous deductions total, reported tips, and hours worked, plus totals by employee. Useful when preparing social service agency reports (child support, welfare, food stamp), garnishment and unemployment reports, and mortgage verifications.

For a one-time fee of \$1,000 (\$750 if you're on telephone support), you'll be on **Xtra**. Then your AutoUpdate fee will always bring you the **Xtra** version of the new program.

Act now! Whether you're updating to Version 7.0 regular or **Xtra**, your data needs to be converted. It's easy to do with the convert program that comes on your Version 7.0 update diskette. Don't wait until the end of the year when everyone is caught up in the holiday season/W-2 time.

Start making more storage room.

We've all seen articles and lists about how long to keep certain payroll and accounting records. Generally the time frame is from three to seven years, depending on what kind of data it is.

We saw something recently that said you should keep everything for 15 years. Yes, that's 15. Why?

1. In the event of an audit, the IRS has three years after the date a return is due or filed to assess additional tax or penalties. Following an assessment, the service has 10 years to begin collection proceedings. And the employer has two years after paying any additional tax to file for a refund.
2. The new FICA credit can be taken retroactively to the date of its enactment (1/1/94), and for up to 15 years after the tips are received.

PayMaster under Windows?

If you want to run *PayMaster* under Windows, you can, even though it's a DOS program.

1. First, you need a PIF (Program Information File). Double click Pif Editor in Windows Main Group.
2. Program Filename: the name of the directory where *PayMaster* is stored and the filename PAY.BAT.
Example: *c:\prv7\pay.bat*
Window Title: *PayMaster 7.0*
Start-up Directory: *c:\prv7* (or the one you're using)
3. Save the file as *pay.pif* in your Windows directory.
4. Next, open the Program Group where you want the icon to appear. From the Program Manager menu, click File, New. Select Program Item. Click OK.
7. Description: *PayMaster*
Command Line: *pay.pif*
No need to enter a Working Directory. It uses the one in the PIF file unless a different one is here.
8. To get an icon like one of these, click CHANGE ICON. Read the message "no icons available...you can choose..." and click OK.
9. Scroll through the icons displayed. Don't like any? Click on BROWSE. Scroll down and double click on MORICONS.DLL. Scroll through, click on one you like, and click OK. Here are a couple we found.



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Tax law changes

[effective date is in brackets]

Federal

The IRS released the Tip Reporting Alternative Commitment (TRAC) on June 1 as a Market Segment Understanding (meaning it's out in the open now).

The federal government is hiring 500 new employees for the Department of Labor and for the Immigration & Naturalization Service (INS) to investigate industries that historically attract illegal workers — restaurants among them. Efforts will focus in seven states with the largest number of illegal aliens (CA, TX, AZ, NJ, NY, FL & IL). INS investigations are expected to double and Department of Labor wage & hour investigations to increase by two-thirds.

FYI — Federal Express postmark does **not** equal “timely filing” because the IRS code specifically says “for a document delivered by the U.S. Mail... the date of the United States postmark...shall be deemed to be the date of delivery.”

State Abandoned Wages

- IN Wages unclaimed one year after becoming payable are presumed abandoned. [7/1/95]
- MI Wages are presumed abandoned if they remain unclaimed for one year (down from the current five years). [1/1/96]

State Child Support

- AK Enacted Uniform Interstate Family Support Act (UIFSA). [1/1/96]
- MN All newly hired employees and independent contractors must be reported to the Commissioner of Human Services. [7/1/96]
- 13 states plus DC Testing a standardized withholding order for child support.

State Tip Credit

- VT Tip credit increases from \$1.91 to \$2.02/hour. 45% of minimum wage of \$4.50/hour.

State Unemployment

- AR Mag media filing required if 250+ employees. [3/31/95]

FYI — Advantage of filing New Hire Report (found on *PayMaster's* menu under REPORTS/OTHER/OTHER/NEW HIRE): many states now share new hire reports with both child support and unemployment agencies. It is helping to eliminate unemployment fraud as well to increase child support payments. Decreased unemployment or disability fraud affect an employer's bottom line!

State Withholding

- CT Despite rate increases [1/1/96], withholding rates will not change until 7/1/96.
- DE New withholding tables. [1/1/96]
- IA New withholding tables. [7/1/95]
- IN Changes in many county taxes. [7/1/95]
- KY Various local tax changes. [7/1/95]
- MD Prince Georges County increases its piggy back tax from 58 to 60% retroactively. [1/1/95]

Caroline County and Carroll County raise rate from 50 to 60%. [1/1/96]

Talbot County lowers rate from 60 to 55%. [1/1/96]
- NJ Withholding rates will decrease. [1/1/96]
- NY New withholding tables for the state and for Yonkers [7/1/95]. Errors were in the booklet with tables (page T-7) mailed to employers.
- OH Personal exemption amount increases from \$650 to \$750 [1/1/96]. Dependent exemption amount increases from \$650 to \$850 [1/1/97].
- OK Contributions made to a qualified medical savings plan, subject to specified limits are exempt from state income tax [12/31/95].
- PR New withholding tables. [7/1/95]

REMINDER: Print your FICA credit report.

Don't forget to take your corporate income tax credit for FICA on certain tips. It's a good idea to get in the habit of printing this report when you print your monthly or quarterly reports.

Q & A

Q. I use the dot matrix checks with the pre-printed stub at the top. The tax deductions show the current amount on one line, with the year-to-date amount immediately below it. But the miscellaneous deductions don't show the year-to-date. Instead current miscellaneous deduction 1 is on the first line, miscellaneous deduction 2 is below it. Why doesn't year-to-date show?

A. Because of the limited room on this check stub, we had to make a decision to: (1) show each miscellaneous deduction amount separately for the current pay period, or (2) show one amount for total miscellaneous deductions for the current period, and one amount for total miscellaneous deductions year-to-date.

We designed the check this way because many state laws require that you show your employees the exact amount of each miscellaneous deduction.

If you want to show both current and YTD deductions, we suggest you use check style two which shows current and YTD for all earnings and deductions.

Q. We just got a new printer, and the payroll computer is connected to it via a switch box. I get a **Disk Not Ready** error message whenever I try to print reports or checks. Why?

A. Your switch box buffer may be too small to handle the *PayMaster* data. Try connecting the cable from the computer directly to the printer.

Q. I heard something about another type of Circular E. What is it?

A. There is a "Supplemental Circular E" (IRS Publication 15-A), with additional information not included in the standard Circular E mailed to all employers. Publication 15-A is not mailed automatically. It must be ordered by interested taxpayers by calling 1-800-taxform.

Q. I voided a check from last month, but I didn't get a void pre-check register. Did I do something wrong?

A. No. With the regular version of *PayMaster*, you get a void register only when the check voided is in the current month. The check file is cleared out when you process end-of-month, so any void checks from previous month would not appear when you print a check register. Hence, no void check register either. To provide an audit trail, do a print screen of the employee's QTD and YTD pay files both before and after you void the check.

With *PayMaster Xtra* you can get a register for any void check and also print a check register for any time period that shows void checks from previous months.

Q. Something's wrong with my jobs. They're not in the correct order on my department summaries.

A. When you initialized your jobs (*Xtra* — departments, classes, and jobs), you might have pressed <home> instead of <end> as the screen indicates to process that job number/name. All is not lost. Go back to INIT/JOB and press <end> through the entire list. If you've got *Xtra*, do this for departments, classes, **and** jobs. Then you should get your reports in the correct order.

Do the same when using the bank reconciliation for canceling checks. Use <end> instead of <home>. Remember: <home> takes you **back** a step, so it's like a mini <esc> key.

Q. If I'm reimbursing an employee for travel expenses in the paycheck, how should I handle it?

A. Use an additional income field for any expense reimbursements not subject to FICA and other taxes. If you lump them together with regular earnings, you must withhold taxes and pay employer FICA; so keep them separate and identified.

User spotlight

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.

“Payback on the Kronos system will be one year with the savings from the Approaching Overtime Report. Payback on PayMaster was six months.”

Tim O’Leary, Controller, Blair Hotels

In 1994, CPA Tim O’Leary, the controller for Blair Hotels in Cody, Wyoming, selected *PayMaster* to process payroll for all of their hotels. Blair Hotels include a Holiday Inn, a Comfort Inn, and the Buffalo Bill Village (a resort) in Cody; a Holiday Inn in Riverton, and the Ranch at Ucross. The Ranch has 31 rooms and conference facilities in a historic setting. Horseback riding, tennis, and fishing are just a few of the activities enjoyed by executives on corporate retreats and by school administrators at conferences.

Tim decided on *PayMaster* not just because of its features, but also because the references were so good and the response time from Computer Aid was so fast.

Before switching to *PayMaster* and the Kronos time clocks, it took three employees three days to process payroll each pay period. They had mechanical time clocks with time cards and had to add up the hours for each employee. Then they entered hours, receipts and tips at their terminals logged on to a computer at their CPA’s office. Since they were timesharing, they sometimes had to wait to do their work.

Tim says, “*PayMaster* has helped us immensely. It’s much easier to use and we have cut out several steps. Now we have two employees doing payroll in half the time. Melinda Jones, payroll clerk, spends 1½ days and Janell Cubbon, accounting clerk, spends one day.”

“With the Kronos time clocks, their TKS software, and *PayMaster* interface, payroll collection time is easily cut in half. Employees’ W-4 information from *PayMaster* is sent to TKS and payroll totals are sent from TKS to *PayMaster*. This two-way interface improves accuracy and saves so much time.”

“The payback on the Kronos system will be one year with the savings from the Approaching Overtime Report. Now the managers can schedule employees who are not going into overtime. Before, they didn’t know how many hours each employee had worked until the end of the pay period.”

“Payback from *PayMaster* was six months. Last summer, with our old system, we had to redo an average of five checks each pay period. It would take a half day to correct mistakes and a half dozen unhappy employees were in the office. This whole summer, we’ve had only a total of two or three mistakes. We’re getting very positive comments—the employees like the system.”

“*PayMaster*’s paycheck receipt register has been a

great, great help. Before, employees would pick up pay checks from the front office without showing any ID. Often we would get a call that a check was missing, which meant stop payments and police investigations. Now, the time badge has a signature on it. Employees come to the office, show their badge, sign the sheet, and we compare the two signatures. With over 350 checks, this gives us good internal controls.”

“We have the **Xtra** version of *PayMaster* and recently we got a *PayMaster* update that does our monthly Wyoming workers compensation report — it’s just perfect. This report gives the job description, as well as the social security number, name, workers comp wages, and the premium.”

Janell, who has been there the longest of the three (since 1992), says, “*PayMaster* is faster and easier than our old system. One of the best things is I used to have to calculate and type checks done outside of payroll. Now *PayMaster* calculates and prints them for me, as well as updates the pay files.”

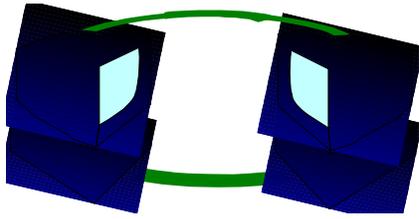
Melinda Jones, Janell Cubbon, and Tim O’Leary of Blair Hotels

Melinda has been with Blair 1½ years. She says, “I always hated doing time cards. Since we got Kronos and *PayMaster*, I can’t imagine doing time cards again. Before, we didn’t see the time cards until the end of the pay period. Now, we look at them on the computer and fix problems twice a week. Then, when it’s time to run payroll, everything is correct.”

“We enter the employees into *PayMaster* and they come right into our Kronos TKS system. And I don’t have to key in hours and tips. We just download that information from Kronos right into *PayMaster*. It saves so much time not having to key in each person.”

“Computer Aid’s support is excellent and they are always so nice.”

Two-way communication saves even more money



PayMaster talks to TKS software on the Kronos time clock and vice versa

Just think of the time you'll save if you only have to enter new employee information once—in *PayMaster*! You can download the information to your Kronos time clock with TKS software because of its two-way interface with *PayMaster*. You can send *PayMaster* data to the time clock after you enter new employees. You can bring Kronos data (hours, receipts and tips) from the time clock into *PayMaster* on your computer when it's time to process payroll.

Users report that the Kronos TKS/*PayMaster* combination more than pays for itself by **eliminating**:

- ♦ duplicate keying of data;
- ♦ manual calculations of hours worked;
- ♦ manual keying in of hours, receipts and tips;
- ♦ errors in paychecks; and
- ♦ unnecessary overtime.

Tim O'Leary, controller of Blair Hotels (featured in this issue's User Spotlight), says, "Payback on the Kronos system will be one year with the savings from the Approaching Overtime Report. Payback on *PayMaster* was six months."

Call us now (1-800-327-4AID) to find out how you can benefit from our first two-way payroll-time clock interface.

Watch this space for information about our new "billing" version of *PayMaster*.
Ideal for leasing companies,
accountants, payroll preparers.

PayMaster 7.0 arrives!