

Now you get six jobs. Easy tax table update. Improved batch entry with tips on first screen. Introducing a new version of *PayMaster*TM

AutoUpdate subscribers will receive *PayMaster 7.2* automatically.

Six jobs

Have you been “creative” with pay rates for employees with more than three jobs? Maybe you were using the miscellaneous rate? Or manually altering a pay rate after separately calculating the average hourly rate for two differently paid jobs?

Now you have a better solution —*PayMaster* version 7.2 has six jobs, each with a regular rate, an overtime rate, and a miscellaneous rate.

Sandra Lowe, the general manager of the Best Western Dunmar Inn who is featured in this issue's User Spotlight, tells us she can't wait to

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Minimum wage increase	6	people who work
		four or five jobs.

Now she'll be able to initialize up to **six jobs** for each employee—each with its own regular, overtime, and miscellaneous rate. That's six, in

addition to the vacation and sick rate fields and additional income fields. Continued on page 2.

PayMaster Version 7.2

Cont'd from page 1.

Improved employee screen

When you're on the employee screen for interactive processing or when making corrections, press **V** (the tab key) to switch screens from Jobs 1-3 to Jobs 4-6.

There's a **second SUTA code** field on the employee screen. It can be used by companies with multiple divisions in the same or in different states who want to consolidate the wages of an employee who works in multiple locations into one division. It can also be used by companies with multiple divisions in the same state who want Wage and 940 reports by division.

On fields requiring Y/N or a letter, you can use **X** or **Z** to **scroll through the choices**.

Each employee can have up to **three accounts** for direct deposit. Each can be marked S(avings), I(nactive), C(hecking). To prenote (test run) an account, enter a lower case "s" or "c" (automatically changes to upper case after being sent as a prenote, so you're all set to go "for real" the next payroll).

Flexible **Miscellaneous Deductions 1 and 2** on the employee screen now offer the choice of **C**, in addition to **G** and **P**. **C** lets you enter a percentage (can be higher than 25%) to withhold while leaving the employee 30 times minimum wage as entered in the Division file (at \$4.25 minimum wage, this

is \$127.50; increases to \$142.50 10/1/96). This field in Ver. 7.2 is labeled **type** instead of **%\$**.

Deductions 1 and 2 can now have a maximum per pay period, as well as per month or per year.

Easy tax table update

Now you'll be able to **update your tax tables** (from diskette) via the *PayMaster* menu. No need to go to DOS and copy it to the data directory for each company.

Batch screen

We've listened to you and put the **tips column on screen one** of the batch screen. Makes for easier processing if you don't record receipts for each employee.

If you enter biweekly payroll on a weekly basis (in order to get weekly labor costs) and use batch processing, *PayMaster* prompts you for **<1>1st week, <2>2nd week, or <3>both weeks**. If you select **<3>both weeks**, weeks 1 and 2 are combined.

There's no longer a need for the "Add to current?" prompt.

Division screen

On each Division screen, there's a new question: **Week 1/week 2 entry (y/n)?** If you respond **y**, *PayMaster* will prompt you for the week when you process batch (see "Batch screen" above).

Workers Comp screen

Workers Comp codes now have their own screen, allowing fields in which to enter each code's insurance rate. And, if you have the billing option, there are fields in which to enter each code's bill rate. You'll find this screen under INIT/DIVISION/WORKERS COMP.

Other new features

Check history reports (*Xtra* version) include **outstanding checks for a range of dates**.

Other reports have been revised to accommodate the six jobs.

Print **address and time card labels** on your **laser** printer. Time card labels give you three choices: labels with SSN; labels without SSN; and time cards themselves.

Tip report now shows **cash tip percentage and charged tip percentage for each employee**.

Direct deposit (option) now allows up to three user-defined header records. Also each employee can have up to three different accounts, checking and/or savings.

The 401(k) (option) is moved to the INIT/COMPANY menu.

New safeguards

Warning messages will prompt for the **U** key before allowing you to proceed.

When using CALCULATE/SELECT, if you don't press **d** after entering the employee's data, you'll get a warning that the data has not been saved.

Bank reconciliation (*Xtra* version) allows you to reinstate a range of checks if you canceled them in error. (Works if you cancel checks, not if you delete them.)



Tax law changes

Federal

■ Minimum wage increase

Yes, it's official. New rate: \$4.75 effective 10/1/96, and \$5.15 effective 9/1/97.

If you haven't already requested it, call us to have our **Minimum Wage Checklist** faxed to you. It tells you step-by-step what you need to change in *PayMaster* to comply with the new law.

Workers who receive tips can still be paid \$2.13 per hour as long as their tips bring them up to the new minimum wage.

You still need to enter the new minimum wage amount in the appropriate Company and Division fields so your overtime rate for tipped employees (which will increase) can be correctly calculated.

With the old federal minimum wage of \$4.25 and a tip credit of 50%, the overtime rate for a \$2.13 job was \$4.25. With the new federal minimum wage of \$4.75, the new overtime rate for a \$2.13 job is \$4.505 (assuming your state follows the federal tip credit of 55.16%).

■ W-2s changes

We're still waiting to hear final word on any W-2 changes. Please see the December 1996 issue of **THE BLUE PAGES** for final word.

■ EFTPS

See our Special Q & A on the new IRS EFTPS Requirement on page 4 of this issue.

The deadline has been extended to

July 1, 1997, for complying with this new requirement, but don't wait until the last minute to fill out the form. It can take up to 10 weeks to complete the enrollment process, and you should try it out before the deadline.

Note to small companies—don't breath a sigh of relief quite yet if you did not receive an IRS notice because your 1995 deposit was under \$50,000. The threshold decreases to \$20,000 eventually.

State Minimum Wage:

The following state laws require that when the federal minimum wage increases to an amount that is greater than the individual state's minimum wage, the state minimum wage increases to match the new federal minimum wage. Consequently, the following states' minimum wage increases to \$4.75 on 10/1/96, and to \$5.15 on 9/1/97:

CA	MD	OK
DE	MO	PA
IL	MT	PR
IO	NV	UT
MA	NH	VA

This does *not* mean that any of these or the other states necessarily follow the federal tip credit.

State minimum wages that are different than the federal:

- AK \$.50 higher than federal
\$5.25 10/1/96
\$5.65 9/1/97.
- CO \$4.75 11/1/96 (or 10/1/96 if your company must comply

with the Federal Minimum Wage Law).

Tipped employees \$2.13 with tip credit of \$2.62.
Training wage for employees under 20 years of age \$4.25 for 90 days .

- CT Federal minimum wage plus .5% times the federal rate rounded:
\$4.77 10/1/96
\$5.18 9/1/97
- DC Federal min. wage + \$1:
\$5.75 10/1/96
\$6.15 9/1/97

State withholding

- DE Withholding rate decreases effective 1/1/97.
- GA New percentages and wage bracket, effective immediately.
- HI Maximum withholding rate decreases from 10% to 8%. Effective when employers receive Tax Guide which will be mailed by 9/1/96.

MD

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Local taxes for Talbot County decrease from 55% to 40%, effective 1/1/97)



Special Q & A on the new IRS EFTPS Requirement

- Q. I got a form letter from the IRS about "enrolling and depositing electronically." What's this all about?
- A. The IRS is following the law. NAFTA (the 1993 North American Free Trade Agreement Implementation Act) requires that businesses making deposits of \$50,000 or more in employment taxes for calendar year 1995 make tax payments electronically.
- Q. When do I have to do this?
- A. The original deadline was the FTD due from your first payroll in 1997. It's now been extended to July. If the payday date is July 1, 1997, or later, the FTD must be made electronically.
- Q. Is it only the 941 deposit?
- A. No, it's all tax deposits that are reported on Form 940, Form 941, Form 943, Form 720, Form 945, Form 990-C, Form 990-PF, Form 990-T, Form 1042, Form 1120, and Form CT-1.
- Q. Are they serious about the 10% penalty if I make the deposit the old way?
- A. Yes.
- Q. Do I need a modem to file electronically?
- A. No, a touch-tone telephone will allow you to do the ACH Debit electronically.
- Q. Do I have to do anything to get this set up?
- A. Yes, and the IRS says it can take up to 10 weeks to complete the enrollment, so you want to act quickly. And, make sure you test it out beforehand with a prenote (using money).
- Q. I'm an accountant and process payroll for many companies. Do I enroll or do they?
- A. Each of the companies for which you process payroll must enroll themselves. Find out from them, if they haven't already told you, if they must file electronically.
- Q. How am I supposed to know which remittance method to mark on the form?
- A. There are two choices:
- ACH Debit**, which allows the IRS to access your bank account. You indicate the manner in which you will tell the IRS how much to take (PC & modem, telephone, etc.) You tell them the bank and account from which to take it. Then, to make the payment, you contact the EFTPS Financial Agent of

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.

the US Treasury and tell them how much to take.



Many companies are setting up a separate account at their bank just for their ACH Debit by the IRS.

ACH Credit, by which you authorize your bank to send the money to the IRS. To make a payment, you contact your bank and tell them how much to send to the IRS. *However, not all banks are doing the ACH Credit.*

Q. Can I use any bank for ACH Credit?

A. No, not all banks are offering this service. Check with your bank before filling out the IRS form. We surveyed six banks with these results: two are not doing ACH Credit; two will do it at no charge “for the time being”; one will charge from \$30-100 per month; and one requires that you use their software (\$159) on a computer with a modem, plus they will charge \$40-45 per month.

Q. What's this about “threshold amount” on the form?

A. If you choose ACH Debit, you can indicate an amount that you expect to be your maximum liability for each type of tax. When you initiate a payment, the system will signal a potential problem if your remittance amount is higher than your threshold amount. You can override the threshold amount if you wish.

Q. Do I make the payment on the same time schedule as before?

A. No. It's a day earlier for ACH debit, and probably also for ACH credit.

User spotlight

“PayMaster with six jobs will make payroll even easier and save even more time.”

Sandra Lowe, Best Western Dunmar Inn

Sandra Lowe is the general manager of the Best Western Dunmar Inn in Evanston, Wyoming. Evanston has a population of 12,000 and the Dunmar Inn is on the interstate. It's the stopping point between Salt Lake City, Utah, and Yellowstone National Park and Jackson, WY.

When Sandra first started working there 12 years ago as controller, payroll was done by hand—six times a month. Since they have 100-130 employees, it took so long to do payroll that Sandra had to divide the employees into divisions and pay them at staggered times.

Ten years ago, they decided it was time for a change. They hired a consultant to find them a payroll software program to make life easier. The consultant selected *PayMaster* from Computer Aid Corporation.

Sandra says, “As soon as I started using *PayMaster*, it took only hours instead of days! I was able to process the entire payroll in two hours—from start to finish.”

“Once I became general manager, I trained other employees to do payroll. It is so easy that after two times they are able to do it on their own with a simple instruction sheet.”

“In addition to saving time, *PayMaster* saves us money.

Before *PayMaster*, all of our quarterly tax returns and W-2s were done by an outside accountant. Now, I file all of the tax returns. I really like having the 941 form. It's great having Form 8027, the Report of Tip Income and Allocation we have to file every year.”

Sandra Lowe of the Best Western Dunmar Inn

“And I love the Workers Compensation Report”. Wyoming requires a special format for their Workers Comp report. I used to have to hand write each employee's social security number, name, and gross pay. Then, I had to alphabetize them all! Last year, an option became available for *PayMaster* that allows us to print the Workers Comp report in the special Wyoming format. When I found out about it, I ordered it right away. This report is a lifesaver.”

Computer Aid's support is excellent. Tim and Kyle have always been wonderful. There is not a single person there about whom I don't have a good feeling.”

“I am really looking forward to the next update with six jobs! We have about 25 people who work four and five jobs since we staff a restaurant, lounge, and hotel. We've been using the miscellaneous pay fields for the extra jobs, but it gets a little complicated. *PayMaster* with six jobs will make payroll even easier and save even more time.”



Computer Aid Corporation

Software support hours

9:00 am - 6:00 pm EST

PayMaster 7.2 requires a “convert.”

PayMaster 7.2 has six jobs. Your current data has three. This means your current data must be converted before it can be used by *PayMaster 7.2*

It's a simple process by which we (meaning *PayMaster*) do the work. Convert instructions will accompany your *PayMaster* program. We strongly suggest you convert now, rather than waiting until the year-end rush. This way, if you have any questions, we'll be able to help you more quickly.

Minimum wage has increased



October 1, 1996, (yes, just around the corner) is the effective date of the minimum wage increase recently passed by Congress and signed into law by President Clinton.

See **Tax law changes** on page 3 for details.

We have a "Minimum Wage Checklist" spelling out what you need to do in *PayMaster* to take care of this increase. Just call or fax us and ask to have it faxed to you.

1-800-327-4AID

fax 703-281-3461

Autumn leaves are falling...



...which means W-2 time isn't far behind.

Order your W-2s soon if you haven't already done so. And, remember, only W-2s ordered from Computer Aid are guaranteed to work with *PayMaster*.

Call 1-800-327-4AID to order.

See inside for:
-- Six jobs in new *PayMaster*
-- Minimum wage increase 10/1/96
-- New IRS EFTPS tax deposit rules