

# Save time, money and tears!

## Use *PayMaster*<sup>™</sup> to process your payroll in-house and automatically capture hours, receipts and tips from your POS

### ☐ Happy customers

James Coffelt of Business Data Systems, Inc. in Akron, Ohio, (spotlighted on page 5) knows how important it is to keep his customers happy. It's no surprise that he is the Number One dealer in the country for Digital Dining Point-of-Sale (POS) systems.

If his restaurant customers want to do payroll in-house, he recommends *PayMaster* from Computer Aid. James says "100% of the time when one of my customers buys *PayMaster*, they're happy they did so. It produces a satisfied customer every time."

### ☐ When does it make sense to do payroll in-house?

When a company has 50 or more employees, it's cost effective to

process payroll in-house using *PayMaster*. Versus a payroll service, a 50-person company will save \$2,000+ per year; a 300-person company may save as much as \$22,000.

With the interface, each employee's hours, receipts and tips are exported to a file, which is then brought into *PayMaster*'s batch screen. There's no need to rekey the data."

"And, there are no hassles with setting it up. You know it's going to work every time. Half of the time, we go to the site and get the interface working. The other half of the time, Computer Aid does it over the phone. It's that easy!"

Connie Flogge, General Manager of Zoar Tavern and Inn in Zoar, Ohio,

Continued on page 2



From POS to *PayMaster* in minutes

James says, "If our Digital Dining customer has office staff who are capable of processing payroll, we strongly encourage them to bring payroll in-house because of the money it will save them."

"They'll save money not just in direct costs, but in staff time. The software interface between Digital Dining and *PayMaster* is much more effective and works better than any other interface I've seen."

"Employees clock in and out at the Digital Dining point of sale system.

### Three very important steps to take **before** processing your first payroll of 2000:

1. Install *PayMaster* 7.25.
2. Archive 1999 data to print your W-2s later.
3. Process end-of-year on active data to zero out year-to-date payroll information.

Please see the instructions that are included with the *PayMaster* 7.25 program, as well as the detailed information in the Special **End of Year/W-2s Insert** in this issue of the BLUE PAGES.

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## Payroll in-house continued from page 1

and one of Business Data System's customers says, "Processing payroll in-house using *PayMaster* has a lot of advantages over sending it out to ADP. We're not handling it twice. We don't have to worry about writing everything down, sending it to them, and getting it back. And we don't have to double check it."

"We just got the interface and are looking forward to using it. It will save us even more time."  ■

## What *PayMaster 7.25* will do for you

*PayMaster 7.25* handles **W-2 changes** for mag media and for the New Jersey paper format. It also gives you these benefits:

1. Prints the W-3 totals on the laser W-3 form itself immediately after printing the W-2s.
2. Adjusts the printing of the laser W-2s for vertical alignment.
3. Prints all copies of the laser W-2s consecutively.
4. Displays, on the check history report (*Xtra* users), \*\* in front of

### ***PayMaster 7.25*** shipping now

Mag media and New Jersey paper W-2s require the new version of *PayMaster (7.25)* for 1999 W-2s with a PYW2.EXE file dated 11/99 or later.

Users on AutoUpdate have already received it, or will receive it soon. All others, please call for price and order information.

Important: if you are still on *PayMaster 7.0* or earlier, your data must first be converted. Please call immediately for instructions.

void checks that were **not** deducted from the pay files.

5. Prints FUTA and SUTA reports by division, as well as by state unemployment code.
6. Indicates, for the Direct Deposit option, whether your file has an automatic debit.
7. Prints a non-productive labor balance report to give you the number of units and dollar amount of unused vacation and sick leave.
8. Allows you to indicate, when you process end of year, the maximum amount of vacation and sick leave to carry over.
9. Gives you the option to add **interfaces from the following POS systems:**
  - ALOHA
  - HSI
  - Delivery Plus

And don't forget about these new features in last year's update:

1. Print the short format payroll report and pre-check register on legal size paper on a laser printer.

This report prints **on one line for each employee** regular wages, overtime wages, miscellaneous wages, hol, vac, sick, additional incomes 1, 2, 3, 4, 5, wage adjustment, reported tips, allocated tips, EIC, FICA, federal w/h, state w/h, local w/h, SDI, bank deductions, other deductions, and net pay. Select current, MTD, QTD, Last Quarter, YTD, or (with two lines for each employee) QTD and YTD.

2. You have the option of excluding employee tips when printing the Workers Comp report.

3. You can enter the full \$10,000.00 maximum for 401(k) on the employee display screen.
4. *PayMaster* will print an X in the W-2 deceased box for any employee with a status of D on the employee display screen and dollar amounts in the year-to-date payroll files. (*PayMaster* will not print a W-2 for any D status employee with zero dollars in year-to-date.)
5. With the Direct Deposit option, use a savings or a checking account on the first account line to deposit the net pay.
6. You can include moving expenses with Code "P" in Box 13 on the W-2 by using "p" as the W-2 income type for additional income.

All users on AutoUpdate will receive *PayMaster 7.25* automatically. If you're not on AutoUpdate, call us now to subscribe or to get pricing information on *PayMaster 7.25*.  ■

### **THE BLUE PAGES**

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## Tax law changes

All changes are effective 1/1/00, unless otherwise noted.

### Federal

- Federal **income tax withholding and EIC tables** change.
- **Social security wage base** for 2000 is \$76,200 (\$3,600 increase from last year's \$72,600). No limit on wages subject to **Medicare** (in *PayMaster*, enter 999999.99).
- **FICA rate** remains 7.65% (6.2% social security and 1.45% Medicare). Employer's rate is the same (combined 15.3%).
- **401(k) maximum** increases from \$10,000/year to \$10,500. Definition of "**highly compensated employee**" increases from \$80,000 to \$85,000.
- **Social Security numbers (SSNs) are invalid** – if made up of all zeros, ones, threes, eights or nines. Cannot have a prefix of 000 or from 769-900 and cannot be 123456789. Note: *PayMaster* will accept all 000s because that is used for unknown SSNs on mag media.
- Employers may charge a **fee for W-2 replacements**. They should announce the policy and fee amount in a payroll letter.
- **Download IRS forms and publications** from [www.irs.ustreas.gov](http://www.irs.ustreas.gov). Click tax information for businesses.

Please remember to use our street address for overnight deliveries:  
501 Church St, NE, Suite 104  
Vienna, VA 22180-4734

### Tax Law on Tips

- **TRAC changes** – A provision in the Tip Reporting Alternative Commitment agreement that allowed the IRS to revoke a TRAC agreement if employees failed to properly report their tip income even if the employer was in substantial compliance has been eliminated, effective October 29, 1999.

### ■ Employers can withhold credit

*PayMaster's* Tip Report helps the employer be in compliance with the TRAC agreement requirement of informing the employees of the percentage of reported **cash** tips to **cash** receipts and the percentage of reported **charge** tips to **charge** receipts. Some of the *PayMaster* users on TRAC have the employees initial the report on the line next to their information.

**card fees** from charged tips of employees (see the box below). The court said that the Fair Labor Standards Act (FLSA) does allow the employer's reduction of an employee's charged tips by the amount of a fee associated with settlement of the charge. The court also concluded that the fee withheld

*PayMaster* lets you do this easily! Go to INIT/DIVISION/DIVISION to enter the Tip chargeback percentage. This percentage will then be subtracted from credit card tips you enter in the tip files or on the batch or interactive screen during payroll processing. If you pay credit card tips in net pay, it's subtracted from the tip amount paid the employee. If tips are paid out each night, you can print the tip chargeback report (found under the menu item TIPS) to get the amount for each employee.

by the employer may be a standard composite percentage as long as, in the aggregate, the amounts collected from employees reasonably reimburse the employer for no more than its total expenditures on credit card tip collections.

### State new hire reporting

Child Support Enforcement collected \$14.4 billion in child support in 1998 – up 80% from 1992. This progress is attributed to automatic child support withholding from payroll and employer New Hire reporting.

New hire reporting data has also enabled Pennsylvania, Texas, and Utah to prevent millions of dollars in unemployment insurance fraud by identifying working individuals who are still receiving unemployment compensation.

### State unemployment

Taxable wage bases for 2000, effective 1/1/00

IA	Increase to \$17,300
MO	Decrease to \$7,500
NV	Increase to \$19,600
WA	Increase to \$26,500
NM	Increase to \$14,800

### State withholding

Please see the Tax Table order form on p.4 of the Insert in this issue.

New withholding tables, effective 1/1/00

CA	ME
DE	MN
DC	MS
IL	... and more to come. <input type="checkbox"/> ■

## Q&A

Q. I have to process my first payroll of 2000 and don't have time to print my W-2s first. Help!

A. If you've got enough room on your hard drive, you can have *PayMaster* create a new subdirectory for you and copy the data into it. **Make sure you do this before processing end-of-year on the data.**

Decide on a new company ID code for the 1999 data, e.g., 99W2. For multiple companies, use ID codes such as A99W2, B99W2, etc. The prompts are shown in **bold**. What you enter is in *italics*. Our example uses 99W2 as the new code and subdirectory under C:\PAYDATA. The company we're creating the 99W2 directory for is Flora Enterprises, whose company ID code is *flora*. (So the code of our source company is *flora*.)

1. **Enter company ID code:**  
*99W2*
2. **1)Add a company,**  
**2)Archive copy of existing company, or 3)Try again:** 2
3. **Data drive:** *C*
4. **Suggested data path:**  
**C:\PAYDATA\99W2**  
**Enter data path:**  
**C:\PAYDATA\99W2**  
Enter a new path if you wish, or press **e** to accept this data path.
5. **Enter code of source company:** *flora*

*PayMaster* will create the new directory in the path specified and will copy the data into it.

When it's done, you're at the password prompt. Enter your regular password. You're now in the 99W2 company (INIT/COMPANY/COMPANY displays data path). Add 99W2 to the Division name(s) (via INIT/DIVISION/DIV) so you know at a glance you are using the 99W2 data (appears above the main menu). Print a payroll summary to make sure the data is OK.

Then, after backing up the data on two separate sets of floppies or zip disks, process end-of-year on your real company data, using your **original company ID code** (*flora* in our example). When it's time to run the W-2s, use the **99W2 ID code**.

- Q. How can I be sure that my mag media file is OK before I send it off to the SSA?
- A. Open the file (w2report) in your word processor. You may need to change to Courier or another non-proportionally spaced font. Also see Page 3 of the Insert.
- Q. I forgot to order the tax tables. What can I do?
- A. Fill in the form on Page 4 of the Insert (even if you're on AutoUpdate) and send it in now so you'll have them for your next payroll. If your SDI changes, manually make those changes (via INIT/TAX/SDI). Using the old tax withholding tables for one or two pay periods isn't critical. OASDI/Social Security and Medicare percentages remain the same for 2000. The 2000 OASDI taxable wage base has increased.

Q. If my printer jams in the middle of printing my W-2s, am I stuck?

A. You **can** resume printing your W-2s. Choose REPORTS/W-2 as you normally would. Respond **Y** to **All employees?** Respond **Y** to **Resume an interrupted run?** At the **Print from employee =** prompt, enter the code of the first employee to print. *PayMaster* will print from there, including the totals.

Q. How long does a diskette last? Is it any problem if I use the same diskette for backup year after year?

A. Diskettes do not last forever. How long? It depends on how often they're used and how well they're treated. To prevent a situation where you need to restore data and get the dreaded error message: "Error reading Drive A: Abort, Ignore, Retry," you might want to follow these two suggestions:

1. Reformat your used diskettes once a year before using them over again. Formatting checks for bad sectors. If you find any, get rid of that diskette.
2. Use brand new formatted diskettes when you back up your end-of-year data, and back it up not just once, but twice on two diskettes or sets of diskettes.



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.

## Spotlight on integrated solutions

***“100% of the time when one of my customers buys PayMaster, they’re happy they did so. It produces a satisfied customer every time.”***

James Coffelt, President  
Business Data Systems, Inc.

Covering his territory of Ohio, New Jersey, and the Philadelphia and Washington, D.C. metropolitan areas, James Coffelt and his staff at Business Data Systems, Inc. in Akron, Ohio, sell Digital Dining point of sale software to restaurants.

The company, of which James is president and the major stockholder, was started 12 years ago.

Specializing in one product, along with a few carefully chosen auxiliary products, has served Business Data Systems well. They’ve been the Number One Digital Dining dealer in the nation for the past three years.

One auxiliary product they sell is *PayMaster* payroll from Computer Aid Corporation. James says, “The majority of our customers tend to outsource payroll. However, if they have office staff who are capable of processing payroll, we strongly encourage them to bring payroll in-house because of the money it will save. Once they realize that the major staff time needed for payroll is the same as the time it takes to prepare the data to send to a payroll service, they buy *PayMaster*.”

“They’ll save money not just in direct costs, but in staff time. The software interface between Digital Dining and *PayMaster* is much more effective and works better than any other interface I’ve seen. There are no hassles with setting it up, and you know it’s going to work every time. Half of the time, we go to the

site and get the interface working; the other half of the time, Computer Aid does it over the phone. It’s that easy!”

“And there’s never any problem with the interface when *PayMaster* is upgraded. It always works. Whereas interfacing to some of the payroll services, such as Paychex and ADP, is often a hassle when they upgrade their software. You can’t always get the information you

James Coffelt, President, Business Data Systems, Inc., with one of his Digital Dining Awards

need from their staff. That makes it a question of not how well it will work, but **if** it will work.

“Selling *PayMaster* is easy. I don’t know anything about payroll, and don’t want to know it. When I have a customer who’s interested in doing payroll in-house, I call Donna at Computer Aid and she’ll call them. Those who buy *PayMaster* enjoy hassle-free installation with great support. And Business Data Systems has a happy customer. Computer Aid keeps us out of the loop and lets us do other things.”

“100% of the time when one of my customers buys *PayMaster*, they’re

happy they did so. It produces a satisfied customer every time.”

Zoar’s Tavern and Inn in Zoar, Ohio, has been using *PayMaster* for four years. Connie Flogge, their General Manager, says “*PayMaster* is very user friendly. Its reports are concise – we get everything we need. We can print right on the government forms and send them in. It takes only 1 ½ hours to process payroll for our 50 employees.”

Bernard Smith, owner of Skyway East in Mansfield, Ohio, another Business Data Systems customer, has been using *PayMaster* and the Digital Dining interface for three years now. He says, “It’s a lot easier to do payroll in-house. When we sent it out to an accountant, we were doing a lot of the work anyway. Now, all we do is export it from Digital Dining and it goes into the batch screen of *PayMaster*. The interface is very convenient and quick. We went from four hours to an hour and 15 minutes for processing payroll.”

James says “All comments I hear about *PayMaster* are positive comments. We’ve literally not had anyone buy it who’s not still using it happily. And we’ve been selling it for 7-8 years.”

And James doesn’t just help people save money with payroll. He also sells a video surveillance system. It ties into the Digital Dining POS system, records on video what the staff is doing, and superimposes the Digital Dining screens on the video. As a bartender serves drinks, you can check the video to see what is rung up as sales. A recent installation of the system showed four bartenders stealing the first night. One bartender went to jail; three others were fired. And that restaurateur sure knows he got his money’s worth. □■



*All of us at  
Computer Aid wish  
each of you a very  
healthy and happy holiday  
season and a prosperous  
New Year!*

## Sign up for annual AutoUpdate to keep current with *PayMaster* program changes.

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 and reports.
3. You'll be all set for whatever changes are made each year to the paper and mag media W-2s, and your state tax laws.

*PayMaster* users on annual telephone support receive a 10% 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 10% discount.

Telephone support customers also receive a 10% discount on check orders.

Please call or fax us for more information about AutoUpdate.

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- Important W-2 information  
- Processing End-of-Year  
- AutoUpdate and Support