

THE BLUE PAGES

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Auto Update and New Features

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 2009 W2 printing modules. There are many new reports and optimizations included so be sure to install this at your earliest convenience.

A change in the federal withholding tables for 2010 and new J1 Visa tables require this update to be installed prior to the new year to avoid underwithholding for 2010. The 'Making Work Pay' Credit of \$400 is still in effect but spread out over the entire year now. J1 VISA employees are not entitled to this credit and a new method of calculation of fed tax needs to be used.

At the time of this writing many state tax tables have not been released so they are not included in this pack. *Please see page 4 for details on how these will be delivered.*

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:
Thursday and Friday Dec 24-25 and
Thursday and Friday Dec 31-Jan1.

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 2009 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
2009 Before You Print your W-2s
2009 WIN W-2 Detailed Printing Instructions
W3 Reconciliation Work Sheet
W-2 Shipping Insert
W-2 2009 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

Form W-2, Wage and Tax Statement, is sent to the Social Security Administration as a record of employees' earnings and eventually dictates their future benefits. By law, employers must provide Copy A of Form W-2 SSA by February 28, 2009 (by March 31 if filing electronically), and Copies B, C, and 2 to employees by January 31, 2009.

Social Security Wage Base Stays the Same: The maximum amount of earnings subject to Social Security (OASDI) tax will stay at **\$106,800** for 2010.

The California SDI withholding rate for 2010 remains at 1.1%. The taxable wage limit will increase to \$93,316 for each employee per calendar year (currently, \$90,669). The maximum amount that can be withheld from an employee's pay in 2010 is \$1,026.48 (currently, \$997.36)

Arizona — Withholding.

There is a new version of Form A-4, *Employee's Arizona Withholding Percentage Election*, on the Arizona Department of Revenue website that is effective for wages paid from Jan. 1, 2010 through June 30, 2010. Through June 30, 2010, the amount required to be withheld is a percentage of federal withholding. Beginning July 1, 2010, the amount required to be withheld will be based on tables provided by the DOR.

Connecticut — Wage and Hour.

Effective Jan. 1, 2010, the Connecticut minimum wage rate will increase from \$8.00 to \$8.25 per hour. The minimum wage rate for service employees (waitpersons) will increase from \$5.52 to \$5.69 per hour, and the minimum wage rate for bartenders will increase from \$7.12 to \$7.34 per hour. The 2010 tip percentage deduction will remain at 31% for service employees and 11% for bartenders. Employers are legally required to obtain and display updated posters showing the new wage rates

Florida — Unemployment.

Contribution rates for experienced employers in 2010 will range from 1.18% to 5.4% (0.12% to 5.4% in 2009). The new employer rate remains at 2.7%. The taxable wage base increases to \$8,500 in 2010 (currently, \$7,000)

Louisiana — Unemployment.

Contribution rates for experienced employers in 2010 will range from 0.11% to 2.31% for positive reserve employers, and 2.37% to 6.2% for negative reserve employers. The new employer rates vary by industry and will range from 1.23% to 3.21%. The taxable wage base increases from \$7,000 to \$7,700 in 2010

North Carolina — Unemployment.

Tax Rate Schedule A remains in effect during 2010. Rates for experienced employers will range from 0% to 6.84%. The rates include the 20% state reserve tax. The new employer rate will remain at 1.2%. The taxable wage base increases to \$19,700 (currently, \$19,300)

MINNESOTA — Unemployment. Contribution rates for experienced employers in 2010 will range from 0.5% to 9.4%. The new employer rate will be 2.41%, except new employers in high-experience rated industries will pay 8.5%. The taxable wage base increases to \$27,000 in 2010 (currently, \$26,000)

PAYMASTER UPDATES:

- 2010 Federal Tax update. New tables force an upgrade of the calculation engine.
- Box 14 now available on Form W2. Any additional income or deduction can be flagged as Box 14 and up to 4 will be shown in the MISC section of the W2.
- New Report: Actives with out a Check. Clean up your active roster to see who hasn't got paid in a while.
- Vacation Carry Over. Updates all employees current balance. RUN at EOY!
- New Direct Deposit Module that does not use temp files.
- Job Costing Export. Grouped by each payroll exports how much was spent on each job category.
- Other optimizations and fixes.

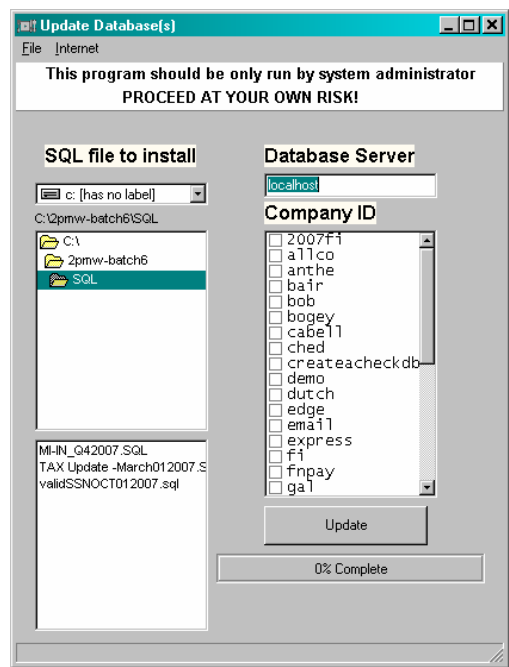
Q&A : PayMaster for Windows

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. As an example, each quarter we will be releasing an updated SSN database so that you be assured all your new hires are checked against the most recent set of valid Social Security combinations.

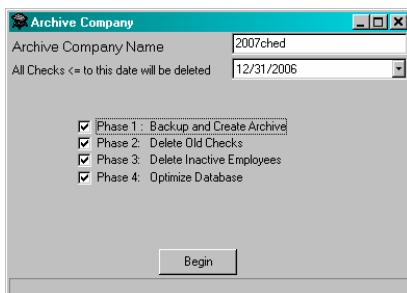
HOW TO:

- 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 (see page 5).

“Helping Employers Do Payroll Right”

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WE'RE ON THE WEB!

WWW.PAYMASTER-PRO.COM



Happy Holidays !

TO :

It pays to know your business
501 Church St. Suite 306
Vienna VA 22180
Payroll the Right Way since 1983
We Value Your Business, Thanks Again!

PAYMASTER
Hospitality