THE BLUE PAGES

PAYMASTER PRO LLC 501 CHURCH ST NE SUITE 306 VIENNA VA 22180 | (800) 327-4243

Protect Your Data! New Remote Backup Service!

PayMaster Hospitality is proud to announce a new subscription service for all users of PayMaster Pro.

Recognize a very real danger. Every year 43% of computer users lose irreplaceable files. Hard drive crashes, theft, power surges, natural disasters, or accidentally deleting your own files. You need to be aware that losing your most valuable files is a very real possibility. **You need to take proper precautions.**

A good backup plan should consist of 2 things.

Regular backups: Are you doing a backup of your data after each payroll? The more time that passes between backups means more data YOU will have to recreate and re-input.

Remote storage of your backups: Are you saving your backups on the same machine as your payroll program? Backups that reside on the same machine are easy to restore but are useless if the machine is stolen, natural disaster, or computer failure.

PayMaster Pro is now offering a **simple and secure** way to protect your important and sensitive data.

One Click Backup / One Click Transfer: After each payroll one click of a button creates a full backup of your company's data. With a subscription to this new service, one additional click will transfer your data to our secure site.

Secure and Safe: We encrypt your files twice using state of the art, hacker proof 128-bit technologies before backing them up securely offsite. Files remain encrypted at our secure data centers, so only you can see them. We will also be backing up the datacenter locally in case of datacenter failure to further ensure availability.

Please use these numbers to contact us.

Sales/Support

Voice: (800) 327-4243 Fax: (866) 504-1991 Billing/Check Orders Voice: (703) 281-7486

Fax: (703) 281-3461

As a special introductory offer, we are offering this service to all current PayMaster users who sign up before July 31 starting at \$149 per year.

Upon payment, you will receive a unique key that will contain your username and password to ensure that only you can access and decrypt your files.

For your convenience, all subscribers will have next year's subscription added to your support contract when due and the regular price will be prorated at that time.

Pricing is based on how much disk space your backups would commonly use.

If you have just one company and up to 5 divisions you will be billed for the **Standard Plan for** \$149

If you have multiple companies or more than 5 divisions in your company you will be billed for the *Enterprise Plan for \$249*.

Please contact us at (800) 327-4243 to sign up.

Inside this issue:

Minimum Wage	2
State Updates	3
Q&A PayMaster Mass Assign Raises	4
Auto Update History	5
How to use Remote Backup	5
40% Commission on Referrals!	6

Page 2

Federal Minimum Wage Increase

The federal minimum wage will increase 70 cents, from \$5.85 per hour to \$6.55 per hour **on July 24, 2008**. This is the second of a three-tiered minimum wage increase signed into law by President Bush on May 24, 2007.

Twelve states including Texas, Indiana, Idaho, Maryland, North Carolina, North Dakota, Oklahoma, South Dakota, Virginia, Montana, Nebraska and Utah will increase the state minimum wage on July 24, 2008 when the new federal rate of \$6.55 per hour is introduced. Most of these states have legislation that ties the state minimum wage to the federal rate.

In Ohio, the minimum wage operates on a two-tier system. The state minimum wage for employers with an annual revenue of more than \$255,000 is currently \$7.00 per hour. For employers with annual revenue of less than \$255,000, the minimum wage will increase from \$5.85 per hour to \$6.55 per hour on July 24, 2008.

Some areas, such as Washington D.C., peg the minimum wage to a set amount above the federal minimum wage. In D.C., the minimum wage is \$1.00 per hour more than the federal rate, so the minimum wage will increase to \$7.55 per hour in July.

In Georgia and Wyoming, the state minimum wage remains at \$5.15 per hour, the same as the 2006 federal minimum wage. In those states, the minimum rate can only be increased by passing new legislation.

In these cases, where federal and state laws have different minimum wage rates, the higher standard always applies.

Four states will increase the minimum wage on July 1, 2008. These include Illinois where the state rate goes from \$7.50 to \$7.75 per hour. In Michigan, the state rate will increase from \$7.15 to \$7.40 on July 1, while in West Virginia the rate increases by 70 cents, from \$6.55 to \$7.25 per hour.

At least 14 states increased the state minimum wage on January 1, 2008. This includes California, Oregon, Washington, Missouri, Montana, Delaware, Iowa, Kentucky, New Mexico, Massachusetts, Vermont, Colorado, and Arizona.

Other states including Washington, Oregon, Delaware, Iowa, Kentucky, New Mexico, Vermont, Colorado, Arizona, Missouri and Montana have long had a cost-of-living increase in the state minimum wage.

On May 24, 2007 President Bush signed the Fair Minimum Wage Act of 2007 into law. Under this law, the federal minimum wage increases by 70 cents each year on July 24, for three years.



Password Process Being Revised for Business Services Online

The Social Security Administration (SSA) is revising the registration process for Business Services Online (BSO), effective June 28, 2008.

BSO is a suite of online applications that, among other things, allows registered users to: (1) submit their W-2 and W-2c wage files to the SSA electronically, (2) verify Social Security numbers, and (3) update their account information. A "User ID" is needed to access BSO. Currently, passwords must be changed every 365 days to keep a User ID active.

Effective June 28th, BSO users will no longer have their User IDs deactivated because their password has expired, even if they only access BSO once a year. The new upgrade will require users to change their password every 90 days, but if the time period expires, the User ID is not deactivated. Instead, users will still be able to log in with their old password, but will be instructed to change it at that time.

Current users will be asked to provide answers to five familiar questions the first time they log in after June 27th. New users will be instructed to answer five questions chosen from a list. Users who forget their password at a subsequent log-in will be able to self-select a new password and gain access to registered services immediately after they have successfully answered the five questions.

Page 3

State Updates Summer 2008

ALABAMA

New Hire. Effective May 1, 2008, employers with five or more employees are required to report all newly hired, rehired, and recalled workers electronically to the Alabama Department of Industrial Relations

ALABAMA

Unemployment: Effective with second quarter 2008 reports, employers with five or more employees (previously 25), and all third-party tax preparers, must submit quarterly contribution and wage reports electronically .Magnetic media is no longer a filing option. New employers subject to Alabama unemployment tax law after June 30, 2008 are subject to this rule effective with the first quarterly report filed after a report that includes 25 or more covered employees. Penalties will be assessed against employers who do not file reports in the proper

ARIZONA

New Hire. The Legal Arizona Workers Act, which prohibits an employer from intentionally or knowingly employing an unauthorized alien, has been amended, effective May 1, 2008. Employer sanctions under the Act now only apply to employees hired after Dec. 31, 2007. The Act does not apply to independent contractors. The Act requires employers to register and participate in the federal E-Verify program before receiving an economic development incentive from a government entity. The legislation also establishes a Voluntary Employer Enhanced Compliance Program under which participating employers will not be subject to sanctions if program requirements are met

UTAH

New Hire. Effective July 1, 2009, public employers must register and use a status verification system to verify the federal employment authorization status of all new employees. Status verification systems include E-Verify, equivalent federal programs, the Social Security Number Verification Service, or a third-party system with an equal or higher degree of reliability

MN Gov vetoes minimum wage bill

Sen. Ellen Anderson just held a news conference saying Gov. Pawlenty vetoed the minimum wage bill. This was not a surprise since the governor said he had concerns about the size of the increase and a tip credit. Anderson said the governor let people down who are trying to make ends meet. In his veto letter, Pawlenty wrote:

"As the Legislature addressed the state minimum wage again this year, I was very clear that I would support a reasonable increase to the state minimum wage, provided that the bill included an acceptable tip credit. A tip credit allows an employer to pay a slightly lower minimum wage to employees whose jobs include the receipt of significant earnings through tips. Unfortunately, the authors of the bill chose to ignore my concerns and passed a bill that increases the minimum wage to more than 50 percent above the 2005 rate and does not include a tip credit for tipped employees."

He added that he's willing to consider a bipartisan minimum wage bill next session if it allows for a reasonable increase, creates a tip credit and does not unduly burden Minnesota's employers.

COLORADO

New Hire Reporting. The quarterly electronic Colorado Department of Labor (DOL) publication that is distributed to employers will soon include information on the federal law that prohibits the hiring or continued employment of unauthorized aliens. The publication will also include information on the federal electronic verification program



FAQ: PayMaster for Windows

Minimum Wage Increases.

With the upcoming minimum wage increase, how can I update my employee records without having to 'touch' each individual employee?

Step 1) Set the new minimum wage in the division setup. Go to **Setup/Division/Division** and put in your values for State Minimum Wage and State Tip Credit. For the states that follow the feds the the new rate will be \$6.55 and \$4.42 for the tip credit. When done be sure to hit update.



Step 2) Go to Setup/Employee/Mass Assign Raises.

This module allows you update all employees in the selected division, with the same job and the same rate to the new rate that you input.

Date of Raise: This is **NOT** the day the raise will take effect, so do not update anyone until right before the payroll where the new rate will take effect.

The date selected here will be used for the employees pay history to determine when their last raise was given.

Division: As different divisions could be in different states with different wage laws, you must choose the division that you want to update.

Job Name: This is where you select any job that pays less than the current minimum wage. Once selected the grid to the left will show you all the different rates that are contained within the selected division and job.

Old Rate/New Rate: This is the area that you will be making your changes. Just type in the new rate in the column called new rate! You can change multiple rates within a division, job selection before committing the changes.

IMPORTANT NOTE: Even though the federal rate for tipped employees has not changed (\$2.13), you MUST update all employees that are sub minimum wage to recalculate the overtime rate as the tip credit has changed. The new overtime rate for tipped employees will be:

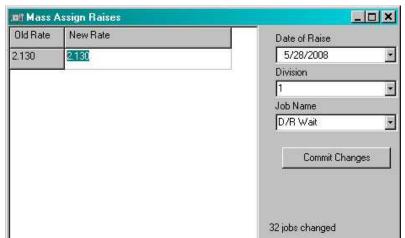
\$6.55 * 1.5 = \$9.825 - \$4.42 = \$5.405

The above values will work for the 12 states that follow the feds. If you are uncertain of what your state's minimum wage is, please consult your local Dept of Labor.

The latest auto update has an improved version of this module which makes updating this case with a single click. If there is no need to change the new rate, just press the button to commit the new overtime rate.



Please see the Auto Update history (page 5) for details on what other improvements have been made to the PayMaster Hospitality program.



PayMaster for Windows Updates

How to Use Remote Backup.

The remote backup module allows you to easily insure your important payroll data is safe and secure.

Please see the front page to find out how you can subscribe to this service. It is available to all PayMaster user with a high speed internet connection.

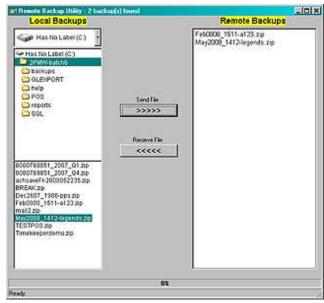
- Create your backups the usual way. Utilities/ Backup/Restore/Reindex. PayMaster recommends that you do a backup after each payroll. This ensures that in case of failure you will have the most recent data available to you.
- Once the backup is complete, you can then go to Utilities/Remote Backup and if you are authorized you will see the transfer screen.
- Press Connect to logon to our secure storage site. Only you will be able to see your files as each customer has their own custom logon and password.
- 4) Use the file browser on the left to choose the file you want to upload. At this time only Paymaster Backup sets can be stored remotely.
- 5) Press the Send File Button and your backup will be encrypted twice with your unique keys before being sent to your secure storage site.

Retrieving files is just as simple.

- Press Connect to logon to our secure storage site.
- Use the file browser on the left to choose the location where your backup will be downloaded.
- 3) File is then decrypted and ready for your use.

Do you email your backups or copy them to CD to bring to your main office?

Customers who do payrolls at multiple locations could also use this to transfer files back and forth from location to main office securely. All files stored on your secure site are encrypted twice to ensure confidentiality.



PayMaster Auto Update History

As of May 30, 2008

Remote Backup is now online.

Reports /Totals now has the option to report only on user selected Departments , Classes, or Jobs by ctrlclick or Shift-click.

Reports /Totals now has the option to breakdown department / Class /Job info by employee.

Can now renumber checks in case of printer jam.

Mass Assign Raises now can update OT rates without changing the regular rate.

Fixed Mass Assign Raises duplicate key message.

Many optimizations to various reports.

Fixed memory leaks when switching back and forth from Add New Employee to Setup Employee.

Other updates since EOY 2007 update.

941 updated for 2008

DE-6 Updated

W2- Filter by state

New additional income report

Vac/hol/sick GL number can now be specified by employee

"Helping Employers Do Payroll Right"

Support / Sales

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Want PayMaster Pro to save you more?

Do you know a colleague who you think might benefit from our program? Are your colleagues still using a payroll service? Or are they struggling with payroll solutions that are not equipped to handle the restaurant industry? You can save them time and money and benefit yourself at the same time!!!

With each referral that leads to a sale, you will receive

40% Commission.

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