Year-End Survival Guide - 2011

Make Your Year-End Successful!

With year-end fast approaching, now is the time to begin compiling information, verifying employee information, and ensuring W-2 data is accurate. To help in achieving this task, PayData has created the Year-End Survival Guide. This guide will give employers a check list of information needed with dates that are crucial at year-end.

TABLE OF CONTENTS:

How YOU can make year-end successful!

COMMUNICATE - If you have questions on how something should be handled, please don't guess. Call or email us and we will work with you to make sure things are done correctly. If you suspect that something is not correct, notify us immediately so we can put your year-end on hold if necessary. When sending information to PayData, remember to identify your company name, account number and Client Service Representative's name. This will ensure that it gets to the proper person immediately.

PLAN AHEAD – Please take a moment to look at your payroll schedule for the upcoming holiday season to determine if your normal check dates will be impacted. The Federal Reserve will be closed on November 11th, November 24th, December 26th and January 2nd. Your payroll can not be dated for any of these days. Keep in mind that all payrolls must be processed two business days prior to your check date. If you suspect that your normal check date and\or call-in\submission dates will be affected, please contact your Client Service Representative for assistance.

PERFORM A PAYROLL AUDIT – If you've had employees out on disability leave during the year, double check that you have posted all of your disability/3rd party sick payments, or communicated them to us. **Important:** Disability payments must be posted in the year of receipt; you cannot hold them and post them in 2012. Review last year's information, to see if you need to post any Taxable Benefits such as Group Term Life, Shareholder Insurance, ER HSA contributions. If you have HSA contributions that are being direct deposited, double check that all the funds transfers were successful. Contact your CPA now if you are unsure whether or not you will need to post any additional items for this year as well.

KEEP A LOG – Please keep our year-end calendar handy to verify dates and deadlines! Utilize the client task list enclosed to compile a list of year-end needs and cross them out as completed.

DELIVERY CHANGES – The post office is over-whelmed this time of year. If you have your payroll delivered via mail, we STRONGLY advise switching to an alternative method through the holidays. PayData **CANNOT** track your payroll when it is sent via US Mail. Your year-end information will be automatically sent via courier service so it can be tracked. Please communicate to your Client Service Representative if there are any permanent road closures in your area due to regional weather.

Employer Check List

NOVEMBER 2011

__√__ **<u>Tuesday, November 1st, 2011</u>** - You will receive a W2 edit list with your payroll closest to 11/1/11.

_____ **<u>Friday, November 4th, 2011</u>** - Verify the check date for the Veterans Day holiday week. Adjust call in date if necessary.

_____ **<u>Monday, November 14th, 2011</u>** - Verify the check date for the Thanksgiving holiday week. Adjust call in date if necessary.

_____ **<u>Friday, November 18th, 2011</u>** – Watch the mail for communication from Disability Administrators regarding the printing of employee 3PS W2s. **Tell them not to print** !

_____ **<u>Thursday, November 24th & 25th 2011</u> -** PAYDATA CLOSED.

_____ **<u>Friday, November 25th, 2011</u>** - Don't forget to remind employees to complete a new W4 form if they are currently claiming Exempt status.

DECEMBER 2011

_____ **<u>Thursday, December 1st, 2011</u>** - Record Retention deadline. Please send this form back and specify yes or no to record retention.

_____ **<u>Thursday, December 1st, 2011</u>** - Deadline for Social Security Verification.

_____ **<u>Friday, December 2nd, 2011</u>** - Deadline for returning completed W2 edit list with edits and signature. **REMOTE USERS**: Please make your changes, sign and return the last page of the edit list upon completion.

_____ **<u>Thursday, December 8th, 2011</u>** - Deadline for notifying your representative of any 2012 company or global changes, additional 2011 payroll runs or taxable benefit postings.

_____ **<u>Monday, December 12th, 2011</u>** - Verify your check dates for the Christmas holiday week.

_____ **<u>Thursday, December 15th, 2011</u>** - Deadline for VT Healthcare Quarter 4 updates.

_____ **<u>Thursday, December 15th, 2011</u>** - Deadline for notifying your representative to keep your year-end open.

_____ **<u>Thursday, December 15th, 2011</u>** - Deadline for Disability / 3rd Party Sick Pay Letter.

_____ **<u>Friday, December 16th, 2011</u>** – Verify that all voids and manual checks have been posted.

_____ **<u>Monday, December 19th, 2011</u>** - Verify your check dates for the New Years Day holiday week.

_____ **<u>Monday, December 26th, 2011</u>** - PAYDATA CLOSED.

_____ **<u>Friday, December 30th, 2011</u>** – Last date to process a 2011 payroll to ensure timely 941 \ 945 tax deposits

JANUARY 2011

_____ **<u>Monday, January 2nd, 2012</u>** - PAYDATA CLOSED

_____ **<u>Tuesday, January 3rd, 2012</u>** - Quarterlies are processed from January 3rd to January 13th..

_____ **<u>Wednesday, January 4th, 2012</u>** - Last possible deposit date for 2011 941 taxes.

_____ **<u>Friday, January 13th, 2012</u>** - W2s are processed and sent out from January 13th to January 25th.

_____ **<u>Friday, January 13th, 2012</u>** – Last day 1099M information can be posted in the system .

2012 Payroll Reminders

2012 HOLIDAY CHECK DATES

The Federal Reserve will be closed on the following days: ▲ = **PayData CLOSED**
◘ = **Federal Reserve CLOSED**

◘ ▲ January 2nd - New Year's Day

◘ January 16th, 2012 – Martin Luther King Day

◘ ▲ February 20th, 2012 - President's Day

◘ ▲ May 28th, 2012 - Memorial Day

◘ ▲ July 4th, 2012 - Independence Day

◘ ▲ September 3rd, 2012 - Labor Day

◘ ▲ October 8th, 2012 - Columbus Day

◘ November 12th, 2012 – Veterans Day

◘ ▲ November 22nd 2012 Thanksgiving Day

▲ November 23rd, 2012 – Day After Thanksgiving

◘ ▲ December 25th, 2012 – Christmas Day

Even though your local bank may be open, the Federal Reserve is **closed.** If your check date falls on one of these days **YOU MUST CHANGE IT**.

Please take a moment to look at your 2012 payroll schedule to determine if you are affected by these dates. If so, work with your Client Service Representative to **adjust your call, fax or submission date and time, as well as your check date.** Please remember that you must process your payroll **two business days prior** to your check date.

2012 MINIMUM WAGE - As of 1/1/12 Batch clients: please notify your Client Service Representative for all employee changes. We will not automatically change employee rates of pay.
Remote clients: it is your responsibility to make all necessary employee changes.

Regular	**Tipped**
Federal: $7.25	Federal: $2.13
Vermont: $8.46	Vermont: $4.10
New York: $7.25	New York: $5.12
New Hampshire: $7.25	New Hampshire: $3.27
Massachusetts: $8.00	Massachusetts: $2.63

Vermont Employers

Don't forget that a new employee Health Declaration of Coverage Form needs to be completed each year. You can find the Employee Declaration form and information on the VT Healthcare Determination process on our website at **www.paydata.com** under the Resource Center.

New York Employers

All employees need to be provided with an annual statement regarding the Wage Theft Prevention Act

Tax Reminders

IMPORTANT TAX DATE – January 4th, 2012

This is the last possible deposit date for 2011 federal withholding.

Any 2011 deposit made later than January 4th, 2012 will incur penalties.

The last possible day to process payrolls dated for 2011 is December 30th, 2011.

After this date, penalties WILL result.

COMPANY AND GLOBAL CHANGES

If you need to make any company or global changes for 2012, you must notify your Client Service Representative by December 8th. Examples are: changes to your insurance premiums or changes to your pension per pay period contributions. Failing to notify us by this date will result in delays in processing these changes. If you are adding new benefits to your company, please notify your Client Service Representative to ensure that the correct earnings or deduction codes are in place.

TIME CLOCK CALENDARS

Many of PayData's time clock solutions utilize calendars to track when a holiday is set to occur. These holidays allow the user to apply different rules to hours that occur on those days. Please let your Client Service Representative know if you are making any changes to your holiday schedules for 2012.

BONUS PAYROLL & SPECIAL PAYROLLS

If you plan to process any additional or bonus payrolls, please contact your Client Service Representative by December 8th for scheduling and return the enclosed Supplemental/Bonus Payroll Request Form. This will enable us to work with you to set up a **Payroll Check Template**.

The use of check templates in payroll is a valuable time saver. A template can be created that will dictate which scheduled earnings or deductions are being withheld from the checks. It can also establish how Federal, State and Local taxes are withheld or blocked. The use of a template can also prevent certain scheduled earnings or deductions from being taken on the checks, including direct deposit.

PLEASE be aware that check templates do not look at reciprocal state settings. Any employee with a reciprocal state set up will need to be adjusted manually in the payroll.

REMOTE USERS: To set up a new payroll check template or to review an existing template, go to; Company-Payroll Defaults-Payroll Check Templates. More information on setting up and using Payroll Check Templates can be found in our user manual. Please visit our website at www.paydata.com and click on the 'Resource Center', and access the 'Evolution Manual'. If you have any questions, or need a password to access this manual please contact your Client Service Representative.

TAXABLE BENEFITS

Please post your year-end taxable benefits within a regular payroll so that the correct employee taxes can be calculated. Failure to do so will result in extra payrolls needing to be processed to correct the error, resulting in additional fees and potential penalty charges. Examples of Taxable Benefits are: Group Term Life, Shareholder Insurance, Stock Options, Moving Expenses and Taxable Auto.

Also, it is strongly suggested that you post your Taxable Benefits regularly throughout the year but no later than your last scheduled payroll in December. This will allow us time to make adjustments if something isn't posted correctly.

HAVE QUESTIONS ON HOW TO POST DECEASED WAGES? Please go to http://www.irs.gov/pub/irs-pdf/iw2w3.pdf

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STAY UPDATED & INFORMED Need help posting taxable moving expenses? Not sure how to handle Group Term Life? You can find many useful links and payroll tips on our website. Visit our website at www.paydata.com. Once you are there go to the Resource Center and under Evolution Documentation select PayData Procedures. Please contact your Client Service Representatives if you need a login and password to access the documents.

PAYROLL ADJUSTMENTS

Remote Users: Please confirm that all in-house manual checks or voided checks that need to be processed have been entered into the system by December 16th.
Phone, Fax, evoClock, eSheet clients: Please notify your Client Service Representative of any manual checks or voids that need to be processed before your last payroll in December.

Important: Disability payments must be posted in the year of receipt; you cannot hold 2011 payments and post them in 2012.

Affordable Care Act

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. The IRS has published a new notice providing guidance for employers that are subject to this requirement for the 2012 Forms W-2 and those that choose to voluntarily comply. Both the employee and employer amounts should be reported together in Box 12 DD of the Form W2.

The IRS guidelines indicate that the 'employer sponsored coverage' is defined as coverage under a group health plan that the employer makes available to the employee that is non-taxable to the employee. Certain types of coverage are excluded from the definition. These include: Coverage for long-term care; certain HIPAA exempted benefits; amounts contributed to Archer MSA; amounts contributed to a Health Savings Account; and amounts contributed to a Flexible Spending Arrangements (FSA).

For questions and answers on Employer Reporting Requirements to Employees on health coverage information as well as a full listing of exempted coverage go to www.irs.gov and search for Notice 2011-28.

TO ENSURE ACCURATE PAYROLLS

REMOTE USERS:

To help ensure the accuracy of your payroll, ALWAYS review and verify: Check date, batch beginning and ending dates and your totals on the 'earnings and deductions' tab in payroll entry. This should be done prior to submitting your payroll to PayData. Please call PayData if you find any discrepancies.

BATCH USERS:

(Payroll submitted via fax, email, e-sheet, call in): ALWAYS verify: Check date, batch beginning and ending dates, and totals for all earnings and deductions on the document you are submitting to PayData for processing. This should be done prior to submitting your payroll to PayData. Please note any discrepancies.

If you have employees who are here on a VISA, make sure that you have accurate Social Security Numbers. Double check the VISA expiration dates and types to ensure proper taxation.

FRIENDLY DELIVERY REMINDER

PayData must receive your company's payroll by the following times in order to ship out according to your company's delivery method.

MONDAY – THURSDAY
FedEx - 1:00 PM
Priority Express - 3:00 PM
Priority/First Class Mail - 3:00 PM

FRIDAY
All delivery methods must be received by 1:00 PM.

If you normally pick up your payroll from our office, the following deadlines exist:

Submit by 9:00 AM / Pick up after 2:00 PM
Submit by Noon / Pick up next day after 8:30 AM

Please note Priority Mail and First Class Mail are not traceable and are not guaranteed next day delivery.

Please communicate to your Client Service Representative if there are any permanent road closures in your area due to regional weather

Don't forget, during year-end processing, PayData must unfortunately discontinue the duplexing of reports.

Thank you for your support!

2011 & 2012 Limits

MAXIMUM OASDI WAGE LIMIT

2012 - The OASDI wage limit for 2012 increases to $110,100. This is up from $106,800 in 2011. The employee tax credit reducing their contribution from 6.2% down to 4.2% is set to expire at the end of 2011. If it is not extended, the Maximum tax paid by employees will be $6,826.20. If it is, the maximum will be $4,624.20.

MEDICARE WAGE LIMIT

There is no wage limit on Medicare tax.

SIMPLE PLAN

2012 - Simple employee contribution plan limit remains at $11,500. For employees aged 50 and over, the Simple employee catch-up contribution limit is $2,500.00 which is unchanged from 2011. Catch-up contributions are not automatically matched by the employer. Please check your plan documents for confirmation.

401K & 403B & 457

2012 - Employee contribution limit to 401K, 403B or 457 plans increase to $17,000. For employees aged 50 and over, the Employee catch-up contribution limit is $5,500 which is unchanged from 2011. Catch-up contributions are not automatically matched by the employer. Please check your plan documents for confirmation.

Note – The Federal Maximum wage limit for ER Match is $250,000 for 2012.

HSA PLANS

Total employee and employer combined contributions can not exceed:

	2012	**2011**
Single -	**$3,100.00**	**$3,050.00**
Family -	**$6,250.00**	**$6,150.00**
Catch-up -	**$1,000.00**	**$1,000.00**

According to IRS Publication 15-B: A Health Savings Account (HSA) is an account owned by a qualified individual who is generally your employee or former employee. Catch-up contributions are limited to employees aged 55 and over.

NOTE: Please don't forget that the employer contribution to HSAs MUST be posted in payroll. The IRS requires that both the employee pretax and the employer contributions be reflected in box 12W of the employee's W2 form.

Dependent Care Limit - $5,000.00 EE and ER combined.

W2 Edit List

THIS INFORMATION IS <u>CRITICAL</u> IN GENERATING ACCURATE W2 FORMS.

PayData <u>will not</u> be responsible for inaccurate data. It is the employers' responsibility to confirm all data. If W2s need to be reprinted due to inaccurate information, additional **<u>FEES WILL RESULT</u>**.

You will be receiving a W2 Edit List with your payroll **closest to November 1st**. Please review the list and verify the following:

The employee's name matches that on the employee's social security card, **<u>DO NOT</u>** use nicknames.
Confirm that the company name and address shown is what should be printing on the W2s.
All employees must have a **<u>VALID</u>** social security number. All zeros or all 9s are NOT ACCEPTABLE.
Note : If you hire an employee after your first payroll in November, they will not be included on the W2 Edit List; double check these employees for accuracy. Don't forget to review employee VISA information.

Please make changes and return to PayData no later than December 2nd.

REMOTE USERS: Please make your own changes and fax PayData the final page, signed, confirming all changes. Be sure to notify your Client Service Representative of any incorrect social security numbers. **[Note: Changes made to employee addresses and social security numbers in 2012 will <u>not</u> automatically be reflected in 2011 W2s. If you need to make retroactive changes, please contact your Client Service Representative.]**

Record Retention

Federal and state law requires that your business maintain complete payroll and employee information, regulations vary by state and agency. There are costly fines associated with the failure to retain these records.

For example: The **Internal Revenue Service** may ask a company to reproduce a 941 tax return for 2007 as late as the year 2012.

PayData will store your 2011 payroll history for $75.00. The fee is automatically applied to your invoice closest to December 15th.

<u>All Clients MUST</u> fill out and return the enclosed Record Retention form to Finance by December 1st. Please specify "Yes" or "No" to Record Retention. If you have any questions regarding this service, please call Michele Allard at extension 123.

Social Security Verification

Correct names and social security numbers on W2 wage reports are the key to successful processing of your annual wage reports. PayData's SSN verification service will save you time and money by assuring proper credit of employees' earning records, avoiding costly reprocessing fees, and reducing year-end stress. If you would like to participate in this service please call Michele Allard at ext. 123 by December 1st. <u>A file fee of $25.00 will be applied to your year-end invoice</u>. If you have previously signed up for SSV, we will continue to file on your behalf until you notify us to discontinue.

W2 Information/Fees

W2s will be processed and sent out from January 13th to January 25th

- All employee W2s will be printed on pressure sealed stock and sealed automatically. Employer and state copies will be printed on regular W2 paper.
- Many employers request that various earnings, such as 3rd party sick or S125 insurance be reported in box 14. Please be aware that only 3 entries may be included on the employees W2 in box 14. If an employee has more than 3 items they will print on a second W2. The employer W2 copy can contain 4 entries in box 14.
- Your W2s will be sent via courier service, in order to track them should they become lost. **Your 940 federal unemployment return and your quarter four quarterlies will be sent with your W2s**.
- **PAYDATA** files all W2 information with SSA on mag media, the mag media will be created on 2/28/12. At that time, the year will be officially closed and we will no longer accept 2011 adjustments. W2 copies will be available to clients utilizing evoPay after that time. Please be aware that W2Cs will not appear in evoPay.
- **NON-TAX SERVICE CLIENTS:** It's your responsibility to file W2 copies to the states that require them. PayData will file W2 information to the SSA.
- If you have companies that are **consolidated,** we will only run W2s from the consolidated company.

W2s
$3.95 each plus shipping & handling
$30.00 electronic filing base fee

1099M and 1099R Forms
$10.00 each plus shipping & handling
$25.00 minimum

W2 Reprint Fees
$8.00 per W2. Reprint requests submitted no later than 12:00pm on Thursday will be processed on Friday of each week

Reprocessing Fees
$75.00 minimum for Quarterlies
$8.00 per W2
1099M/R – quoted

W2C and Amended Returns
Fees for these services will be quoted on an individual basis, with a minimum fee of $50.00.

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If your company has made state tax payments not processed by PayData, you will need to forward tax information to PayData so returns can be adjusted.

PayData will be offering W2s on CD for the tax year 2011. The CDs will be stamped after the magnetic media is created. If you would like this service, please contact Michele Allard at extension 123. A $100.00 creation fee will be invoiced at the time of creation.

Processing 1099M & 1099R Forms

PayData processes 1099M forms for reporting rent and non-employee compensation only. PayData processes 1099R forms for reporting pension payouts (please be specific as to rollover, death, early retirement, etc). If there is any federal withholding, a separate company must be set-up on our system, as the 1099R withholding taxes need to be reported on a 945 tax return. PayData's default is to only print those 1099Ms which are over the federal limit of $600.00. If you wish all 1099s to print regardless of amount, you must notify your Client Service Representative no later than Thursday December 8th.

All 1099 information must be posted in the system no later than 01/13/2012. PayData reserves the right to not process or prepare 1099 returns received after this date.

TAX SERVICE CLIENTS

PayData files the 1099 federal and state copies for you, unless otherwise requested.

NON-TAX CLIENTS

Depending on where your business is located, you will need to File 1099 Forms to either: IRS, Austin TX 73301 or IRS, Kansas City MO 64999 and to the appropriate state agency.

If you would like PayData to assume full responsibility for your payroll tax deposits and filings in 2012, please contact our Finance Department to obtain the appropriate paperwork.

Notes:

WHO DO I CONTACT???????

Assistance Directory
Phone (802) 655-6160 • Please Use individual Fax Numbers
(Physical) 59 Rathe Road Colchester, VT 05446 • (Mailing) PO Box 706 Essex Jct., VT 05453

Finance Department – Fax (802) 338-5514

Invoice Questions, Bank Account Debits\Credits, New Hire Reporting, WC Pay As You Go, SSV, Record Retention

Ext.
123 Michele Allard - mallard@paydata.com

Tax Department - Fax (802) 923-2812

Adding a State to a Company, Tax Booklets, SUI Rate Changes,
Tax Frequency Changes, Tax Returns, Tax Related Notifications, Tax Notice, Non Payroll Tax Payment

Ext.
112 Sandy Veino - sveino@paydata.com
136 Ruth Butts - rbutts@paydata.com
156 Denise Bell-Hollinger - dhollinger@paydata.com

Conversion & Training Department – Fax (802) 923-2813

New Accounts Currently in Conversion, Time Clock Set Up, New Client Trainings

Ext.
115 Lisa Wilson - lwilson@paydata.com
168 Christy Hollstein - chollstein@paydata.com
169 Emily Davis - edavis@paydata.com

Sales - New Payroll Sales, New TimeClock Sales

Ext.		
107 Bruce Blokland	Fax (802) 923-2826	bblokland@paydata.com
176 Darah Meyer	Fax (802) 923-2827	dmeyer@paydata.com

Client Service Representatives- Payrolls, Payroll Adjustments, All Employee Changes, Evolution Support, General Ledgers, Time Off Accruals, Any Company Changes, Time Clock Support

Team A

Ext.		
160 Nancy Muzzy	Fax (802) 923-2830	nmuzzy@paydata.com
132 Missi Cochran	Fax (802) 923-2838	mcochran@paydata.com
133 Leah Shepard	Fax (802) 923-2837	lshepard@paydata.com
113 Karen Ward	Fax (802) 923-2835	kward@paydata.com
117 Carrie Henry	Fax (802) 923-2829	chenry@paydata.com

Team B

Ext.		
131 Linda Wilson	Fax (802) 923-2831	lcwilson@paydata.com
111 Jessica Whitehouse	Fax (802) 923-2832	jwhitehouse@paydata.com
147 Lisa Little	Fax (802) 923-2834	llittle@paydata.com
158 Sasha Nolte	Fax (802) 923-2833	snolte@paydata.com

PAYDATA

Working for you.

<u>Disability /3rd Party Sick Pay</u>

November, 2011

Dear PayData Client

Please take a moment to confirm your YTD figures for disability/3rd party sick payments. You can find these figures on your most recent payroll register. Please verify the amounts listed, sign, and return this form to us **<u>no later than December 15th, 2011.</u>**

If we do not receive this form by December 15th, we will assume that you will not have any further disability/3rd party sick payments to post for 2011, and will release your company for year-end processing.

If you have not notified us to keep your year-end open, and disability/3rd party sick payments are received after December 15th, 2011, <u>you will be charged additional fees to reprocess your tax returns and receipt of returns may be delayed.</u>

Many administrators give employers an option to receive W2s directly from them for the benefits issued. We strongly suggest that you decline this option as this will result in an overstatement of the employee earnings and will result in a Tax Discrepancy Notice. Contact your administrator and instruct them **NOT** to produce any employee W2s and **NOT** to file any employee W2s with the SSA or state agencies. To assist PayData's tax department in resolving tax payment issues made by the administrator, please provide us with your administrator's name and EIN number.

If you receive W2s from the disability administrator **<u>DO NOT</u>** pass them along to your employees and please notify PayData immediately. Failure to follow this advise <u>will result</u> in incorrect employee wages being reported and <u>will result</u> in costly amended returns needing to be filed.

If you have any questions concerning this or other year-end information, please do not hesitate to call your Client Service Representative for assistance.

Sincerely,

Client Service Department

___ N/A Company does not offer this benefit.

___ All disability/3rd party sick pay for 2011 has been recorded.

___ Additional disability/3rd party sick pay information needs to be recorded – please place my company's year-end processing on hold until it is submitted to PayData.

Name (please print) ____

Company Number _____________Company Name ________________________________

Administrators Name ____________________________Administrators EIN.____________________________

Signature ____ Date ________________________

Supplemental/Bonus Run Request

Company Number ______________ Company Name _________________________________
Template Name to Use _______________________________ Caution – templates may change throughout the year.

Check Date** _______________ Period Begin _______________ Period End ______________
**** Be advised that if your company subscribes to evoPay, all transactions are available for review on check date.**
**** PayData requires that you process 48 hours before your check date – this rule also applies to Supplemental/ Bonus runs.**

Additional Run? **Yes No** Add in regular payroll? **Yes No** If yes, second check? **Yes No**

Comment to print on check? ____

Gross Up? (net + selected taxes) **Yes No** If yes (***circle applicable taxes***) **OASDI Medicare Federal State**

Tax Frequency*: (circle) **Weekly Bi-Weekly Semi-Monthly Monthly Quarterly**

Semi-Annually Annually OASDI / Medicare only

Flat Percent _____% Federal Flat Percent _____ % State(s)

Supplemental Rate Federal Supplemental Rate State(s)

****States of NH, FL, TN, TX, AK, NV, SD, WA, WY <u>do not</u> have state withholding**

Block Additional Federal and/or State tax? Yes No
*** Seek direction from your accountant or IRS Publication 15 (Circular E) if uncertain as to how taxation should be handled.**

Block Partial Direct Deposits? **Yes No** Block Net Direct Deposits? **Yes No**

Block Pension? (401K, 403b, Simple) **Yes No** Block other pre-tax deductions? (S125) **Yes No**

Block Recurring Deductions? **Yes No** Earning Code to be used (ex. bonus, misc)? __________________
Be careful when blocking garnishments. Some garnishments are taken on <u>all</u> wages; some are a flat amount per month/week.

Block YTDs on stub? **Yes No** **Note: Net pay amounts cannot be blocked from YTDs.**

Delivery Instructions: ____

Special Instructions: ____

Authorized by: ________________________________
Title: ________________________________ Date: _____________________

PayData Use Only
Rep ____________________ Time Requested____________________ Time Processed __________________

P.O. Box 706 Essex Jct., VT 05453-0706 • Phone 802-655-6160 • Use New Fax Numbers

PAYDATA
Working for you.

PAYDATA RECORD RETENTION

IT IS NOT ONLY IMPORTANT - - IT IS THE LAW!

Year end is upon us yet again, and a major issue for today's business is availability of past year's information. PayData is offering, again this year, payroll record retention services to our clients. We offer this service to you as an optional benefit of PayData Payroll Services. This service can save you time, money, and all the worries of lost or misplaced payroll information. Federal and state law requires that you maintain complete payroll and employee information; the regulations differ by agency and state. There are costly fines associated with the failure to retain these records. For example, the Internal Revenue Service may request that a company reproduce 941 tax returns for 2007 as late as 2012. Complete payroll records can protect your company from costly lawsuits, tax assessments, and insurance adjustments. PayData can store all of your payroll history for the year 2011 for the next five years and reproduce it in detail upon request.

RECORD RETENTION COSTS

Record Retention Fee	$75.00
To Open Previous Year (includes two free reports)	$35.00
Each Additional Report	$ 9.00

Please fill out this form and mail or fax back to the Finance Department by December 1, 2011. If this form is not returned PayData will assume that you require record retention **and you will be billed accordingly**. Please contact PayData's Finance Department at finance@paydata.com directly with any questions or concerns relating to your company's record retention.

I DO WANT RECORD RETENTION

Company Name:____

Signature:_____________________________________Date:___________

I DO NOT WANT RECORD RETENTION**

Company Name:____

Signature:_____________________________________Date:___________

**Please Note: If you decline this service and in the future request this information from PayData, the cost will be $175.00 per year requested and $9.00 per report requested. PayData will not guarantee that your history will still be on file, unless you choose the record retention service.

P.O. Box 706 Essex Jct., VT 05453-0706 • Phone 802-655-6160 • Fax 802-338-5514 • finance@paydata.com