

Now Computer Aid pays you \$\$ for new customers!
Recommend a new client to us, and when they buy,
you will be paid 10% of the purchase price.

"What a nice surprise to get a referral fee—it was great!"

That was Betsy Magen's reaction when she received the check from Computer Aid Corporation after recommending *PayMaster*™ to a friend who was a former boss at another restaurant.

User Spotlight (please see page 5). She has been using *PayMaster* since 1986 at Margaritaville Restaurants in California.

"Ted Burke, my friend and former boss at Shadowbrook Restaurant, had tried three or four different payroll programs and outside services. None of them

nicer is that I got a referral fee from Computer Aid! I used it to buy a new outfit."

Be a hero — recommend *PayMaster* for both tipped and non-tipped companies.

Irma Bast has been a *PayMaster* user since 1984 when she was working at Mrs. K's Toll House in Silver Spring, MD, and they got *PayMaster* payroll and accounting from Computer Aid. Irma says, "I was totally green — I had never used a



Continued on page 2.

Be a hero
continued from page 1.

Computer Aid Corporation PO Box 1074 Vienna, VA 22183	National State Bank 2345
Pay to the order of	Date 6/197
Your name here!	\$200.00
Two hundred and -----00/100 Dollars	
10% referral fee on \$2,000 <i>PayMaster</i>	<i>Donna Rosen</i>

Betsy is featured in this issue's

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had worked. There were problems with checks, problems with W-2s. So I told him about Computer Aid's payroll software because it is set up for restaurants and works so well for all the Margaritaville restaurants. He took my advice and got *PayMaster*."

"It was so nice to receive his thanks for helping him find a good solution to their payroll problems. And, what made it even

EFTPS deadline near!
Penalty delayed.

July 1, 1997, is the deadline for making all federal tax deposits electronically. Please see page 3 for this and other tax law changes.

computer before. So, of course, the first time I ran W-2s, I had ordered the wrong kind for my printer. Computer Aid was right there delivering the correct ones and helping me print them.”

“In 1992, I began working at the Supreme Council of the Scottish Rite of Freemasonry (a fraternal

Irma Bast, accountant, the Supreme Council

philanthropic organization). We were using ADP for payroll, and calling in the information. One of the first things I noticed was that ADP wasn’t able to handle all our needs. We have deferred compensation, 401(k), cafeteria plans, executive advances, and pensions to be directly deposited into our employees’ and retirees’ bank accounts.”

“Even though we didn’t have tips, I wanted to use *PayMaster* because it would do everything we needed. And, I know Computer Aid stands behind their product. If there was a problem, they took care of it.”

“I might have been intimidated with doing payroll in-house if I

hadn’t used *PayMaster* before at Mrs. K’s. But I know how to do payroll manually, and *PayMaster* makes it so easy on the computer, that I knew there wouldn’t be a problem.”

“*PayMaster* has been wonderful keeping up with Supreme Council’s changing needs. Other programs didn’t have the flexibility we need in payroll. *PayMaster* has that flexibility. The executives, pensioners, and employees are pleased that they can have their checks deposited directly into their accounts. And Rear Admiral William G. Sizemore, Retired, the Supreme Council’s Grand Executive Director, was very pleased with the transition from ADP to *PayMaster*, especially with the accuracy and how smoothly the payroll processing flows.”

“Not only was *PayMaster* exactly what we needed, but Computer Aid gave Supreme Council a 10% discount because of my recommendation to purchase the software. Needless to say, my boss was very pleased.”

“*PayMaster* allowed us to expand Direct Deposit, using it for our pension and expense checks. With ADP, doing this would have been very expensive because they

How to get *your* referral fee

1. Give Computer Aid’s name and number to friends and colleagues who may be interested in *PayMaster* or our time clocks.
+
2. Ask them to tell us that you referred them. And, call us or send a note with their names and numbers.
=
3. When someone you refer to us purchases *PayMaster*, we’ll send you a check immediately, along with our thanks.

would have charged us for two additional “companies” — one for each type of check.”

“And, as an added bonus, I am able to do a credit EFTPS deposit. Now I don’t have to allow the IRS access to our account to deduct the tax deposits. I can send it into their account!” ■

SSN verification

You can now verify social security numbers for newly hired employees. For up to five employees at one time, call 800-772-1213; up to 50 employees, contact your local social security office; over fifty employees, register with SSA’s Client Identification Bank at 410-965-7140.

If an employee’s name has changed, continue to use the old name until the employee has a new card with the new name. To update Social Security records, the employee should call 800-772-1213.

Tax law changes

Federal

- EFTPS is here. Starting July 1, 1997, all employers whose tax liabilities exceeded \$50,000 in 1995 must file tax payments electronically.

The IRS will delay issuing penalties until 12/31/97 for failing to file federal tax deposits electronically. The amnesty applies only to the 10% penalty under EFTPS for failure to file electronically. Failure to deposit timely FTD payments is still in effect. These penalties are 2% of the deposit if it is 1-5 days late, 5% if it's 6-15 days late, and 10% if it's more than 16 days late.

Federal minimum wage increases to \$5.15 9/1/97

Remember to change:

1. Federal minimum wage \$5.15 (INIT/COMPANY/COMPANY)
2. Minimum wage for adj/ overtime (INIT/DIVISION/ DIVISION) (may be different if your state has different minimum wage)
3. Percent of Minimum Wage if different (INIT/DIVISION/DIVISION)
4. Each affected employee (DISPLAY/EMPLOYEE)

Call to have our Minimum Wage Checklist faxed to you.

- New Hire Reporting is required for all states beginning 10/1/97. Employers nationwide are required to report all newly hired employees to their state register. Multi-state employers are allowed to select one state to which to report. Use

PayMaster's New Hire Report (REPORTS menu — OTHER/DATE) to make complying much easier.

- Enacted 10/1/96, the new Health Insurance Portability and Accountability Act requires a health plan or insurer that imposes a preexisting condition exclusion to reduce the length of exclusion by an individual's creditable coverage. A new employee is entitled to a certificate of Creditable Coverage from his or her former employer indicating prior health coverage. The certificate should include the date of the certificate, the group health plan supplying coverage, its address, phone number of the entity issuing the

certificate, whom to call for additional information, the date the coverage ended, the date any waiting period began, and the date the coverage began.

- Federal minimum wage increases to \$5.15 9/1/97.

State unclaimed wages

ID Effective 7/1/97, wages of \$50 or more must be reported to the state tax commission. The employer must also send written notice to the owner of the wages.

State unemployment

ID Effective immediately, unemployment wage base is lowered to \$21,000.

State minimum wage

AR 7/1/97 minimum wage increases from \$4.25 to \$5.15; tipped employees must be paid \$2.83 with a 45% tip credit allowed. 10/1/97 increases to \$5.25; tipped employees to \$2.89.

CA Daily overtime eliminated for employees in manufacturing, professional positions, technical, clerical, mechanical, public housekeeping, merchandise and transportation.

State withholding

OH 7/1/97 many local tax rates increase.

State child support

UT 10/1/97 remit child support within 7 days after date amount would have been paid to the employee.

THE BLUE PAGES

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Q & A

Q. I received a child support order from the state to deduct \$80 per pay period without regard for the amount of net pay left the employee. How can I do that?

A. *PayMaster* 7.2 can handle that situation, as shown below. Enter **65** for **Amt**; **C** for **Typ**, **\$80** for **Max**, and **P** for **Per**.

I need to void?

A. When you print checks (on plain paper, display, or actual checks), *PayMaster* records them in the

A. It depends on which version of *PayMaster* you have. For all versions, use deduction fields 1 or 2, since these deductions allow a specific dollar amount or percentage per pay period, month, or year.

WILLIAM TREE		Employee				Employee count: 14/26								
Empl code	Name (Last)	(First/I)	SSN	Status	Hire date	End date								
1-08	TREE	WILLIAM	123-45-6789	A	07/10/89									
Street		Address		City, State abbr.	Zip	Phone								
2010 CENTER STREET		VIENNA, VA		VIENNA, VA	22182	(000) 666-4444								
I-9 (y/n)	Filing Fed (y/n)	status St/loc (y/n)	Fed W/H (y/n)	EIC	State	Tax codes Loc 1	Loc 2	SUTA1	SUTA2	Fed'l allow	Add'l W/H			
Y	S	S	Y	0	1	0	0	1	1	1	5.00			
State/Loc allowances		Add'l	Pension	401K		Deductions		child support						
Pers	Dep	HOH	Addl	State	WH	(y/n)	Amt	Typ	Max	Per	Amt	Typ	Max	Per
1	0	0	0	0.00		Y	3.00	%	9500.00	Y	65.00	C	80.00	P

PayMaster 7.2: Withhold up to \$80, leaving employee 65% of net pay.

check register (check history file for **Xtra** users). It does nothing to the pay files (those are updated in the step prior to printing the

checks).

If you reprint checks and use the same check numbers as earlier, *PayMaster* writes over the checks with the same number that are already in the check register/history file. So, no need to void anything.

If you reprint checks and use different numbers, the check register/history file has both sets of checks. You want to void the messed up checks. Void them only from the check register, not from the pay files.

Before doing anything, print a check register for the affected date range to see exactly what is in the check register/history file. (REPORTS/OTHER/CHECKS) Reason: if you interrupt check printing, some checks may have gone to the printer buffer but not actually printed. *PayMaster* considers them printed once they've gone to the buffer. ■

WILLIAM TREE		Employee				Employee count: 14/26								
Empl code	Name (Last)	(First/I)	SSN	Status	Hire date	End date								
1-08	TREE	WILLIAM	123-45-6789	A	07/10/89									
Street		Address		City, State abbr.	Zip	Phone								
2010 CENTER STREET		VIENNA, VA		VIENNA, VA	22182	(000) 666-4444								
I-9 (y/n)	Filing Fed (y/n)	status St/loc (y/n)	Fed W/H (y/n)	EIC	State	Tax codes Loc 1	Loc 2	SUTA1	SUTA2	Fed'l allow	Add'l W/H			
Y	S	S	Y	0	1	0	0	1	1	1	5.00			
State/Loc allowances		Add'l	Pension	401K		Deductions		child support						
Pers	Dep	HOH	Addl	State	WH	(y/n)	Amt	Typ	Max	Per	Amt	Typ	Max	Per
1	0	0	0	0.00		Y	3.00	%	9500.00	Y	80.00	D	80.00	P

PayMaster 7.2: Withhold \$80, no matter how much is left in net pay.

On the employee's screen, as shown above for *PayMaster* 7.2, enter **\$80** for **Amt** and also for **Max**. Enter **P** (pay period) for **Per**. Enter **D** for **Typ**. [Note: If you have Version 7.04, enter **C** for **Typ**]. This deducts \$80, no matter how much is left.

Q. What happens if I tell *PayMaster* to deduct the \$80 and the employee has a zero pay check? I called the state and they said I could let the employee keep 65% of the net pay with a maximum to be withheld of \$80.

Q. I'm confused about reprinting just some of my checks.

A. To reprint only **some** of your checks, press **^** to return to the menu, then select RESUME. Say **N** to printing the reports, but **Y** to print checks. Enter the code of the employee at whose check you want to begin printing, and the number of the next check on which to print. If not printing all remaining checks, enter the number of the last check to print. If printing all, press **e** at this step.

Q. If I reprint any checks, what do

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 news-letter should look to and rely upon their respective legal counsel and accountants with respect to these laws and requirements.

User spotlight

“Why would I want to switch (to ADP)? I would still be doing all the work getting the payroll information together. All ADP would do is produce the checks — the easy part. With PayMaster, we’re not paying the fees. Everybody thinks the fees aren’t that high for outside services, but they really add up.”

Betsy Magen, controller and office manager, Margaritaville Restaurants

In July of 1984, Steve Yates opened up the first Margaritaville restaurant. His vision was to have a place where everyone has a great time and he succeeded. There are now two Margaritavilles in the California waterfront resort towns of Sausalito and Capitola. The restaurants specialize in Mexican food and are very upbeat with lively music. On weekends in season (six months of the year), lines form outside to get in. The college crowd from the inland comes to the beach and to visit Margaritaville! Steve, who is the owner of the restaurants, is very progressive and likes to try new things. “We currently have a designated driver program — if one member of a party of four is not drinking, Margaritaville buys his meal and soft drinks.”

Steve says “one of the secrets of our success is that our employees have been with us a long time — all of our managers for over ten years. We have very little turnover except for the summer employees who are students. And many of them come back each year! This means a lot when each location has 100 employees in the summer. We have a special incentive program for employees who stay — great

employee group trips! We pay half the cost for each employee to go to Mexico for a week. One time, we sent the employees to Hawaii.”

One of the long-time employees, Betsy Magen, started working there in January 1986 as a part-time bookkeeper, doing payroll. She’s now controller for both restaurants and the office manager in Capitola. When Betsy started, they were using a payroll that wasn’t set up for restaurants.

In 1986, they switched to

Betsy Magen, controller, Margaritaville Restaurants

PayMaster. Betsy says “I had no computer experience and *PayMaster* was very easy to learn. The reports are easy to read because the format is so well organized. The tax returns are very easy to do. Even the workers’ comp audits are easy, because the auditors who look at *PayMaster*’s reports consider themselves blessed. They can immediately see the year-to-date overtime on their random samples.”

“Every month, sales people from ADP call to try to get me to switch to their service. I tell them ‘my software is fantastic. Why would I

want to switch?’ I would still be doing all the work getting the payroll information together. And, I would still need to gather the W-4 information. All ADP would do is produce the checks — the easy part. With *PayMaster*, we’re not paying the fees. Everybody thinks the fees aren’t that high for outside services, but they really add up. And, I would still have to do most of the work.”

“I had worked as a cocktail waitress at Shadowbrook Restaurant, and

met my husband-to-be there (he worked as a bartender). We go back there often for dinner. My former boss, Ted Burke, bought the restaurant and told us that he was having problems finding a restaurant payroll software package or a good service. He had tried several outside services and three different software packages. He had problems with checks.

One year, he had to redo W-2s after they were sent out. It was one nightmare after another.”

“I said, ‘you’ve really been going through a lot and the fees are so high. Why don’t you look at the software I’ve used for over ten years? *PayMaster* by Computer Aid. Ted checked it out, recently bought the program, and is very pleased with it! And I got a wonderful surprise — a referral fee from Computer Aid for recommending a payroll software program that has worked wonderfully for the Margaritaville restaurants for years.” ■

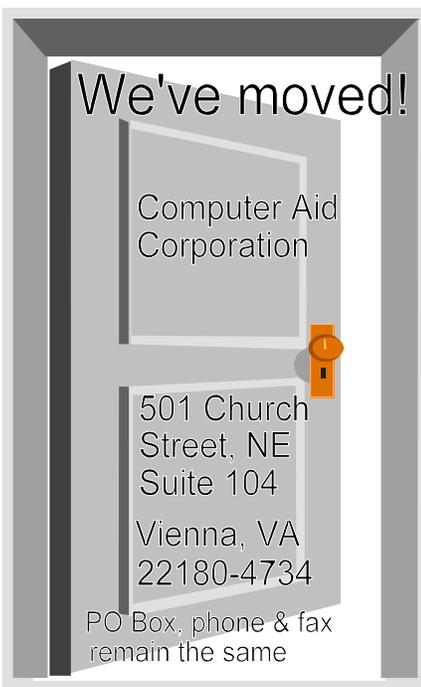
EFTPS begins 7/1/97! Penalty delayed until 12/31/97

But that's no reason for you to delay using EFTPS

Jump right in if you haven't already started making your tax deposits electronically with EFTPS (Electronic Federal Tax Payment System). Just because the IRS will delay issuing penalties if you continue making deposits with the coupon at your bank doesn't mean you should put this off until the last minute. Once you do it a few times, it's very easy and smooth. Now, before the penalties start, is the time to find out if you're doing it wrong.

Tutorial & worksheet

There is a Voice Response Tutorial System you can use to practice before going "live" — 1-800-572-8683. In your EFTPS



Stop in and see us if you're in the area. You'll always be welcome.

Payment Instruction Booklet, you'll find a Tax Payment Report Worksheet. Many people find it helpful to fill in the fields for the Employer Identification Number and PIN number and then make a lot of copies. Each payroll, fill out the worksheet prior to calling in your deposit. Not only do you have all the information you need during the call, you also have a place to write down your acknowledgment number. And, this means you have something to put in the file to show you made the payment! Maybe this isn't as bad as you thought it would be...

Settlement date

The settlement date is the date you want your bank account to be debited. You probably will use the due date of the tax deposit. The settlement date **cannot** be the same day you call in the ACH Debit — you must make the phone call at least one day prior to the settlement date. This doesn't mean you must wait until the day before the payment is due to call it in. With ACH Debit, you can call in your deposit up to 30 days prior to the due date. If you're using ACH Credit, check with your bank about initiating payment ahead of time.

If you are required to make "same day payments," please see the instructions in the EFTPS Payment Instruction Booklet prepared by the U.S. Department of the Treasury's EFTPS financial agent.

Acknowledgment number

Write this number down. Keep it in your file. Why? This is your proof that you made the payment, just in case something goes wrong.

The 941 subcategory amounts

When making a 941 deposit, you are requested to report the subcategories and amounts (as shown on the second page of the EFTPS Worksheet). *PayMaster's* Federal Tax Deposit Report (printed as part of the pre-check register) gives you the amount of your federal tax deposit and the information you need to calculate the subcategory amounts. The amounts to use are illustrated on the next page.

Caution: if you have uncollected taxes, do **not** use the OASDI Tax on Wages, OASDI Tax on Reported Tips, and Medicare Tax on Wages and Tips. These amounts include uncollected taxes. Instead, use the Employer's OASDI and Medicare Taxes, and the Actual Employee's OASDI and Medicare Taxes, shown at the bottom of the report. These amounts, together with the Total Income Tax Withheld (second number from the top), add up to your Federal Tax Deposit.

continued on page 7

W-2 issue of the BLUE PAGES

Yes, in the heat of the summer months here in Virginia, we start thinking about the end of the year and W-2s. Watch for the August special W-2 issue and order form. You can get a discount by ordering early. ■

federal tax deposit report

FLORA ENTERPRISE BECK PAYROLL REGISTERED Computer Aid Corp 1824 FLOWER LANE Payroll System Ver 7.2 ANYWHERE, VA 22180 06-10-9708:35:25	
Period: 06/04 to 06/17 Days in period 14	
FEDERAL TAX DEPOSIT REPORT	
TOTAL WAGES AND TIPS SUBJECT TO WITHHOLDING, PLUS OTHER COMPENSATION	73635.31
TOTAL INCOME TAX WITHHELD FROM WAGES, TIPS, AND OTHER COMPENSATION	6909.63
TAXABLE OASDI WAGES PAID	50498.31
OASDI TAX ON WAGES	6261.79
TAXABLE OASDI TIPS REPORTED	23137.00
OASDI TAX ON REPORTED TIPS	2868.99
TAXABLE MEDICARE WAGES AND TIPS PAID	73635.31
MEDICARE TAX ON WAGES AND TIPS	2135.42
TOTAL OASDI AND MEDICARE TAX	11266.20
UNCOLLECTED OASDI AND MEDICARE TAX	33.93
PREVIOUSLY UNCOLLECTED OASDI/MEDICARE TAX PAID	0.00
ADJUSTED TOTAL OASDI AND MEDICARE TAX	11232.27
TOTAL OASDI, MEDICARE AND FEDERAL WITHHOLDINGS	18141.90
ADVANCE EIC PAYMENTS LESS EIC APPLIED TO FICA	0.00
ADVANCE EIC FROM PREVIOUS PAY PERIODS LESS EIC APPLIED TO FICA	0.00
AMOUNT OF FEDERAL TAX DEPOSIT	18141.90
NOTE: EMPLOYER'S OASDI TAX 6.20% X 73635.31	4565.39
ACTUAL EMPLOYEE'S OASDI TAX	4543.27
EMPLOYER'S MEDICARE TAX 1.45% X 73635.31	1067.71
ACTUAL EMPLOYEE'S MEDICARE TAX	1055.95

From the Federal Tax Deposit Report, use the Total Income Tax Withheld for the Tax Withholding Amount: \$6,909.63

Add the Employer's OASDI Tax and the Actual Employee's OASDI Tax for the social Security Amount: \$4,565.39 + \$4,543.27 = \$9,108.66

Add the Employer's Medicare Tax and the Actual Employee's Medicare Tax for the Medicare Amount: \$1,067.71 + \$1,055.95 = \$2,123.66

Because of rounding, the three numbers add up to \$18,141.95. You can either adjust the total you are paying (in our example, you would add 5 cents) or adjust the Social Security amount on the coupon below so they add up to the "Amount of Federal Tax Deposit" you keyed in when making the EFTPS payment.

Note: The next version of *PayMaster* will have the results of these calculations printed at the bottom of the FTD Report.

For Tax Form 941 FTD Payment:

For Tax Form 941, you are requested to report the subcategories and amounts and the subcategory amounts must balance to the Tax Form 941 payment amount.

EFTPS prompts: "Enter the Social Security Amount followed by the pound (#) sign.:

You enter: \$, , . (941 Social Security Amount)
 (You must enter at least one 941 subcategory amount when making a 941 tax payment.)

EFTPS prompts: "Enter the Medicare Amount followed by the pound (#) sign."

You enter: \$, , . (941 Medicare Amount)

EFTPS prompts: "Enter the Tax Withholding Amount followed by the pound (#) sign."

You enter: \$, , . (941 Withholding Amount)
 (The individual 941 subcategory amounts must balance with the 941 tax payment amount.)

PayMaster for payroll processors

Great news for payroll preparers, leasing companies, corporate offices running payroll, and anyone else who needs to charge for processing payroll!

We have a new option—*PayMaster* will calculate and print your invoice, including:

- the money you need to collect to cover payroll,
- your processing charges, and
- the billing rate for workers comp and SUTA costs.

Price? A one-time charge of \$300. Please call 800-327-4AID to order.

EFTPS deadline is July 1!
Please see pages 6-7