PayMaster™ prepares state-specific reports for ***all*** of these states. That's one less worry for you!

● = special format on plain paper
■ = mag media
▲ = pre-printed form
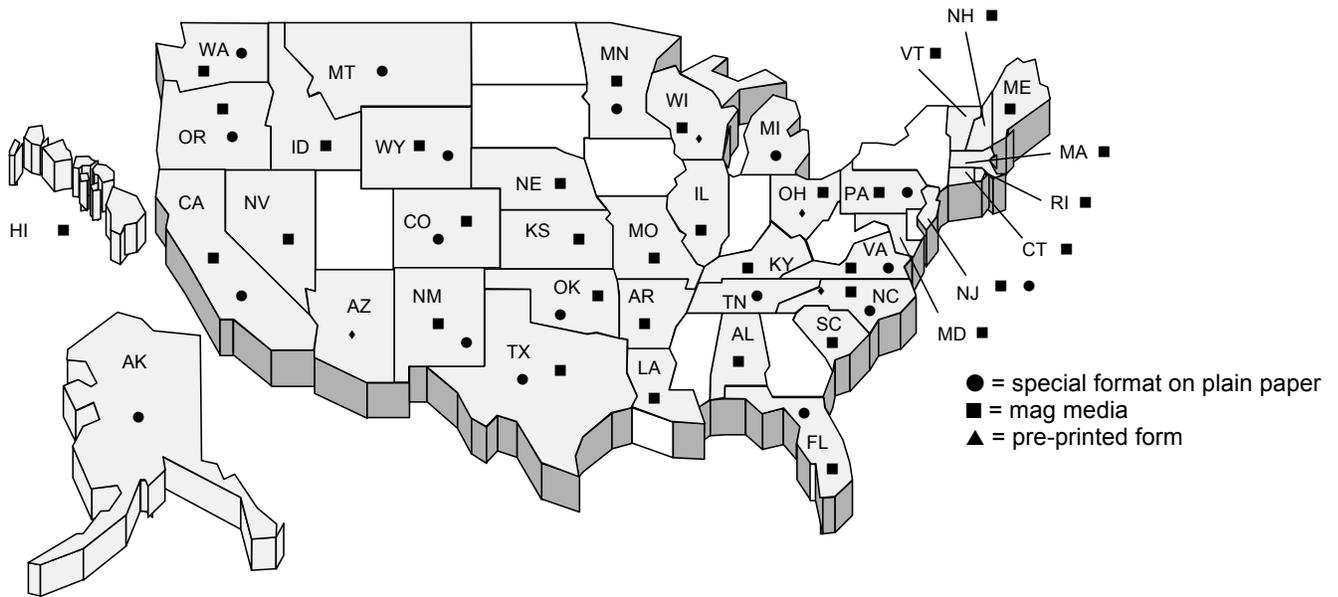
❒ **Multi-state payrolls**

If your company:

– has multiple locations, in different states;

– is near a state border and has employees who live in one state and work in another;

– is near a state border and has employees who move from one state to another;

– or any combination of these,

> ...*PayMaster* can handle it.

A true multi-state payroll, *PayMaster*, with its Divisions option, allows you to process payroll for multiple divisions in different states. You can get separate reports for each division and consolidated reports for the entire company.

❒ **SUTA for multi-states**

Each state uses a different SUTA code, so you get accurate reports for each state. You can use the SUTA subcode feature if you have multiple divisions in the same state and want SUTA wage and 940 reports by division.

Cheryl Taylor, Office Manager of Cheddar's Inc, spotlighted on page 3, says "We have locations in five states. Every last one of our states requires specific reports. Ohio has all sorts of taxes: state and local taxes, city taxes, school district taxes. Some of our reports we file by diskette. Everything I've sent in has worked!

Important reminder for end-of-quarter

– Remember to process **end of month/quarter** at the end of each quarter, so your new quarter figures will be accurate.

– CA SDI rate changes to .7% April 1, 2000.

What's inside

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Tax law changes

Effective dates, if known, are noted.

❏ Federal

■ 401(k)

The maximum amount an employee can elect to defer increases to $10,500 for 2000.

❏ State disability

CA   SDI rate increases to .7% effective 4/1/00. Wage limit increased to $46,327 1/1/00.

NJ   1/1/00 wage base increases from $20,200 to $21,200.

RI   1/1/00 wage base increases from $38,600 to $40,600 in 2000. Contribution rate increases from 1.3% to 1.4%.

Make these changes in *PayMaster* at INIT/TAX/SDI. Enter your state code number(s), and change the appropriate fields.

Please see the table to the right for current wage base amounts.

❏ State minimum wage

CT   State minimum wage increases from $5.65 to $6.15 per hour. Minimum cash wage for tipped employees is $4.74 per hour.

MA   State minimum wage increases from $5.25 to $6.00 per hour. Minimum cash wage for tipped employees remains at $2.63 per hour.

WA   Minimum wage increases from $5.70 to $6.50 per hour. No tip credit is allowed.

If your state minimum wage changes, make the change in *PayMaster* at INIT/DIVISION/DIVISION for *each* division you have in that state:

1. Change the **Min wage for adj/ overtime** to the new state minimum.

2. If your state allows a tip credit, change the (tip credit) **Percent of minimum wage** (two fields above the minimum wage amount).

To calculate the percentage, subtract the allowable minimum wage from the state minimum wage. This gives you the tip credit amount. Divide the tip credit amount by the state minimum wage to get the tip credit percentage. *PayMaster* uses this to calculate the overtime rate and wage adjustments.

Example, using Massachusetts' new minimum wage:

MA minimum wage	$ 6.00
MA minimum for tipped emp	- 2.63
MA tip credit amount	$ 3.37

Divide $3.37 by $6.00 to get the tip credit % of minimum wage = 56.167.

Using these same calculations for CT, the tip credit % is 22.927.

❏ State unemployment

Please see the table below for taxable wage bases.

❏ State withholding

New withholding tables (effective 1/1/00) for:

MA   MI   NM   PR

MD*   MO   OK   VT

and New York City and Yonkers.

Plus those noted in the December issue: CA, DE, DC, IL, ME, MN, and MS.

*Please see the Q&A on page 4 for information on the Maryland change.

❏■

In *PayMaster*, check your tax tables (INIT/TAX/UNEMP and SDI) against the wage bases shown below and against the amounts shown on your quarterly forms.

2000 Unemployment Taxable Wage Bases (as of 3/9/00)					
AL	8,000	LA	7,000	OK -	9,800
AK +	24,800	ME +	12,000	OR	23,000
AZ	7,000	MD	8,500	PA	8,000
AR	9,000	MA	10,800	PR	7,000
CA	7,000	MI	9,500	RI -	12,000
CO	10,000	MN+	19,000	SC	7,000
CT	15,000	MS	7,000	SD	7,000
DE	8,500	MO -	7,500	TN	7,000
DC	9,000	MT +	17,700	TX	9,000
FL	7,000	NE	7,000	UT +	20,200
GA	8,500	NV +	19,600	VT	8,000
HI +	27,500	NH	8,000	VA	8,000
ID	23,600	NJ +	21,200	VI	* 14,600
IL	9,000	NM +	14,800	WA +	26,500
IN	7,000	NY	8,500	WV	8,000
IA +	17,300	NC +	13,900	WI	10,500
KS	8,000	ND +	16,100	WY +	13,600
KY	8,000	OH	9,000	Fed	7,000
* indicates 1999 rates					

2000 State Disability Wage Bases as of(3/10/00)			
CA +	46,327	NY	Employee's weekly wage
HI	Employee's weekly wage	PR	9,000
NJ +	21,200	RI +	40,600
+ increase		- decrease	

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User spotlight – Cheddar's, Inc.

With three new Cheddar's Casual Cafés opening in the past year, Cheddar's, Inc. of Arlington, Texas now has 15 corporate locations. Ten are in Texas (seven in the Dallas/Fort Worth area), one in Newport News, VA, two in Ohio (Mansfield and Finley), one in Tulsa, OK, and one in Springfield, MO. They also have 16 franchise locations.

> *"We've more than doubled the number of stores since we bought the interface to bring the SQUiRREL file into PayMaster. We were so pleased we didn't have to add new staff to process payroll. The interface makes it so easy. We couldn't do payroll for this many people without it."*
>
> Cheryl Taylor,
> Office Manager, Cheddar's, Inc.

The Cafés are full service, casual dining restaurants averaging about 275 seats. In addition to gourmet burgers, salads, homemade soups, and sandwiches, their menu offers hand-cut steaks and ribs, and chicken, seafood, and fish entrees. One of their most popular items is chicken tenders, on the menu four different ways.

Cheddar's Inc. was started in 1978 by Chairman of the Board and CEO Aubrey Good and President Douglas Rogers. They opened their first location in Arlington, TX, across from the Six Flags Amusement Park, and had around 40 employees. Now, they have about 1,200 employees for whom they process payroll every two weeks.

Cheryl Taylor, Cheddar's Office Manager, has been on their staff for ten years. When she was hired, Cheddar's had a mainframe computer – a System 36 on which they used a couple of different payroll programs. As they expanded, Cheryl's boss, Controller Rick Payne, decided that the System 36 was too slow, and that it was time to change to a PC network.

Their first step was to set up Solomon's Accounting software, which they did in 1995. Then, it was time to find payroll software. Cheryl says, "We went to a few trade shows here in Dallas, and talked to the people who sold us Solomon's and who set up our network. We looked at Solomon's payroll, but restaurant payroll is so industry-specific, with tips, that it's hard to buy a canned program off the shelf. Without modifications, it won't work for you. Then, someone gave our name to Computer Aid and Donna Rosen contacted us."

"I knew pretty much what to look for, having done payroll conversions five times in the past. I remember doing spreadsheets with columns for the different programs. In the end, *PayMaster* came out so much better – cost-wise **and** feature-wise. So I presented it to Rick as our best solution. He made the decision, and we bought *PayMaster* and started using it the first quarter of 1997."

"Because we had so many employees and locations, we had Donna come out here to train us. I was doing a lot more of the day-to-day payroll at that time. It's a really easy system to learn. I love the system and they're so nice to deal with. Donna and Kyle always have an answer for me when I call. It's just been a really good relationship."

"We use the SQUiRREL point of sale system. A couple of years ago, we bought the interface to bring the SQUiRREL file with hours, receipts and tips into *PayMaster*. Before that, we manually keyed in the data on *PayMaster*'s batch screen. But at that time, we had only six or seven stores. We've more than doubled the number of stores since then. And, we were so pleased we didn't have to add new staff to process payroll. It

Left to right: Sharon Vaughn, Cheryl Taylor, and Hazel Pierce of Cheddar's Inc.

now takes 2½ people instead of 2 to do payroll for twice as many stores! The interface makes it so easy. Our existing staff couldn't do payroll for this many people without it."

"And it's gotten even better this year. When we first started using it a couple of years ago, it only brought in the first three jobs for each person, but now the interface brings in jobs 4, 5, and 6. I called Computer Aid and said 'thank you, thank you, thank you!' It just makes life so much easier for that stuff to flow to where it's supposed to go. We'll be able to increase stores without having to increase staff to process payroll. And that will save a lot of money."

"We do payroll biweekly. We poll the stores on Monday night and then on Tuesday morning export the files from SQUiRREL and bring them into *PayMaster*'s batch screen. Payroll for all 15 stores is completed by the end of the day Thursday. It all works very smoothly."

"Sharon Vaughn, who's been on the staff a little over a year, and Hazel Pierce, who started at the end of

Q&A

Q. I was preparing a select check, and when I finished (or thought I was finished), I pressed **g** and I lost what I just did. What happened?

A. When you're processing a select check, you can process a check for one person or for many people. At the **Employee=** prompt, enter the employee name or code for the first employee.

When you press **d** to process, it stores the information for that check, and then offers you the **Employee=** prompt again to process an additional employee. If you have no more employees to process, press **d** again to complete the processing for this batch (even if only one) of select checks. This is probably the step you missed.

Q. We received a notice from our State Unemployment Commission with a new rate. How do I put this in *PayMaster*?

A. It's easy. Just go to INIT/TAX/ UNEMPLOYMENT. Enter your state code number(s) and select 1 for General.

Please note that in field # 4 – **Annual state rate (percent)** – you should enter the *percent*, not the number you multiply by. Example: if your rate is 1.6%, enter 1.6, not .016.

While you're on this screen, check that field #5 – **Maximum amount subject to tax** is correct for your state. Please see the table on page 2 (Tax Law Changes) to verify your state maximum.

Q. How do I print a W-2 from 1995?

A. It depends on a number of things, including whether you have any 1995 forms left, and whether you need only the information or an original form.

Assuming you cannot just copy it from your file copy and you have a 1995 form, you can print it:

– If you don't have any *x*'s on the boxes whose spacing changed, and

– if you don't have anything in the way of deductions or income for which there were changes on how they were labeled or in which box they go between 1995 and the current year, and

– if you archived your 1995 data and still have it on your hard drive, and

– if you converted that data as well as the current data when *PayMaster* required a convert (from version 7 to 7.2),

...all you need do is press { or } at the **company I.D. code** prompt until you see your 1995 code.

Press **e**, and print the W-2 using the current version of *PayMaster*.

However:

– If the 1995 code isn't there, or if you get a Btrieve 12 error when selecting it, the data is not on the computer where *PayMaster* expects it to be. Maybe you got a new computer and didn't bring all the old W-2 data over. If you have a zipped backup of the file, call us and we can help you get the data.

– If you did not convert it, call us for help converting the data. It's

always a good idea to convert your old data so you can access it. But before converting it, back up the data and the program so if you need to reproduce the mag media or print on the original form, you can do so.

And, it's always a good idea to keep a backup of the *PayMaster* program that you use to print each year's W-2s. Keep it with the backup copy of the W-2s from that year.

Q. I installed the new MD tax tables on diskette, and *PayMaster* is withholding a lot more state taxes than before. Why?

A. Maryland changed back to the way they used to do the tax tables, i.e. the local tax tables are once again incorporated into the state tables rather than being separate tax tables.

On each employee screen, enter as the **State tax code** the number that matches the appropriate MD/local tax code depending on the county in which the employee lives (i.e. for your company you may have MD 2.91% as tax code 1, MD 2.51% as tax code 2, etc.,) Each employee should have zero as the **Local tax code**.

If you installed the new MD tax tables and did not change employees' local codes to zero, too much is being withheld (in which case your employees will receive a tax refund at the end of the year).

If you **did** change the employees' local tax code to zero, but had

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Q & A continued from page 4

processed at least one payroll this year using the local codes and the old tax tables, you can do the following before printing your 2000 W-2s – manually add the local taxes to the state taxes (and zero out the local tax amount) in each employee's YTD payroll files so your state withholding amounts will be correct.

Another option would be to enter the name of the local tax (i.e. MD 2.51) in one of your unused state/local tax codes, and then use that tax code number on the employee screen for the local tax code. This way *PayMaster* will not withhold any local taxes, but will print the correct Locality Name on the W-2. However, if you want to do this, verify with the State of Maryland that it is acceptable to them.

If you did **not** install the new MD tax tables, and are using the 1999 tax tables with separate local tables, you may want to continue that way until the end of the year. Again, verify with the State of Maryland that it is acceptable to them.

Q. One of my employees moved from one state to another, but *PayMaster* printed only one W-2 that combined the state withholding under the new state. How can I get separate W-2s for this employee?

A. Whenever an employee moves from one state to another (or, if you have local taxes, from one locality to another), do not change anything on the employee's screen, except to make him or her **inactive**. Then, initialize that employee again with a different code number. You can "clone" him to eliminate re-keying the information (see page 2-127 of the *PayMaster* manual). For the

new employee code, make that person **active**. And, change the State (and/or Local) tax code number to the new number(s).

This way, when you print W-2s, you will get individual W-2s for the employee – one for each state or locality. □■

User spotlight continued from page 3

1999, do the actual processing. And I help out when needed."

Cheryl does the management and corporate office payrolls, as well as the tax deposits, and prepares the payroll tax returns. She says, "Every last one of our states requires specific reports. And some we file mag media. Everything I've sent to them has worked! That's another reason I like Computer Aid. They're up on the forms these states need. It's one less thing I have to worry about. That's what makes them so good."

"We've been averaging about 3,500 W-2s a year. We used to print them on the dot matrix printer we use for our checks, but with so many copies for Ohio, it was having a hard time handling the thickness. So this year, for the first time, we printed our W-2s on the laser. We did the 4-up for the employees. And, we could do all the states at once without having to worry about changing paper when the state required a different number of copies. Printing as many as we do, it was just great!"

Cheryl is also responsible for the general ledger and P&L statements. She says, "I'm really looking forward to getting the payroll interface to Solomon's. That will save me even more time. And, I just found out that we're going to get the Direct Deposit option in *PayMaster* so we'll be able to offer that as a benefit. □■

Multi-state payroll continued from page 1

That's another reason I like Computer Aid. They're up on the forms these states need. It's one less thing I have to worry about. That's what makes them so good."

All versions of *PayMaster* allow you to initialize an employee multiple times, each with a different state tax withholding code, so the employee will get multiple W-2s with the appropriate wages and income tax withholding for each state.

Plus, *PayMaster* recognizes, by the employee's social security number, that the employee records belong to one person. It looks at the combined earnings when comparing them to the maximum amount subject to social security, and when calculating state and federal unemployment.

PayMaster's Divisions version provides a fast, easy, and accurate way to handle your multi-state payroll processing. □■

Using your SQUiRREL® Point of Sale for time & attendance? Make life even easier with the interface to *PayMaster*™

❒ **Save time & money**

If your employees clock in and out on your SQUiRREL point of sale system, there's no need to re-key that information into *PayMaster*.

You can purchase the SQUiRREL interface from Computer Aid. This interface brings in the data from a file exported from SQUiRREL – hours worked for each of six jobs, receipts (cash and charge) and tips (cash and charge) – right into *PayMaster's* batch screen.

Just think of the time you can save by not having to re-key the information, not to mention the time you save double-checking it!

Cheryl Taylor of Cheddar's (spotlighted on page 3) says, "The interface makes it so easy. We couldn't do payroll for this many people without it. We've more than doubled our number of stores in the last couple of years, and we're so pleased we didn't have to add new staff to process payroll."

For prices and information on the interface from SQUiRREL to *PayMaster*, please call Computer Aid at 800-327-4243.

For information about SQUiRREL call 800-38TOUCH or visit them at www.squirrelsystems.com.

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Remember to process end-of-quarter!