

## Special Offer Expires April 30, 2002 Purchase a Time America or Linx Time Clock From Computer Aid and Receive the Interface to *PayMaster*<sup>TM</sup> Free — a \$1,250 Value.

Still using a mechanical time clock? Or manually calculating hours from handwritten time sheets?



Take advantage of our special offer! Purchase a Time America or Linx time clock from Computer Aid by April 30 and receive the interface to *PayMaster* at no

additional cost. That's a savings of \$1,250, not to mention the time you'll save by bringing in the data from the time clock to *PayMaster's* batch screen with just the click of a key.

Every *PayMaster* user who has an interface to *PayMaster* from their time clock or point of sale system loves it.

NDSS, Inc. in Savannah, GA (spotlighted on page 5 of this issue) has the interface from the Micros 3700 to *PayMaster*. Brenda Head, the NDSS comptroller, says, "Having five restaurants, getting them set up, having them interface — it worked out wonderfully! It saves lots of time on the punch in of data entry because it's all right there. We used to print out the Micros reports and manually entered the

data in our payroll program. Now we just import it and it appears on the batch screen. The only changes we have to manually enter are when the bartenders split tips."

Think about what you can do with the time you'll save! And think of how many less errors you'll have to worry about when you're not manually calculating hours worked or manually entering the data on *PayMaster's* batch screen.

### How does the interface work?

Using the software for the time clock, you can double-check and edit the clock-in and clock-out data. Once everything looks okay for the pay period, tell the time clock software to create the interface file.

Then run the batch file you set up when you first installed the time clock software. That copies the interface file into the appropriate *PayMaster* directory.

Before using this file the first time tell *PayMaster* which interface you have: From the main menu, select INIT/TIME-LABOR, then enter the number for your interface and you're set to go.

When you're ready to process payroll, in *PayMaster*, select CALCULATE/BATCH AND <4> TIMEKEEPER from the menu.

*Continued on page 2*

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## Important End-of-Quarter Steps

Make sure you process end of quarter prior to processing your first payroll of April to zero out Quarter-to-Date pay files for each employee. This is critical since your quarterly reports for the next quarter must be based on the employee's earnings in that quarter only.

You process end of quarter the same way you process end of month (from *PayMaster's* main menu, select PROCESS/END OF MONTH). When you enter the date of the last check distribution, *PayMaster* tells you whether or not the quarter-to-date file will be cleared based on the month of the last check distribution date you enter. Processing end of quarter also clears out the month to date and moves the current quarter information to the "last quarter" file. Once you process end of quarter, you can always print reports for "last quarter." **GO**

Continued from page 1

In seconds, the data from the interface file exported by your time clock appears on your *PayMaster* batch screen. You can edit it here if necessary (this is where NDSS makes changes when bartenders split tips). Print the batch screen as you normally do with Alt + P to get totals at the end of each column and row for easy double checking.

Wasn't that easier and faster than manually entering the data on the batch screen?

### What if my employees work more than three jobs?

*PayMaster's* batch screen displays the first three of six possible jobs for each employee. Not to worry. Both the Time America and Linx time clocks from Computer Aid handle up to six positions per employee, as does *PayMaster*.

The data for positions 4 through 6 will be imported, although not displayed on *PayMaster's* batch screen. You can double check the hours in positions 4 through 6 for each employee once you press the End key to process the batch screen. When you respond "yes" to "make corrections?", you can go to the interactive screen for any employee and press the Tab key to display the second screen showing positions 4 through 6. After reviewing and/or editing, press Tab again to return to the first screen.

Call us at 703-281-7486 to get more information and/or a price quote on a Time America or Linx time clock. Remember, this offers expires April 30, 2002! **GO**

## PayMaster for Windows

Yes, we are working on *PayMaster* for Windows! Email us at support@computeraid-llc.com to let us know what you'd like to see in it. **GO**

## Tax Law Changes

### □ Federal

- Under federal law, the **401(k) limit for employees' deferred income** has increased to \$11,000, and the **Simple plan limit** to \$7,000. Catch-up 401(k) contributions of \$1,000 and Simple plan contributions of \$500 can be made by employees over age 50 in 2002.

Some states will not follow these federal law changes made under the "Economic Growth and Tax Relief Reconciliation Act of 2001." As of March 1, 2002 these states have not increased the amount of deferred income allowed: AZ, AR, CA, GA, HI, ID, IN, IA, KY, ME, MA, MS, NJ, NC, PA, SC, WV, and WI. NC and ID are expected to follow the new federal limits; MA is not expected to follow; CA is considering following the federal law.

- **EIC (Earned Income Credit)** now has three tables: Single or Head

of Household; married with spouse not filing Form W-5; Married with spouse also filing Form W5 - *PayMaster* currently has tables 1 and 2.

### □ State Wage & Hour Law/ Minimum Wage, eff. 1/1/02

**CT** Minimum wage increases from \$6.40 to \$6.70 per hour. Tip credit increases from \$1.66 to \$1.96. Tipped employees wages remain at \$4.74 per hour.

**HI** Increases from \$5.25 to \$5.75. Tip credit remains at \$0.25 resulting in an increase to \$5.50 minimum for tipped employees.

**ME** Increases from \$5.15 to \$5.75. Tip credit and minimum wage paid tipped employees increase from \$2.575 to \$2.875 per hour.

**WA** Increases from \$6.72 to \$6.90.

If your state minimum wage changes, **make the change in**

*Continued on page 3*

**Correction** — We misspoke in the December issue when we said to change the OASDI wage base via INIT/TAX/UNEMPLOYMENT. **It's found at INIT/TAX/OASDI & MEDICARE.** This is what your INIT/TAX/OASDI & MEDICARE screen should look like for 2002:

Tax Tables (annual)	
Type: FICA	Code: Name: Subtitle:
[1]	Annual OASDI rate (percent): 6.20
[2]	Annual Medicare rate (percent): 1.45
[3]	Maximum subject to OASDI tax: 84900.00
[4]	Maximum subject to Medicare tax: 99999.99

And, this is what your INIT/TAX/UNEMPLOYMENT screen should look like (for each SUTA tax code). Please see the table on page 2 for state unemployment wage bases.

Tax Tables (annual)	
Type:Unempl	Code:1 Name:state abbrev Subtitle: Gen
[1]	Annual federal rate (percent): 6.20
[2]	Maximum amount subject to tax: 7000.00
[3]	Credit rate for state tax (percent): 5.40
[4]	Annual state rate (percent): your company's rate
[5]	Maximum amount subject to tax: see table at right
[6]	SUTA tax ID#: your company's SUTA ID#

# Tax Law Changes

Continued from page 2

**PayMaster at INIT/DIV/DIV** 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.

**Change each employee's pay rate if it's less than the new minimum.**

## State Disability Insurance

The table below displays each state's disability wage base for 2002. Make the change at INIT/TAX/SDI.

CA	46,327
HI	Employee's weekly wage
NJ +	23,500
NY	Employee's weekly wage
PR +	9,000
RI +	44,000
+ increase	

## State Withholding

Effective 1/1/02 unless otherwise noted.

**New withholding tables for:**

**HI, MN, MO, OK, RI, PR, and WV.**

**Also:**

**IN** Wayne County has new rates. 1.5% for residents; 0.5% for non-residents.

**MA** Withholding rate decreases from 5.6% to 5.3% of the federal tax withheld.

**OK** Increased income tax rate from 6.75% to 7%.

## State Unemployment

The table below displays each state's 2002 taxable wage base. Make changes at INIT/TAX/UNEMPLOYMENT. **Please see the correction on page 2.**

In <i>PayMaster</i> , check your tax tables (INIT/TAX/UNEMP) against the wage bases shown below and against the amount shown on your quarterly form.					
<b>2002 Unemployment Taxable Wage Bases (as of 2/28/02)</b>					
AL	8,000	LA	7,000	OK +	10,500
AK +	26,000	ME	12,000	OR	25,000
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 +	21,000	SC	7,000
CT	15,000	MS	7,000	SD	7,000
DE	8,500	MO	7,000	TN	7,000
DC	9,000	MT +	18,900	TX	9,000
FL	7,000	NE	7,000	UT +	22,000
GA	8,500	NV +	20,900	VT	8,000
HI +	29,300	NH	8,000	VA	8,000
ID +	27,600	NJ +	23,500	VI	* 15,000
IL	9,000	NM +	15,900	WA +	28,500
IN	7,000	NY	8,500	WV	8,000
IA +	18,600	NC +	15,500	WI	10,500
KS	8,000	ND	17,400	WY +	14,700
KY	8,000	OH	9,000	Federal	7,000
* Indicates 2001 rate                      + increase                      - decrease					
<b>GO</b>					

Please see page 6 of this issue for the latest news about Fior d'Italia vs. U.S.

## GL for the Hospitality Industry

Are you using a general ledger program now, but find it doesn't meet your needs? Let us know the specific features you would like to see in a general ledger program for the hospitality industry. Email us at support@computeraid-llc.com.

**GO**

## THE BLUE PAGES

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Computer Aid LLC  
501 Church Street, NE  
Suite 306  
Vienna, VA 22180-4734  
703-281-7486  
Fax 703-281-3461  
www.computeraid-llc.com

## Q & A

**Q** Can I change the colors on my *PayMaster* screen?

**A** Sure. Go to INIT/SYSTEM on *PayMaster*'s menu and press the up arrow to quickly go to the bottom of the screen. Try one of the color combinations in *PayMaster*'s manual (page 2-41) or create your own. Careful though — don't make a foreground color the same as its background color — you won't be able to read the screens! We recommend leaving the Edit Window as 0 and 7.

The codes in the box below give you a display of cyan and yellow text, with white for the top and bottom lines, on a black background.

Display Codes	Foreground	Background
Lines 2-24(1st color)	14	0
Lines 2-24(2nd color)	11	0
Line 1	15	0
Line 25	15	0
Edit window	0	7

**Q** I've got Windows 2000 and I can't get my *PayMaster* screen to display correctly. How can I fix it?

**A** Right click on the *PayMaster* icon on the desktop and select Properties.

To make the scroll bars disappear and *PayMaster* display properly:

1. Select the Layout Tab.
2. For both Screen Buffer and Window Size, set the width value to 80 and the height value to 25.
3. Click the Apply button.

To run *PayMaster* as full screen instead of in a DOS window :

1. Select the Options Tab.
2. Select Full Screen.
3. Click the Apply button.

To make the font easier to read:

1. Select the Fonts Tab.
2. Choose either Bitmap or Raster Fonts.
3. Select a font size that fits the screen and is easy for you to read.
4. Click the Apply button.

**Q** In Windows 2000 *PayMaster* won't print to my network printer. Help!

**A** First, you'll need the machine name and printer name of the network printer. Then,

1. Go to Control Panel/Printers, right click on this network printer, and select Properties.
2. Select the Ports tab.
3. Make note of the checked port. It should read \\machinename\printername.

4. Close this by clicking the Cancel button.

5. Next Browse to your *PayMaster* directory, right click on a file named PAY.BAT, and select Edit
6. Add this as the first line in the file, and save the changes:

*net use LPTx \\ machinename\printername*  
Yes, there is a space before the \\, but not after. "X" is the number of your LPT port (1 or 2).

**Q** My reports won't print to a local printer in Win 98/ME.

**A** Take these steps:

1. Go to Control Panel/Printers and right click on the printer you would like *PayMaster* to print to. Select Properties.
2. Select the Details Tab.
3. Select Port setting and make sure the option "Check port state before printing" is unchecked.

If that doesn't work ...

1. Edit your PAY.BAT file and add

this line:

*MODE LPTx: RETRY=P*

Use all caps on this one. "X" is the number of your LPT port. There is a space after the colon. See instructions above for how to edit your PAY.BAT file.

**Q** How does *PayMaster* calculate overtime for tipped employees? Why isn't it 1½ times their hourly rate?

**A** The overtime rate for tipped employees is not, as many people think, 1½ times their hourly rate. Instead, it's 1½ times minimum wage, less the dollar amount of the hourly tip credit. This amount varies by state and can be different for each employee (some are paid at a higher rate). No need for you to worry about the calculation — *PayMaster* does it for you as long as you have correctly entered your state and federal minimum wage and your state's tip credit percentage in INIT/DIVISION/DIVISION and in INIT/COMPANY/COMPANY.

Example: A server in Virginia, where the tip credit percentage allows a tipped pay rate of \$2.125 has a tip credit of \$3.025. Overtime is calculated by *PayMaster* as \$4.70:

Minimum wage	\$ 5.15
times 1½	<u>x 1.5</u>
equals	\$ 7.725
minus tip credit	<u>- 3.025</u>
equals overtime rate	\$ 4.70

For a server in the same state earning \$2.75/hour, the overtime rate would be \$5.325 — \$7.725 minus that server's tip credit of \$2.40. **GO**

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 there under and appropriate administrative or court rulings interpreting same is unnecessary. All persons using this newsletter should look to and rely upon their respective legal counsel and accountants with respect to these laws and requirements.

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## Spotlight on NDSS, Inc. in Savannah, GA “PayMaster is tailor-made for restaurants.”

*Richelle Darley, bookkeeper, NDSS*

NDSS, Inc. in Savannah, Georgia began with one seafood restaurant in 1987, Pearl’s Elegant Pelican. Since then they’ve added the Oyster Bar River Street and the Island Oyster Bar, specializing, of course, in oysters. Also added were Exchange Tavern on Waters Avenue and Cotton Exchange on River Street, offering many kinds of sandwiches, specialty salads, and a wide range of appetizers.

With five restaurants spread throughout Savannah, NDSS needed a quick way to get payroll information to their headquarters office where the weekly payroll is processed. NDSS owner Bob Turner found out about Computer Aid’s *PayMaster* payroll software from Tucker Business Machines in Savannah, the company where they bought their Micros 3700 POS systems.

The deciding factor in purchasing *PayMaster* was that Computer Aid also sold an interface into *PayMaster* from the Micros 3700 POS. All of the data from the five restaurants — hours worked for each job, plus receipts and tips for each employee — could be imported into *PayMaster* in seconds. This saves hours of time and lessens the chance of error.

Brenda Head, NDSS comptroller, did the payroll processing at the time they switched to *PayMaster* in early 1998. Brenda says, “When we purchased *PayMaster* we got a lot of help. The support at Computer Aid is great — in the beginning, I was calling them quite often. Having five restaurants, getting them set up, having them interface — it worked out wonderfully! It saves lots of time on the punch in of data entry because it’s all right there. Before, we printed out the Micros reports and had

to manually enter the data in our payroll program. Now, we just import it and it appears on *PayMaster*’s batch screen. The only changes we manually enter are when the bartenders split tips.”

Payroll processing is now handled by Marsha Bradford who’s been on the NDSS staff for six months. Marsha says, “I used to work for a staffing firm and did payroll for small companies, including a restaurant. Richelle trained me on *PayMaster* — it was easy to learn to use. The interface from the Micros is really nice. The managers check the data at their end, and then send the file to me to bring into *PayMaster*. It takes me about a day and a half to process all five restaurant payrolls.”

From left: Brenda Head, Marsha Bradford and Richelle Darley of NDSS, Inc.

“When I’m processing payroll, it’s nice to print the pre-check register before updating the pay files so that I can check to make sure everything is correct, especially the deduction report for garnishments. I think the report system is wonderful. I print reports and make sure they match all the way through, so when the quarter is done, we know everything is correct.”

“The W-2s were easy — we had 526 employees last year and had no problems with them. Printing on the laser is so nice.”

Richelle Darley, the bookkeeper for NDSS, processed the payroll for a couple of months before Marsha was hired, and does it when Marsha is out.

Richelle says, “I’ve used a lot of different software. *PayMaster* is very easy to use and it was extremely easy to show Marsha how to use it. I used to be a payroll supervisor. With *PayMaster*, I really like that you can double check everything. There are so many chances to correct things. This makes the stress level lower and everything is a lot less tense.”

“I really really like the support from Computer Aid. Kyle is wonderful. We don’t have many problems, but Kyle always resolves them. I feel very comfortable that even though I used *PayMaster* for only two months, I can go in any time and process a payroll easily.”

“*PayMaster* is tailor-made for restaurants. We utilize all parts of the software. I do the quarterly reports. It’s very nice — you just punch a button and there they are! It’s very easy to reconcile the data for the quarterly reports, and if the 941 is off, it’s easy to find the problem and correct it.”

Brenda does the W-2s and the payroll tax reporting along with Richelle. Brenda says, “another good thing about *PayMaster* is that it gives you all of that tip credit information. It used to take us forever to get that information together for the accountant. Now all we need to do is print the FICA Credit for Taxes on Tips report.”

**GO**

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## FICA Credit for Taxes on Tips

Remember to print your FICA Credit for Taxes on Tips report (REPORTS/OTHER/FICA CREDIT).

Give it to the person preparing your corporate tax return. This is a tax credit on your corporate taxes and can translate into real money for your company.

**GO**

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## Our New URL: [www.computeraid-llc.com](http://www.computeraid-llc.com)

Check out our web site to see what we've added:

Need to order checks? You can print the order form with current prices on our web site: click the link for Services, then Payroll and AP Check Ordering.

Does your Tip Allocation information screen flash just briefly on the screen while processing payroll? Check out the Support link — there's a new PYTIP.EXE file you can download to fix that problem. Call if you need the password.

Know someone using a payroll service who is thinking of doing it in-house instead? Send them to the Products Link, then *PayMaster* payroll software to see the chart showing how much money they can save by using *PayMaster*. **GO**

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## Supreme Court to Review Fior d'Italia, Inc. vs. U.S.



The outcome of this case will affect every business in the U.S. whose employees make tip income.

The Ninth Circuit Court found that there is no way to determine an employer's FICA tax liability without making an employee-by-employee determination of the taxable tips each employee has earned. Further the method used by the IRS of estimating total tips based on records of charged tips was not authorized by the Internal Revenue Code.

The Supreme Court often decides to review a case because there is a conflict among the circuit courts on an

issue. If you've followed the BLUE PAGES tax law reports over the years, you've kept up with the Morrison Restaurant and Bubble Room decisions. The Seventh and Eleventh Federal Circuits decided that the IRS has the authority to assess the employer's share of FICA tax on the unreported tips of employees on an aggregate basis without first assessing individual employees.

The government petitioned for a hearing before the Supreme Court because a resolution of the conflict is needed to preserve uniform applications of the FICA tax to avoid disparate treatment of similarly situated taxpayers.

Arguments are scheduled for the week of April 22 and a decision will likely be issued this summer. **GO**

**Remember to process  
end of quarter!  
See Important  
Tax Law Changes  
on pages 2 and 3**