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In observance of Labor Day, PenSoft will be closed Monday, September 3rd.

In observance of Thanksgiving, PenSoft will be closed Thursday & Friday, November 22nd & 23rd.



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E-Filing Services

Filing payroll tax returns electronically is efficient, accurate, fast and secure. Because our customers and payroll processors need the benefit of E-filing, PenSoft is working diligently to expand our capabilities in this area. We are happy to announce the status of a web service application for PenSoft customers to electronically file IRS Forms 941, 940 and 944. This project is 75% complete with the most challenging hurdle of IRS approval and ongoing testing remaining.

PenSoft E-filing Services will work in conjunction with the Internal Revenue Service's (IRS) Electronic Filing System and will offer a quick, easy to use, and secure system for businesses and payroll service providers to satisfy their filing needs.

Efficient

- Saves Time
- Saves Money

Accurate

- Improves Data Quality
- Lowers Error Rates
- Includes Electronic Acknowledgement

Fast

- Increases Productivity
- Sends Payroll Tax Returns to IRS Quickly

Secure

- Transmits information to a secure website ensuring confidentiality
- Restricts use to authorized personnel

PenSoft is excited to expand its e-filing services. As we move forward in the endeavor to bring our customers new and advanced technology, this additional feature in PenSoft Payroll Plus will be advantageous to the many customers who use the software. Stay tuned for further announcements as this project progresses. ☺

Don't Miss Out on These Great Features!

PenSoft understands the financial pressures from all directions on business. Everything from rising fuel prices to the increased costs of postage and raw materials have a direct affect on the company bottom line. Business tools are another necessary expense. We value our customers and because of these pressures we offer the best value in payroll software.

To appreciate the capabilities and performance of PenSoft software and services it is our responsibility to educate our customers to take full advantage of the potential, thus reaping the best value from these business tools.

PenSoft Payroll Plus has a variety of levels to meet your company payroll requirements, affordability and practicality. Ranging from Lite to Accounting, each advancing Edition contains its own special features as well as the features of the Edition before it.

Features

All PenSoft Payroll Plus Editions include the ability to process payroll using multiple income and deduction types and to generate and print the Federal Annual Forms 944, 940, Schedule H and Form 943 as well as the Quarterly Form 941. Many state specific UI forms are included with the ability to generate and print the forms directly from the software including the option to produce an electronic media file for submission. For some states with no capability to generate and print, there is the option of printing directly on the state provided forms. The ability to prepare Forms W-2 is included in all Editions. Electronic filing of Forms W-2 and 1099 processing is available in select versions.

Permissions and data safety have long been a challenge for companies. All Editions of

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President's Corner



Leroy Newman
President & CEO

2007 Challenges

2007 met us with two major challenges – additional printer issues and the introduction of Vista™ with its security issues. It is challenging when multiple software applications are used simultaneously and

because it affects our customers we take them seriously and work hard for resolutions. The majority of the printer issues have been resolved and we can help our customers work through the Vista security issues. Please call our Program Support staff if you are having either of these difficulties (or any problem) for a quick resolution.

Preparing for 2008

We are hard at work preparing for the 2008 version of PenSoft Payroll Plus to ensure it has the capabilities and quality you expect from PenSoft. It will be ready for distribution as scheduled on December 17, 2007.

Address Corrections

If you have moved since ordering your 2008 PenSoft Payroll Plus software or your 2007 W-2 or 1099 forms, please be sure we have your new address prior to the respective shipping dates. Updating your address with us will avoid shipping delays and get these time sensitive products to you on time.

APA Certificate of Recognition

Melinee' Cody, PenSoft's Director of Program Support and Training, received a Certificate of Recognition from the American Payroll Association (APA) for giving of her time, hard work and dedication in helping others to achieve their professional dreams and goals by leading a successful CPP/FPC Study Group. Congratulations Melinee' and thanks for a job well done.

Employee Comments

Due to her husband's professional move from the area we had to say goodbye to Jennifer in Administration. We will miss her and wish her the best in her new location. Thanks Jen. ☺

Don't forget to renew for 2008 and purchase 2007 tax forms!

2008 software ships December 17, 2007.

2007 tax forms ship on or before November 19, 2007!



National Payroll Week is September 3-7.

InterceptEFT Security Changes

InterceptEFT has designed and implemented a special Multifactor Authentication process to comply with the new Federal Financial Institutions Examination Council (FFIEC) requirements for use with file transmissions to InterceptEFT.

This new Multifactor Authentication becomes mandatory on September 1, 2007. The old method of sending file transmissions to InterceptEFT will be removed from PenSoft. InterceptEFT issued the new security cards to all customers early this year. Customers who have received their cards can start using the new feature in PenSoft Payroll Plus immediately with the new button in the Direct Deposit window titled InterceptEFT. If you have not received your security card contact InterceptEFT at 1-800-378-3328.

Together with InterceptEFT, PenSoft's goal is to maintain the highest level of security for online banking transactions. Multifactor Authentication is an important step in this process. ☺

Sweeping Out the Old, Bringing in the New...

In 2007 the Social Security Administration (SSA) has changed the file publication and specification name for electronic submission of W-2 data. Since the SSA no longer accepts magnetic media, the name Magnetic Media Reporting and Electronic Filing (MMREF) has changed to Electronic Filing of W-2s (EFW2). You will see this name on any SSA publications for 2007 electronic filing of W-2s.

In addition a new field, Software Vendor Code, is included in the RA record. The four-position code is assigned by the National Association of Computer Tax Processors and PenSoft is an active member of the NACTP. The Software Vendor Code identifies PenSoft as the vendor of the software used to generate the EFW2 file from within PenSoft. This change to the file was made in 2007 PenSoft Payroll Plus version 3.07.0138 and all subsequent versions to comply with the SSA W-2 filing requirements.

In addition to the changes for W-2 electronic filing, a prominent change has been made to the paper W-2 in moving the position of the social security number. It is moved to where the control number was previously. This prevents the social security number from possibly being visible in windowed envelopes.

As new information becomes available regarding W-2 filing, PenSoft will routinely post notices on our website at www.pensoft.com or include news in e-mail update notices. PenSoft prides itself on remaining in compliance with federal and state laws. ☺



Q. My FUTA (940) report is showing an amount due on line 10, but I have made my deposits all year through my accounting software.

A. Deposit payments printed outside the payroll program need to be recorded within PenSoft Payroll Plus using the Deposit process. If the data is not entered many of the reports can be rendered invalid. Click Deposits on the toolbar and then click Help for detailed information on recording tax deposits.

Q. My Third Party insurer handles the collection and deposit of the taxes for third party sick pay but has notified me I am responsible for providing my employee with a W-2 for their third part sick pay wages. How do I accomplish this?

A. A Third Party Sick Pay adjustment utility is available in the W-2 setup:

- Click Reports on the toolbar.
- Select Tax Forms.
- Select Forms W-2.
- Highlight the desired employee.
- Click Individual Setup.
- Click Sick Pay.
- Enter the appropriate amounts furnished by the Third Party Provider.

These values will be saved in the 2007 employee's W-2 setup but will not be transferred to 2008 PenSoft Payroll Plus.

Q. Can PenSoft Payroll Plus generate and print all necessary copies of Form W-2?

A. All copies of W-2s can be generated and printed using the Professional Edition and higher. PenSoft receives approval each year from the Social Security Administration to allow users to produce all copies of the W-2 and Form W-3 on plain paper. All PenSoft Editions can print W-2 data on preprinted W-2 forms.

Q. What causes the same company to be listed twice on the company list?

A. This happens as a result of different methods of browsing to locate or to open the company. This is a common problem where the program is networked and individuals are accessing the same company via multiple paths. Use extreme caution when encountering this situation. DO NOT DELETE the duplication because this may cause a loss of data. Call Program Support at 757-873-1199 for assistance. ☺



Minimum wage Increase

The new federal minimum wage increase went into effect July 24 2007. Existing companies need to be manually updated to reflect the correct minimum wage. To receive the minimum wage warning, users need to change the rate in the Company Setup>Settings. Each individual employee currently earning minimum wage must also be updated to the new minimum wage. This is done by going to the Employee setup and modifying the income. New employees added to an existing company will still have the prior minimum wage rate. This rate must also be changed when adding a new employee. To avoid manually changing each new employee, a default employee can be created to have the current federal minimum wage rate of \$5.85 (or the state's minimum wage) to be used when adding new employees.

Windows Vista™

PenSoft runs on Microsoft Windows Vista. When installing PenSoft Payroll Plus on Vista the 2007 software will default to the correct location. If the data is on a networked drive users will need to browse for this folder. Vista is a security system so if creating new folders, and electing not to use the default settings, the user must assign permissions to these folders. All new folders must be designated within Users/Public directory.

Features, continued from page 1

PenSoft Payroll Plus contain the ability to password protect the system and company data. The Platinum Edition of PenSoft Payroll Plus offers user login options. This provides a method of controlling the areas of the software individual users will have access to. All versions of PenSoft come with a fully inclusive backup feature.

Direct Deposit processing is available in the Professional and higher Editions, and MICR capabilities are added in the Enterprise and higher Editions. These features offer users the ability to enter payroll, process direct deposit, and e-mail plain paper summaries, all with the click of a few buttons.

Other Products

Our ancillary products are a cost savings for larger, multi-location or more complex companies and payroll service providers. PenSoft TimeOnline is a 100% web based time and attendance program aimed at allowing employees to clock in and out using the internet. This eliminates the need for costly machines, punch cards, and manual payroll entry. TimeOnline can create a time saving export file designed for direct import into the PenSoft software. For Service Providers with clients wanting to relinquish the hassle but not the control, PenSoft Remote Client is the answer. This service allows the processors' clients the ability to enter payroll data but have their service provider process payroll, submit the direct deposit file and/or checks and prepare the quarterly and annual tax filings. Visit www.pensoft.com for more information on these two remarkable services.

With all these features, it's easy to see why PenSoft customers return year after year. As an added bonus, customers who renew PenSoft Payroll Plus on an annual basis receive the discounted renewal price rather than the new subscription price after the first year. If another PenSoft Edition has a capability you need but not in your current Edition, contact our Sales Department at (888)736-7638 for more information or to place an order to upgrade today!! ☺

Check Leave Balances

Employee leave balances can be verified while in the payroll record. To allow this, go to the Company Setup>Settings and check the box to Allow checking leave when entering payroll records. When payroll is entered, users will have the option to "Check Balances." This will show the leave balances, but will not include values for the current payroll record.

Backup

PenSoft encourages performing a complete backup after each pay period. Having a current backup is vital in the event of a loss of data due to a computer or database crash. To complete a backup:

- Click Backup on the toolbar.
- Browse for the location where this file should be saved. Browse is square with three dots. Select the location and click Save.
- Review the file name and location. Click OK to save. A backup complete message will appear.

While it is possible to create a backup file on any drive, a removable disk should be used. Normally this will be a floppy disk, flash drive, CD, or other removable media type. ☺

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