PenSoft® NEWS

Quarterly Newsletter for PenSoft® Payroll Solutions

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INSIDE...

In observance of Labor Day, PenSoft will be closed Monday, September 1st.

In observance of Thanksgiving Day, PenSoft will be closed Thursday & Friday, November 27th & 28th.

PenSoft® BUSINESS SOLUTIONS
PenSoft
151 Enterprise Drive
Newport News, Virginia 23603
P 757.873.2976
F 757.873.1733
info@pensoft.com
support@pensoft.com
www.pensoft.com

Dedicated to Being a Voice to the Payroll Industry

PenSoft is dedicated to carefully monitoring federal and state legislative and regulatory measures which impact employee management, payroll, tax, and benefits administration as it relates to PenSoft Payroll. This effort ensures PenSoft Payroll is updated as relevant laws evolve and helps to minimize your administrative burden, allowing you to focus on running your business.

PenSoft has a large base of customers throughout the United States who are continually faced with the challenge of compliance at the federal, state, and local levels. Our objectives are to communicate mutual concerns of the payroll profession to legislative and executive branches of government and to identify methods to help employers meet their requirements under law, while minimizing the reporting and financial hardship on employers.

Where We Get Info
PenSoft employees sit on many different committees to gather information for our customers.

National Association of Computerized Tax Processors

Payroll Information Reporting Committee

As a member of the National Association of Computerized Tax Processors – Payroll Information Reporting Committee (NACTP-PIRC) we work with the Internal Revenue Service (IRS) and state taxing agencies in the areas of Unemployment Insurance, Payroll Withholding, and W-2/1099 Filing. The committee works on issues including forms design, distribution, and approval; electronic filing; automated, and manual return processing; and maximizing government compliance.

The NACTP has become a natural repository of business and technological best practices and lessons learned through the collective experiences of its members.

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PenSoft TimeOnline & the Affordable Care Act

PenSoft TimeOnline is a valuable tool for managing Affordable Care Act (ACA) compliance and for current users to take full advantage of the reporting features available to track the full or part-time status of employees.

Beginning in 2014, employers with 50 or more full-time employees must track each employee's monthly status as full-time (defined under the ACA as an average of 30 hours per week, or at least 130 hours in a month) or part-time. The Internal Revenue Service (IRS) requires employers to report employees' full-time status and keep these reports on file as part of their tax records.

Supervisors and managers are the employer's first line of defense when it comes to managing employees' hours. Providing supervisors and managers with access to PenSoft TimeOnline gives them the ability to stay one step ahead of work schedules, potential overtime issues and instances when hours worked will result in an employee's status changing from part-time to full-time.

PenSoft TimeOnline
Attend a FREE live demo! Sign up at www.pensoft.com

PenSoft TimeOnline can help companies control one of their largest expenses, payroll costs. PenSoft TimeOnline can also help employers avoid costs and penalties of noncompliance with ACA regulations. *As of the publication of this newsletter,* the IRS has not released the finalized forms related to information reporting requirements under the ACA but employers need to have the necessary tools in place in preparation for the full application of the provisions in 2015.

Interested in signing up?

Visit **www.pensoft.com/services/timeonline.aspx** to download a contract or to sign up for a demo.

President's Corner

Leroy Newman
President & CEO

Summer is nearly over but it didn't escape nature's fury. Many areas of our country experienced extensive flooding, destructive tornadoes, severe heat, and massive fires. For those of you affected, may your recovery be swift. Best wishes for a productive and profitable 4th quarter.

Affordable Care Act Update

The Internal Revenue Service (IRS) in March of this year released news regarding the Affordable Care Act (ACA) reporting requirements. We have been waiting with bated breath for a copy of the draft forms. It is important to understand reporting for tax year 2014 is voluntary, but is mandatory for tax year 2015.

The IRS released the draft versions of the forms on July 24, 2014 and has requested comments from stakeholders, including employers, tax professionals and software providers, and ACA reporting administrators regarding these new reporting provisions.

Through our affiliation with the IRS, APA, and NACTP we have an active role in providing feedback and expressing concerns on behalf of our customers. At this time we understand the new ACA information reporting structure will be similar to current Form W-2 reporting in that employers will be required to prepare an information return (Form 1095-B or 1095-C) for each applicable employee and to file these returns with the IRS using a single transmittal form (Form 1094-B or 1094-C). Electronic filing will be required if the employer files at least 250 returns.

The IRS has stated both the forms and instructions will be finalized later this year. We will continue to monitor the ACA related developments and provide clients with periodic updates through our blog, newsletters, and e-newsletters to ensure you remain well informed.

2015 PenSoft Payroll

The 2015 PenSoft Payroll will ship to all prepaid customers on December 15, 2014. If you haven't already done so, renew today to ensure you receive the new software in time to prepare your first 2015 payroll. As usual the 2015 software will include a conversion program to facilitate duplicating your company and employee information from 2014 PenSoft Payroll.

Employees

Debbe Taylor, Programmer, celebrated 10 years of loyal service with PenSoft. She was presented the PenSoft 10-year wooden clock on June 6, 2014. Hired directly from Strayer University where she graduated with a Bachelor of Science Degree in Computer Information Systems, Debbe hit the ground running. She completed a major rewrite of our customer database left in arrays by the previous programmer. She continues to maintain program changes to this database along with maintaining federal and state tax changes in our current commercial payroll software. Along with other programmers she is also instrumental in the development of PenSoft's next generation software. Thanks Debbe and congratulations on 10 years of dedicated service.

Electronic Vendor Payments Deter Fraud

Online technology has improved our ability to perform tasks efficiently, conveniently, and securely. Even with the ability to streamline the payment process with direct deposit, the 2013 Federal Reserve Payments Survey reported 92% of organizations continue to use checks when paying many of their major vendors.

Annual statistics illustrate companies continuing to process printed checks are at a higher risk of becoming a victim of payment fraud. According to the 2014 AFP Payments Fraud and Control Survey by JP Morgan Chase, only 22% of those surveyed experienced fraud through the Automated Clearing House (ACH) in comparison to 82% of the respondents who experienced check fraud.

The primary reason check fraud is a top leader in payment fraud is the company loses control of the bank routing and account number once the information is released to pay vendors and employees.

To reduce the probability of your financial account information getting into the hand of criminals, consider processing all your employee and vendor payments by direct deposit. While ACH transactions can be compromised, there is the ability for added security by placing an ACH filter on the payment account. An ACH filter prevents unauthorized payments to fraudulent vendors and ensures only approved ACH transactions post to the correct accounts, reducing your company's risk for payment fraud.

Payments Within PenSoft Payroll

When processing deduction payments in PenSoft Payroll Professional Edition and higher you have the ability to process employee, deduction, and tax payments via direct deposit. Send your payment vendors a direct debit form along with a letter informing them your organization will be migrating to ACH payments for improved security and timeliness of payments.

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Security Breaches - Not Everyone is Impacted

PenSoft understands the trust our clients have placed in us to keep their customer information secure. Helping protect our clients information is one of our top priorities.

There have been numerous news stories about security breaches. Earlier this year, a security bug called "Heartbleed" exposed a vulnerability found in open-source OpenSSL cryptography used to secure website access and e-mail servers causing a state of chaos for many business owners.

Businesses everywhere sent press releases and communications to their client's outlining the actions being taken to resolve the issue. PenSoft did not release a notice and this resulted in a few clients calling to inquire why we elected to not notify PenSoft clients of this issue.

Our intent was not to create panic or confusion for PenSoft clients. PenSoft's websites run on Microsoft IIS with its own encryption SChannel, therefore our websites were not impacted by this security deficiency.

This event has caused serious concerns for many consumers and PenSoft understands our clients' needs to ensure their customer information is secure. While this discussion focuses on your online relationship with PenSoft, these actions apply to all online accounts you have with vendors. It is also important to understand these are recommendations and not an all-encompassing list of actions to protect your online information.

Clients can take the following actions to ensure the safeguard of their online accounts:

- Update your online passwords using the "strong" password protocols.
- Use a unique password for each online account.
- Elect not to save passwords when using Internet Explorer.
- Update PenSoft online passwords when employees with access terminate.
- Update support contacts at PenSoft when employees terminate.
- Ensure anti-virus and web browser software are up-to-date.

PenSoft cannot promise to keep the "boogieman" from knocking at the door but we do our best to continuously enhance our security measures to protect your customer information from getting into the hands of cyber criminals.

Q&A

Q. Why am I asked to verify my company account information when calling Program Support multiple times in the same day?

A. Program Support Consultants answer many calls during the day and your calls may be answered by a different member of the team. PenSoft is dedicated to ensuring the privacy of sensitive payroll information. Our objective is to verify contact information in an attempt to prevent unauthorized users obtaining support to access information from within the payroll software.

Q. How can I delete a Form 941 tax deposit entered incorrectly?

A. To delete a deposit:

- Click Deposits on the toolbar.
- Highlight the 941 deposit.
- Click Delete on the Tax Deposits and Deduction Payments window.
- Click Delete on the Delete/Void Tax Deposit window.

Q. Is there a way to view the leave balances for my employees while entering payroll data?

A. Yes. To view leave balances:

- Click Company on the toolbar.
- Highlight the desired company.
- Click Modify.
- Click Options.
- Check the box next to "Allow checking leave when entering payroll data".
- Click OK.

Q. I purchased a new computer, installed PenSoft Payroll, and now I am being asked to register. Why do I need to register again?

A. Registering when installing PenSoft Payroll on a new machine ensures the authorized owner is installing the software. This process protects the customer and PenSoft by preventing the software from being copied, shared, or otherwise illegally used by non-licensed users.

Q. Will clicking Post in the payroll screen post the payroll data I just entered so I can print checks and run tax reports?

A. No. This is used exclusively with PenSoft Remote Client. PenSoft Payroll processes in real time; meaning once the data is entered it is saved and will flow to the applicable federal and state forms. PenSoft Remote Client is a downloadable application used to remotely submit payroll information to the payroll processor, multi-location facility, or mobile business via a secure page on the PenSoft website. This service provides the flexibility to post batches of payroll records, reports, and checks securely.

Interested? Visit **www.pensoft.com/services/remoteclient.aspx**

DON'T FORGET!

Prepaid 2015 orders ship UPS NDAS on December 15. **RENEW TODAY!** 2014 tax forms will ship on or before November 17.

Voice, continued from page 1

American Payroll Association

Government Relations Task Force

As a member of the American Payroll Association (APA), our employees serve on several of the Government Relations Task Force (GRTF) sub-committees. The GRTF interacts with federal and state legislatures and government agencies regulating payroll matters with the goal of influencing legislation and regulatory activity to benefit APA's membership. GRTF subcommittees actively work to achieve this goal as it pertains to their specific subject matter area.

PenSoft staff serves on the following sub-committees:

- **Internal Revenue Service Issues**: Studies and discusses the tough IRS issues facing employers. This has included compliance and reporting requirements under the Affordable Care Act, changes to income tax rates and withholding calculations due to Federal legislation, and discussions regarding the challenges of a Real Time Tax System.
- **Federal Tax Forms and Publications:** Researches, reviews, and provides valuable input on federal tax forms for submission to the IRS and Social Security Administration.
- **Unemployment Insurance:** Explores the challenges facing the unemployment system in order to provide an employer perspective to federal and state legislators and regulators.
- **MyRA**: Works alongside Treasury to offer comments and suggestions in how to best communicate Treasury's objective of removing the financial and administrative burden for employers electing to support MyRA contributions. The committee works to provide outreach initiatives to employers so they understand their role. These efforts benefit both Treasury and employers.

Role of PenSoft Clients

PenSoft clients play a very important role in our ability to present comments on a variety of issues to the government agencies. Very often we reach out to our clients to share information and their concerns about reporting requirements and the impact of proposed legislation.

In the many years of working as government affairs officers, we learned clients are unaware of the proposed legislation and just how it will impact their business until we reach out for their comments. While completing a survey or responding to questions is an interruption, it is an opportunity for your voice to be heard and concerns conveyed to the government agencies.

It is PenSoft's mission to provide our clients with the information they need to understand the impact of key legislation and reporting requirements on their business. We will continually monitor payroll related developments and provide clients with periodic updates on new developments through our blog, newsletters, and other e-news tips to ensure you remain well informed.

Vendor, continued from page 2

You will be joining the ranks of organizations moving towards processing employee and vendor payments through direct deposit. Experience the benefits of reduced payment costs, reduced risk of payment fraud, and a reduction of the company's carbon footprint on the environment.

To learn more about setting up ACH deduction payments in PenSoft Payroll contact Program Support at **support@pensoft.com** or to speak to a program support consultant call 757-873-1199.

Interested in direct deposit? Visit **www.pensoft.com/services/directdeposit.aspx** to learn more.

Year-End Webinar Dates

- November 6
- November 13
- November 20
- November 27
- December 4

This webinar has been approved by the American Payroll Association for 1 Recertification Credit Hour (RCH). This course cannot be repeated within one year from the original webinar date for credit.

SIGN UP TODAY!

Year-End webinars are from at 2-3 pm Eastern time. HURRY! Space is limited and seats fill-up quickly. Call 888-PENSOFT (888-736-7638) to sign up. Training is $99 per phone connection.

Sorry, no refunds are available for the year-end webinars. We require a 72-hour advance notice to reschedule webinar dates for participants.

Leroy Newman
President & CEO

Stephanie Salavejus, CPP
Vice President & COO

Melineé Cody, CPP
Director of Support & Training

Heidi Heretick
Director of Sales & Marketing

Paul MacDonald, MCSE
Director of Information Systems

Contributing Writers
Program Support Department
Sales Department

PenSoft
151 Enterprise Drive
Newport News, VA 23603

Info: 757-873-2976
Support: 757-873-1199
Fax: 757-873-1733

info@pensoft.com
support@pensoft.com
www.pensoft.com

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