PenSoft® NEWS

In observance of
Memorial Day, PenSoft
will be closed Monday,
May 29th.

Maximizing Functionality in PenSoft Payroll

During the year-end reporting window, many customers inquired if there was the ability to streamline the document process within PenSoft Payroll. They were looking to send out communications to educate and remind employees of tasks they needed to complete for year-end and the new year. In each instance, support consultants were able to assist the customers with setting up a document template to streamline the process. It was during our closing year-end meeting we realized we needed to highlight beneficial ways to use documents.

Now that year-end reporting is all but behind you, it is time to learn how to get the most out of PenSoft Payroll. Expand the use of the document feature to keep the lines of communication open with your workforce and keep important items from falling through the cracks.

Documents

PenSoft Payroll provides the ability to create custom documents to streamline the process of sending out communication to the entire workforce without having to leave PenSoft Payroll. Below are just a few examples of how documents can be used:

Get More Out of PenSoft Payroll with Documents

Year-End Notices for Employees

Create notices to remind employees to verify their information on file prior to W-2 submissions, or to submit a new W-4 if filing exempt from withholding. Educate employees about wage base changes and contribution limits.

Onboarding and Benefits

Distribution of annual notices, employee handbook acknowledgments, and benefit plan notices can be organized to be ready when needed.

Company Performance and Future Goals

Engage your workforce by outlining the current year's performance and the organization's future goals. Studies show employee moral increases when companies share an overview of what employees can expect in the coming year.

New Form I-9

Employers began the year with updated compliance requirements from U.S. Citizens and Immigration. Starting January 22, 2017, employers must use the new version of Form I-9 Employment Eligibility Verification, to verify the identity and work eligibility of every new employee hired after November 6, 1986, or for the reverification of expiring employment authorization of current employees.

Are You Using the Form I-9 Released on November 14, 2016?

2017 PenSoft Payroll was distributed with the new form in place. Employers wanting to confirm the update will find the revision date 11/14/2016 N located on the lower left hand corner of the form. Employers failing to use the new Form I-9 on or after January 22, 2017 may be subject to all applicable penalties as enforced by U.S. Immigration and Customs Enforcement (ICE).

The representatives at U.S. Immigration and Custom Enforcement announced the Employers Handbook would be updated later this year. PenSoft encourages employers to download the resource for guidance on how to properly complete Form I-9 and answers frequently asked questions about the law as it relates to Form I-9.

Visit **www.uscis.gov** or **www.youtube.com/user/uscis** to stay current on USCIS news.

President's Corner

Leroy Newman
President & CEO

Here's hoping you and your family had a pleasant and enjoyable holiday season and have a good start for a prosperous 2017. PenSoft had a good 2016 year end and a great conversion to our 2017 product year. Additionally interest in the PenSoft Hosted Solution is growing.

Integrity Data

After extensive vetting of Affordable Care Act (ACA) reporting solution providers we have selected Integrity Data (ID) to provide this capability for our customers. ID has a similar customer service philosophy as we do. They have products and services to meet the needs of our customers, and offered reasonable pricing. We have developed a connection with their platform, and although it will require manual input for 2016 reporting, we are developing a more automated integrated system for 2017 reporting. See the enclosed flyer for more information about this service.

Virtual Training

As a result of your feedback PenSoft has revamped our customer training offerings. We are focusing more on individual company virtual training versus webinars with multiple companies. This one-on-one approach is working particularly well especially for reconciliation because individual payroll issues can be discussed without distracting other participants. Check out our website for more information on this opportunity.

APA Capital Summit

PenSoft will participate in the APA Capital Summit on March 27-28th in Washington D.C. PenSoft will be speaking directly with government representatives about IRS regulations, employment reporting issues, challenges of small to mid-sized businesses to comply with last minute legislation and the need for additional guidance.

Employees

PenSoft's Vice President, Stephanie Salavejus, CPP, has been invited to present at the APA 35th Annual Congress in Orlando Florida, May 16-20th. The educational track, Women in Leadership, is designed to mentor future business leaders. The presenters will share advice and life experiences with the attendees on how to maximize their strengths and how to build their skills to become effect leaders.

Quarterly Reconciliation training is now offered in a private individual environment!

Perform the reconciliation process alongside an instructor using your company data, walk through the process of creating subject wages summary reports to validate configuration of data, view the correct process of correcting payroll records, and how to setup system settings for company data elements for accurate reporting in the future

Schedule your personal 60 minute session for only $99 **NOW** to ensure stress free reporting for the first quarter of 2017!

E-mail **training@pensoft.com**
OR call 757-873-1199.

Equal Employment Opportunity Commission

The Equal Employment Opportunity Commission issued new information collection requirements that include collecting pay data from Forms W-2 for placement on the annual EEO-1 report.

Data Collection Has Two Elements:

- Element #1 – Currently approved data about employees' ethnicity, race, and sex, by job category.
- Element #2 – Data on employees' W-2 earnings and hours worked, which EEO-1 filers already maintain in the ordinary course of business. Summary pay data: employers report the total number of full and part-time employees they had during the year in each of the 12 pay bands listed for each EEO-1 job category. Aggregate hours worked data: employers tally and report the total hours worked that year by all the employees accounted for in each pay band.

Beginning in 2017:

- All filers will be required to submit the EEO-1 report electronically.
- Filers with 100 or more employees (both private industry and Federal contractor) submit data in response to both Elements 1 and 2.
- Contractors with 50 to 99 employees only submit data for Element 1.

The payroll data will be used to help improve enforcement of federal pay discrimination laws and support employers' voluntary compliance with those laws. Bringing focus to the pay data elements can help employers take an active role in preventing pay discrimination in their workplaces.

Employers should be receiving a notice from the EEOC describing the new EEO-1 filing requirements and deadlines. Visit **www.eeoc.gov** to learn more about employer's responsibilities.

Q&A

Q. I am processing 3rd party sick pay for a highly compensated employee subject to the "additional Medicare". Where can I find information to determine if the 3rd party sick pay is subject to the "additional Medicare"?

A. Information for Special Rules for Various Types of Services and Payments is located in section 15 of Publication 15 (Circular E), Employer's Tax Guide. The IRS provides an FAQ's website page with answers to taxpayers questions. When we reached out to the IRS, they sent the following: "All wages that are currently subject to Medicare Tax are subject to Additional Medicare Tax, if they paid more than the applicable threshold for an individual's filing status. For more information on Additional Medicare Tax, visit **www.irs.gov** and enter "Additional Medicare Tax" in the search box.

Q. Our CFO inquired if PenSoft Payroll supports the inclusion of a 16 digit verification code on the Form W-2.

A. The W-2 Verification Code is a pilot program open to a select group of vendors. When the IRS opens the program to all vendors, PenSoft is on the list to receive the schema and begin evaluating the process for supporting the verification code.

Q. The 2016 year-end webinar highlighted a reconciliation process to ensure the accuracy of information flowing to all employment tax returns and forms W-2. If the process is so important, why are the reconciliation reports not part of PenSoft Payroll?

A. The importance of reconciling cannot be stressed enough. In Reports under the Payroll Reports section and under the Tax Reports category, is the Subject Wages Reconciliation report. Each company has unique requirements and the flexibility to customize the configuration of compensations and deductions within PenSoft Payroll. For this reason, the report is provided as a starting point for customers to build upon. Click the setup link by the report button to modify the data fields. A very useful feature is not having a limit on the number of summary reports you can create to assist with the reconciliation process.

Q. The instructional videos are extremely helpful in training new staff in our payroll department. Will PenSoft expand on the topics available?

A. Yes! PenSoft's training team is in the process of adding to the video library. Do you have a topic recommendation? Share it by e-mailing **training@pensoft.com**

Keep an eye on **www.pensoft.com/training/demonstration_videos.aspx** to see when new videos are added!

Best of Both Worlds

Did you know that more than 50% of small business owners spend over three hours a month processing payroll, instead of growing their business?

As a business owner you should have access to the same time and cost saving solutions as the "big businesses".

Our mission is to help small business owners process payroll quickly by offering an easy to use payroll solution, backed by live U.S. based support from highly qualified program consultants.

Modernize your payroll process with the PenSoft Payroll Hosted Solution.

- Access your payroll any time or anywhere you have an internet connection. Use your newly found freedom to grow your business.

- Control of authorized users. Setup your CPA/bookkeeper as an authorized user if you want them to have access to the information they need instantly.
- Automated maintenance updates providing assurance you have the most current release without the headache.
- Free unlimited access to live U.S. based support from highly qualified program consultants.

Want to learn more about how you can have the best of both worlds with PenSoft Payroll Hosted Solution?

Call 888-736-7638 or visit **https://attendee.gotowebinar.com/register/226330442689583106** to view a video outlining the benefits!

Company Executive Communication

Communication from the top is critical to employees. Employees look to senior management for guidance and acknowledgement of their contributions to the company's success. A message of appreciation from the executive team is an opportunity to show appreciation from the company leaders.

Celebrate Awards and Achievements

Celebration of employee's accomplishments positively impacts their level of engagement. Acknowledging employee's years of service creates a positive work environment and improves employee retention.

Custom Documents

PenSoft Payroll offers the ability to generate documents customized for a specific applicant, employee, or Form 1099 recipient in the Professional Edition and higher. Documents are displayed by selecting a template and then selecting the applicant, employee, or recipient. PenSoft Payroll will then merge the appropriate data from the selected applicant, employee, or recipient into the template and open the resulting document for viewing and printing.

How to Use a Document:
- Click Reports on the toolbar
- Click Document button
- Click Add to create a new document template *OR*
- Highlight the desired document and click Display

Templates

Use any of the predefined templates or create your own. There is no limit to the number of templates. Document templates are formatted text documents with tags embedded at specific locations. When the final document is generated the tags are replaced with data from the selected applicant, employee, or Form 1099 recipient.

- **Editing a Template** - The basic editor included in PenSoft Payroll allows entering formatted text including the required tags. It is adequate for most documents. Place the cursor at the point in the template where you want the tag, select the tag from the list at the top of the editor and then click the Add button.
- **Tags** - An extensive list of tags is available. All tags are enclosed in brackets, e.g. [FullName] when they appear in the template. Select a tag from the list and it will automatically be inserted into the template. The data for specific tags may not always be available. If the company's address has not been entered then it cannot be inserted in the document. When data is unavailable the tag is replaced with a placeholder in all upper case and followed by an asterisk. You can manually overwrite this placeholder with the appropriate data before printing the document.
- **Setup** – Select data can be formatted in ways specific to documents. The name, salutation and date offer multiple format options. The data must exist to use the selected format correctly. If the salutation format is "Title Last" then the salutation would normally be "Dear Mr Johnson". If, however, you have not entered a title for the person then the salutation would be "Dear TITLE* Johnson".
- **Displaying and Printing** – The result of merging data from the selected applicant, employee, or recipient is a rich text document (.RTF) which must be viewed and printed with an external program such as WordPad or Microsoft Word. Almost any word processor will be able to open an RTF document.

If you already have documents that you would like to have access to in PenSoft Payroll, streamline the process by saving the original document as an (.rtf) file. Open PenSoft Payroll and access Documents under Reports, click Add, click the Import button, select the rtf file and click the Open button. The original document still exists and the text of the original document is now available as a template ready for you to add the appropriate tags.

For assistance or questions about how to setup documents in PenSoft Payroll, contact Program Support at **support@pensoft.com** or call 757-873-1199. Knowledgeable Program Consultants are available to assist Monday – Thursday from 9am to 6pm and Friday 9am to 5pm Eastern.