

VOLUME 20 • ISSUE 2  
Summer 2011

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## 2012 PenSoft Payroll & PenSoft Employee Tracker

The flowers are blooming and warm temperatures are finally upon us after a long winter. In our office it means our programmers start working on 2012 PenSoft Payroll and PenSoft Employee Tracker.

You can start preparing for 2012 now too! Renew now and you will not have to think about it during one of the busiest times of the year.

### 2012 Renewal

Complete your enclosed renewal notice and fax it to 757-873-1733 with credit card payment. Or mail with your check payment to the address in the top left hand corner. Call 888-PENSOFT (888-736-7638) toll-free to place your order by phone with a credit card. Log into the Customer Resource page at [www.pensoft.com/customers/login.aspx](http://www.pensoft.com/customers/login.aspx) to place your 2012 order online with a credit card.

Your current software information is located under "Current Subscription Renewal." If you purchased tax forms in 2010, 2011 forms will be suggested under this heading. Your current shipping option will be listed on your renewal notice. Additional shipping options for 2012 include \$0, \$29, and \$69. Select the

\$0 shipping option and download the initial 2012 release and all updates. Receive the initial CD and download all updates by selecting the \$29 shipping option. Prefer to receive CDs throughout the year? Select \$69. If you would like to change your shipping option for 2012 please manually make the change on your renewal notice. If you opt to download your updates please ensure there is a correct e-mail address listed on your renewal notice.

**Renew for 2012  
TODAY!**

Additional products are offered for your consideration under the "Consider Adding" heading.

Prepaid 2012 software will ship on December 19, 2011. It will be available for download on or before December 19th.

### Lite Edition Users

Lite Edition customers will see a change on their renewal notice. We are consolidating employee levels for 2012 so the Lite Edition will have one employee level: 1-25. Customers who are using the Lite Edition 26-50 will have the Standard Edition 1-50 on their renewal notice. Lite Edition 1-10 and Lite Edition 11-25 users will have the Lite Edition 1-25.

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## Pay-As-You-Go Workers' Compensation Insurance

Tired of paying a huge Workers' Compensation Insurance estimated bill at the beginning of a policy year and then being hit with another bill after the audit at the end of the policy year?

Try PenSoft's solution – Pay-as-you-go Workers' Comp!

- NO huge up front estimated payment
- NO huge bill after the audit
- Pay each pay period based on actual payroll
- Spreads policy costs over the policy year

**Pay-As-You-Go  
No More Estimated  
Payments!**

After initial setup, when completing payroll each pay period in PenSoft® Payroll send the automated file to InsureLinx for processing. We have already done all the work for you because the file will

be properly formatted to be electronically processed.

Upon receipt of the file, InsureLinx will notify you of your liability for this pay period and then electronically debit your checking account for this amount. It's this simple!

Go to [www.pensoft.com/services/insurepay.aspx](http://www.pensoft.com/services/insurepay.aspx) to get a quote and start the process. You'll be glad you did!

In observance of Independence Day, PenSoft will be closed Monday, July 4th.

In observance of Labor Day, PenSoft will be closed Monday, September 5th.



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Leroy Newman  
President & CEO

## President's Corner

Our hearts go out to those of you who lost family, friends and property during the April storms. This has been a difficult time for everyone. PenSoft was narrowly missed but many of our neighbors are without homes. If any of our customers need assistance installing PenSoft or restoring data our support team is standing ready to assist.

### 2012 Software

2011 is nearly half over already. PenSoft has been busy helping customers with the 2011 Social Security modification and is busily preparing for 2012. We will release 2012 PenSoft® Payroll and PenSoft Employee Tracker™ on December 19, 2011. Hopefully by then our elected officials in Washington DC will have passed the 2012 payroll tax laws and we will have had enough time to program any changes so we don't have to make a subsequent

release after December 19th. The late employment tax law release this year caused a great deal of extra work and expense for PenSoft and a lot of extra work and confusion for you. Renew your software now to ensure you have it in time for 2012.

### Trade Shows

PenSoft will exhibit at two trade shows this summer. We will be in Tampa, Florida June 9th and 10th for the Florida Accounting and Business Expo and in Rosemont (Chicago), Illinois August 23rd and 24th for the Midwest Accounting & Finance Showcase. Trade shows present opportunities for us to showcase our products and talk to lots of people. If you are attending either show please stop by our booth and say hello. We enjoy talking with our customers and exchanging ideas. See you there.

Additionally we plan to exhibit at insurance trade shows later this year to promote our new Pay-As-You-Go Workers' Comp capability.

### Form 1099 Requirement

There has been a lot of discussion, both formal and informal, about the future Form 1099 requirements and the hardship they would cause businesses. Thankfully our elected officials recognized the severity of the projected requirements, have rejected the change and President Obama signed it into law. Regardless, PenSoft will supply a Form W-9 whenever it is requested.

### Employees

PenSoft is fortunate to have a number of long-time and loyal employees. Four of us have been at PenSoft over fifteen years, two over ten years and another seven over five years. These employees provide the stability and corporate knowledge for PenSoft to continue to be successful. Our newer employees (under five years) also have a lot of experience and knowledge to share.

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## Just Reduced!

### 94X E-File Pricing Reduced Effective Second Quarter

PenSoft Payroll e-file service allows PenSoft users the ability to file IRS Form 941, 944 and 940 employment tax returns electronically. We provide business taxpayers and reporting agents with access to a powerful tool to save time and money.

We're thrilled when our customers take the time to provide PenSoft with their feedback. Well, we heard what you had to say and electronically filing employment tax returns has never been easier and now it will cost less. If you aren't already, now is the time to sign up for this cost saving and time saving service.

The new pricing structure provides a discount for customers who file large numbers of employment tax returns. *The pricing goes into effect for the second quarter filing of the employment tax returns.*

Total Number of Forms Transmitted During Qtr	Fee Per Form
1-10	\$5.50
11-20	\$5.00
21-30	\$4.50
31-40	\$4.00
41-50	\$3.50
51-100	\$3.00
100+	\$2.50

PenSoft has over two decades of experience in payroll software development and we understand the burden of payroll compliance. PenSoft is committed to providing the best value in payroll software, backed by program support unsurpassed in the industry. Visit [www.pensoft.com/services/efile\\_94x.aspx](http://www.pensoft.com/services/efile_94x.aspx) to learn how 94X e-filing can make a significant difference to your business and bottom-line.

### Employee Tracker Users!

Watch your e-mail box the first week of June for your personalized newsletter exclusively for Employee Tracker users! Submit your ideas and questions for the Fall electronic newsletter to [info@pensoft.com](mailto:info@pensoft.com)

**Q.** I had to make a change in PenSoft Payroll to correct the contact information for the 94X transmission. When I attempted to resubmit the file, the program message read, this was a duplicate submission and I could not resubmit it. Is there a way to change this?

**A.** Yes, e-mail [support@pensoft.com](mailto:support@pensoft.com) to have the 94X administrator reset the original file. This will allow you to resubmit the file.

**Q.** What is a credit reduction state and how do I know if my state is a “credit reduction” state?

**A.** A state not having repaid money it borrowed from the federal government to pay unemployment benefits is a “credit reduction state.” The Department of Labor determines these states and the IRS releases a form version change. Upon getting notification of a change, PenSoft updates the Form 940, sends an email notification to all current subscribers and releases a program update.

**Q.** Is PenSoft Payroll compatible with Microsoft Windows 7?

**A.** Yes, PenSoft Payroll is compatible with Windows 7. The user access controls may need to be modified. There is the option to run the program as an administrator or to set the compatibility mode. The PenSoft Payroll executable file is located in the C:\Program Files\PenSoft\Payroll 2011 folder.

**Q.** Why am I getting a message about a missing OCRA font when running reports?

**A.** The computer cannot locate the OCRA font used to run many reports. There are multiple reasons this could occur. Simply uninstall and reinstall PenSoft Payroll to reestablish the OCRA font. This will not remove any data or payroll histories previously entered.

### Tips

#### Mobile Clock In & Clock Out

PenSoft TimeOnline goes mobile! Mobile employees or contractors can clock in and out using various mobile devices. Contact [support@pensoft.com](mailto:support@pensoft.com) for more information about mobile devices supported.

#### Tax Deposit Requirements

Use the “By Tax” report or the “By Deposit” report on the Tax Reports tab to correctly determine tax deposit requirements. This is especially important with the 2011 employee Social Security rate change. Employers should not “simply” double the employees’ social security amount withheld, because this will result in errors in your tax withholding payments.

#### Windows 7

Are you moving from Windows XP to a Windows 7 operating system? After moving the data to the new computer, verify the D11 or B11 files are not marked as read only. If either is marked as read only this could result in an unhandled exception error.

#### Download Only Customers

Internet only customers must ensure the e-mail address on file with PenSoft is correct. E-mail is the primary method of communication for download only customers. Also make sure [support@pensoft.com](mailto:support@pensoft.com) and [info@pensoft.com](mailto:info@pensoft.com) are not being blocked by your company server or anti-spam software.

PenSoft Wishes  
Everyone a Fun, Safe  
Summer Holiday!  
Enjoy Your July  
4th and Labor Day  
Holidays!

2012, continued from page 1

## Tax Forms

Need tax forms? PenSoft offers complete tax form packages guaranteed compatible with PenSoft Payroll. All packages include envelopes! For your convenience we have included a full order form on the back of your renewal notice. If you are located outside the 48 states please call for your shipping and handling cost.

Prepaid tax forms ship on or before November 14, 2011.

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## Form W-9

### Request For Taxpayer Identification Number and Certification

The increase in identity theft has made everyone cautious about providing personal information to companies without the company providing a clear and justified reason. This includes request for the standard Form W-9, Request for Taxpayer Identification Number and Certification.

Companies will routinely request form W-9 as a matter of practice. This is because companies who fail to obtain a proper tax ID number when it's actually required can be subject to being fined by the Internal Revenue Service (IRS).

Many times when asked for a completed W-9, companies will state they are a corporation or exempt so there is no need to issue a Form 1099 for their services. This may be accurate but the Form W-9 provides the payer with the necessary information to make the determination and shows their due diligence for compliance in reporting to the IRS. PenSoft occasionally at year-end will get a Form 1099-MISC when in fact we are exempt due to the fact we are a corporation. We just file them.

It is highly recommended companies implement the appropriate record keeping and data collection processes to meet the reporting requirements, including, processes to effectively communicate the required information to payroll, accounts payable or a third party administrator for tax reporting obligations.

The Form W-9 serves two purposes. It is used by businesses to file information returns with the IRS on reportable payments made to others. The second purpose is to help the payee avoid backup withholding.

Even though the form is never actually sent to the IRS, the business who files the information return must have it for verification purposes. The information on the W-9 and the payment made are usually reported on a Form 1099.

In January for this year, the IRS released a new Form W-9. There are several important changes to the form and the instructions.

- Two separate check boxes have been added to the form so that corporations can specify whether they are a C Corporation or an S Corporation.
- A Limited Liability Company must indicate whether it is a C Corporation, S Corporation, or Partnership. A Disregarded Entity has been dropped from that line, so a single member LLC would check the box for an Individual/Sole Proprietor.
- The specific instructions for the name of the business entity have also changed. The instructions now have specific details for partnerships, C corporations, S corporations, and disregarded entities.

PenSoft customers who conform to Form 1099 IRS regulations and need to update their vendor information can obtain a copy of PenSoft's Form W-9 directly off the PenSoft website. Visit [www.pensoft.com/customers/resources.aspx](http://www.pensoft.com/customers/resources.aspx) to print the form W-9. You will need to login with your customer number and password. Call 757-873-2976 with any questions.

### Need A PenSoft W-9?

Download one at [www.pensoft.com/customers/resources.aspx](http://www.pensoft.com/customers/resources.aspx) TODAY! No need to worry about delays in mailing or faxing your request.

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