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Safeguard Your Employee Documents

Most employers are aware of the importance of protecting their employees' personal data but whether or not they understand their legal obligation in protecting this data is uncertain.

There are federal and state laws in addition to regulations to govern the collection, use and transfer of your employees' personal information. This can be overwhelming for the simplest of organizations but especially daunting for employers operating in multiple states or worse yet in other countries.

These laws and regulations were put into place to help deter and prevent identity theft which has been on the rise in recent years. Ensuring adequate measures are in place protects both the company and its employees, plus it's good business practice.

Any person who has experienced identity theft can testify they have had to spend months if not

years to correct the damage caused by the thieves. In addition to the time and money expended to correct the damage, it jeopardizes their financial reputation. Victims of identity theft have reported loss of job opportunities, refusal of credit, and even wrongful criminal charges for crimes committed falsely under their identity.

Doculivery® by National Payment Corporation (NatPay) can help by providing employees and independent contractors

access to compensation summaries and annual wage statements on a secure internet site. Employees and independent contractors will be provided with a unique login Id and a case sensitive password to access their pay stubs, compensation summaries, W-2s and 1099-MISC statements.

NatPay incorporates security settings designed to pass a SAS70 Type II audit. In addition to the standard security settings, NatPay recommends designating the individual IP addresses within your network authorized to have access to the internal

See **Doculivery**, page 4

2013 Is Right Around the Corner

Thank you for making PenSoft® Payroll part of your company. We value you as a customer and want to continue to offer you the best value in payroll software for 2013.

Renewal Notice

Included with this newsletter is your 2013 renewal notice. Please take a moment and review all your company information at the top of the page. Make any required changes, sign the Authorized Signature line, and return it to PenSoft via fax or mail.

Your current payroll software subscription is listed under "Current Subscription Renewal" including your current shipping option. If you received CDs in 2012 and wish to download in

2013, reduce your payment by the listed shipping fee on your renewal notice.

Employee Tracker

Also available on your 2013 renewal notice is 2013 Employee Tracker; it is listed under "Consider Adding" if you are not a current user. Use Employee Tracker to manage and organize your employee information. Also, track and maintain benefit history, employee training and/or certification, and employee assigned property. Employee Tracker can be integrated with PenSoft Payroll. Interested in Employee Tracker? Download a trial before purchasing at www.pensoft.com/employeetracker/downloadtrial.aspx

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

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



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Leroy Newman
President & CEO

President's Corner

PenSoft is now in its 23rd year producing the best value in payroll software. When we incorporated our company in January 1990 our payroll product was DOS based and quite simple in comparison to our current product line. Through the years we have evolved staying current with technology and the payroll industry. We have added many products and services throughout the years resulting in our complete payroll system of today.

Are you getting the most value from PenSoft Payroll?

Are you using all the tools available to increase your efficiency and to reduce your payroll costs? Here's a summary of the products and services compatible with PenSoft Payroll and the value they add.

Employee Tracker

Maintain employee history including jobs, salaries, promotions, education, training, emergency data, etc. all in one easily accessible place making it easier to locate information and thus more efficient. Integrates with PenSoft Payroll or may be used as a stand-alone application.

Direct Deposit

Save time and the expense of printing and distributing payroll checks by electronically sending a payroll file directing net pay to be deposited in your employees' bank accounts or payroll cards.

Doculivery

Save additional time and the expense of printing and distributing pay stubs by electronically sending your payroll file to Doculivery. This process is also available for contractor payments. W-2s and 1099s at year-end may also be sent electronically. Employees/contractors will have access to their pay stubs and W-2s/1099s from any computer with internet access.

PenSoft TimeOnline

Eliminate the time and expense of manual timesheets by using PenSoft TimeOnline. Employees can log in and out from any computer with internet access. The data can be accessed in PenSoft Payroll eliminating the need to key it in.

Remote Client

This web service works well for payroll processors with clients and for companies with remote locations. The payroll processor sends a payroll data set to the client who enters the payroll data and posts it, making it available to the processor, who pulls it into PenSoft Payroll for processing. This service has two main cost savings: (1) It nearly eliminates processor data entry thus reducing errors; and (2) It eliminates the courier costs of getting checks and reports to the client. Through this service these reports (including checks) are sent to the client to be printed on location.

94x E-Filing

Another way to increase efficiency and reduce costs is through the use of PenSoft's 94x E-Filing service. As an authorized transmitter by the IRS, PenSoft collects 940, 941 and 944 electronic files from our customers and forwards them to the IRS. In addition to saving the time and expense of printing, delivering forms to clients for signatures, and mailing these forms to the IRS, there is a response from the IRS as verification they received the forms.

Pay-As-You-Go Workers' Compensation

This electronic service changes the way we pay our company workers' compensation insurance. Each pay period an electronic file is sent with the actual payroll data identified by specific codes and the actual cost of the insurance. This eliminates the large "best guess" payroll for the next 12 months and the large up front deposit on the policy. Instead it uses actual payroll and determines actual premium costs for the pay period. Additionally, the audit at the end of the year should result in nearly a net zero liability.

Employees

We are fortunate to have the addition of Brenda Vassos and Danica Coley in our Program Support and Training Department. They come to us with vast experience and expectations of greatness in providing outstanding customer service. Welcome Brenda and Danica.

INTERESTED IN OUR ADDITIONAL PRODUCTS & SERVICES?

Check out our enclosed flyer!

IMPORTANT UPCOMING 2012 DATES

June 11-12

Training at PenSoft

August 28-29

Midwest Accounting Show

September 10-11

Training at PenSoft

November 16

Prepaid tax form orders ship

December 10-11

Training at PenSoft

December 14

2013 Software is available for download

December 17

Prepaid 2013 software ships

Tips

Switching Modes

In the Enterprise, Platinum, and Accounting Editions of PenSoft Payroll, navigating between the Payroll mode and the Form 1099 mode is simple as a double click. The current mode is displayed in the status bar at the bottom right-hand corner of the program window. Simply double click the current mode to switch to the other mode. You can also change modes from the Activities menu.

Doculivery

Tired of locating previous years' applications to reprint Form W-2s for employees? Sign up for PenSoft Doculivery and provide your employees with access to their Form W-2s electronically. Online storage and employee self-service access is available for 7 years. E-mail delivery options are also available within Doculivery's Form W-2 Online service.

Form 941 Line 7a

Need to identify why there is a large fraction of cents on line 7a of the Form 941? The Social Security and Medicare Recap Report identifies social security and Medicare tax withholding discrepancies. Select Auxiliary Reports in the lower right hand corner of Tax Report tab. The report lists each employee, the total wages subject to social security and Medicare, the amount which should have been withheld, and the amount that was actually withheld. Large discrepancies are generally due to instances where the tax computed amount was overridden during the entering of the payroll data.

General Ledger Export

Can't find your general ledger product in the Export Data list? Contact your general ledger representative to ask if they offer an import option compatible with PenSoft Payroll. Additionally, the Universal Export is designed to be modified to fit specific criteria and can be customized under the guidance of your general ledger's technical support department. Contact PenSoft Program Support for more information on how to get started.

Streamline Your Office - Go Paperless

As a PenSoft customer you have the option to add Doculivery for online pay statements and year-end tax forms to your arsenal of products. This service not only benefits your bottom line but also the environment. An online Employee Self-Service Solution can help your company:

- Save time - by electronically delivering pay summaries and year-end tax forms.
- Save money - by reducing the cost of reprinting lost pay summaries and year-end tax forms.
- Save space - by reducing document storage. Employees have the ability to access past statements online for 7 years.
- Save the environment – by printing only when needed.
- Improve internal customer service - by eliminating the standard response time for employees needing to obtain copies of their pay summaries or Form W-2s.
- Improve security and privacy – by having employees log-in to a secure site to access their sensitive documents you reduce the potential for identity theft.
- Improve employee productivity – by allowing employees to have access 24/7 they no longer have to take time out of their work day to go to payroll for these documents.

Enjoy a Paperless Option Subscribe to Doculivery, an Online Employee Self- Service Document Solution

- Improve document backup and compliance practices - by storing the documents off-site in addition to having quick access to documents for federal and state agency audits.

With Doculivery employee self-service your payroll staff can go back to focusing on their primary tasks instead of delivering pay statements each pay period and distributing or mailing employee Form W-2s at year-end. Doculivery will also provide protection for your records from physical damage and can become part of your company's disaster and recovery plan. Employees are simply directed to log-in to the secure site to access their forms. This service saves time for employees and dramatically reduces time the payroll staff will spend answering common questions and locating documents.

Visit www.pensoft.com/services/onlinedocuments.aspx to learn more about how Doculivery can improve efficiency for both your company and employees. For more information e-mail the Sales department at info@pensoft.com or call 888.736.7638.

side of the Doculivery system. By incorporating the recommended security settings you reduce your company's vulnerability to fraud and identity theft.

Doculivery is an add-on service to PenSoft Payroll. Doculivery pays for itself by saving your company time and money eliminating the manual handling of compensation summaries and annual wage statements. An important factor in determining the ROI is Doculivery costs pennies in comparison to the cost and penalties assessed for a data breach. Minimum statutory damages in case of breaches can be up to \$1,000 per employee in addition to punitive damages and attorney's fees established by the Fair and Accurate Credit Transaction Act (FACTA). For more information on FACTA visit www.ftc.gov

Sign Up Today!

Submitting pay summaries and annual wage statements could not be any easier. To learn more about Doculivery and to download a contract visit www.pensoft.com/services/onlinedocuments.aspx

Q&A

Q. Will the "post" button in PenSoft Payroll record my payroll entries into my general ledger?

A. No. The "post" option in PenSoft Payroll is used exclusively for sending information and reports to the PenSoft Remote Client service. PenSoft Remote Client service is an alternative data entry method hosted on a secure PenSoft website. This service provides the flexibility to post batches of payroll records, reports, and checks securely. Visit www.pensoft.com/services/remoteclient.aspx for more information.

Q. When generating the By Tax or By Deposit report located on the Tax Reports tab, all the taxes display even when the liability is zero. Can the taxes with a zero liability value be suppressed?

A. Yes. Click Reports on the file menu then select Tax reports. Locate the report you want to run and on the left hand side of the report button is the report setup link. Click the report setup link and uncheck the option to include items with zero amounts. Click OK to Save and generate the report again.

Q. What can I do to reduce the number of electronic 94x returns rejected by the IRS?

A. The Internal Revenue Service routinely updates the electronic specifications and many times it is at the last minute. PenSoft updates and distributes the software for these changes. Make it a practice to install the latest update on all computers running PenSoft Payroll before processing any tax reports including the transmission of any 94x return. This needs to be done for all workstations since any workstation not updated will send returns with old file formatting, causing those returns to be rejected.

Q. I just received a notice for Third Party Sick Pay payments made to my employee. How do I go about entering this payment into PenSoft to be properly reported?

A. The Internal Revenue Service has special rules for reporting payments made to employees during a leave of absence for a sickness, injury, or disability under a bona fide sick leave plan. If your company is responsible for updating the W-2 with third party sick leave payments, we recommend you visit our knowledge database and print out the step by step instructions. Visit www.pensoft.com/support/kdbshow.aspx?Doc=563 for instructions on how to enter third party sick pay.

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Tax Forms

Don't forget to order your 2012 tax forms. If you purchased 2011 tax forms from PenSoft your reorder is printed for your convenience. Additionally, a complete order form for 2012 forms is printed on the back of your renewal notice.

Paper taking over your life? Consider going paperless for your 2012 W-2s. Sign up for Doculivery and issue your W-2s to your employees via the internet. For more information regarding Doculivery please see page 3.

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