



Welcome to PAYTECHonline for December 2009

TOP STORY



IRS Issues Ruling on TIN-Masking Forms 1099; Forms W-2 to Follow?

The Internal Revenue Service has issued a revenue ruling on TIN-masking on Forms 1099, and APA wants your input on this decision. Plus, learn how the IRS's decision on TIN-masking on Forms 1099 could impact how the same is done for Forms W-2.

WEBSITE NEWS

Free Online Payroll Resources Aim to Increase Your Payroll Knowledge

Check out APA's homepage to see the bounty of resources available to payroll professionals. These include sponsor-provided white papers, webinars, and webinars on demand, all of which strive to increase your payroll knowledge and know-how.



PAYROLL RESOURCES

Discounted 2010 Payroll Source Provides Vital Compliance Info

The 2010 edition of *The Payroll Source*® is available for pre-order now, and includes information on navigating the latest compliance issues pertaining to federal rules and regulations. Order before January 31 to receive a discount off the regular price.

PAYROLL EVENTS

Pick Up Payroll Basics in Coming Year With Payroll 101

Those looking to lay the groundwork for their payroll career need look no further than Payroll 101: Foundations of Payroll Certificate Program. The course, offered at APA's Payroll Learning Centers in San Antonio and Las Vegas numerous times throughout 2010, is vital for those just entering the payroll profession.

CHAPTER NETWORK

Northern Lights Pays It Forward at Alaska Statewide

APA's Northern Lights Alaska Chapter recently hosted the 2009 Alaska Statewide Payroll Conference under the theme, "Pay It Forward--The Power of Payroll Mentoring." Learn more about the many networking and educational opportunities at this conference, as well as how you can implement similar practices in hosting your very own statewide.



GOVERNMENT CORNER

APA Advises U.S. Employers on Best Practices for W-2 Replacements, Corrections

APA has provided U.S. employers with plenty of advice for managing these processes in the Winter edition of the *SSA/IRS Reporter*. Learn more about these many suggestions, including the potential for devising a form employees can complete requesting W-2 replacements, thereby decreasing the amount of time an organization spends chasing down such details.

FEATURE

Chicago Chapter Rings in Silver Anniversary in Style

The December PAYTECH cover story is devoted to the Chicago Chapter of the American Payroll Association, APA's 2009 Chapter of the Year. Learn about Chicago's numerous achievements and accolades, and pick up some tips to use in your chapter's quest for its own Chapter of the Year award.

NEW MEMBERS

APA Welcomes 234 New Members

Our online, searchable-by-state listing is very handy. Use it to contact payroll people in your area, including 234 new payroll peers.



New APA Member
Lisa Sherman

VENDOR NEWS

Workday Announces Release of Workday 9

Learn more about this new application, which includes a new homepage and streamlined business processes that operate more like consumer websites than traditional enterprise applications. Plus, ADP has been recognized by Gartner, Inc. for its HR-related services.

Provide Input on How Form 1099 TIN-Masking Could Impact Forms W-2

By Scott Mezistrano, CPP

The IRS now allows you to print just the last four digits of an individual payee's nine-digit taxpayer identification number (or TIN, of which the social security number is an example) on paper copies of Forms 1098, 1099, and 5498 that you provide to payees.



This is a pilot program for tax years 2009 and 2010, and the IRS wants your comments as to whether this should be expanded and/or required.

Even if you never touch any of those forms, you'll want to weigh in on this, because how the IRS handles these forms may be exactly how they'll handle masking the SSN on a Form W-2. TIN-masking on W-2s would have to be authorized by the U.S. Congress first, but it certainly could happen, as identity protection is one of their hot topics.

TIN-masking can be accomplished by replacing the first five digits of the nine-digit number with asterisks or Xs. For example, the SSN 123-45-6789 would appear as ***-**-6789 or XXX-XX-6789. TIN-masking is not allowed on statements submitted to IRS.

Your Input Needed

Please respond to [this survey regarding TIN-masking](#), which closes around February 1. and e-mail them to smezistrano@americanpayroll.org. Please try and do so by February 1.

Seventy-Four Percent Would Mask TINs

Earlier this year, we asked you whether you would mask TINs on Forms 1099. Thirty-seven percent of respondents said they would do so this year, and 37% said they will implement the practice for tax-year 2010. When asked whether you'd mask SSNs on Forms W-2, 67% said "yes." See [PAYTECHonline, May 2009](#).

You can read all the details on how TIN-masking works in [PAYROLL CURRENTLY, No. 23, Vol. 17](#), which includes a link to the IRS revenue procedure.

WEBSITE NEWS

Free Payroll Benefits Just One Click Away

Those looking for vital payroll resources--and, more importantly, free payroll resources--are in luck, as [APA's homepage \(scroll down to the bottom of the page\)](#) now offers three free, sponsor-provided payroll resources.



Those benefits include a free white paper from MasterCard, "[A New Perspective on Payroll Cards: A Roadmap to Adoption](#)," which provides important data that can aid companies looking to increase paycard awareness and adoption. Also check out a pair of free webinars -- [Ultimate Software's Year-End Processing Tips Webinar](#) and [CyberShift's on demand webinar, "Time is Money: Effective FMLA & Absence Management Improves Productivity and Mitigates Risk."](#)

'What's New @ APA' Offers Access to Latest Payroll Benefits

[What's New @ APA](#), APA's brand new newsletter, provides a one-stop shop for payroll professionals, including information on APA courses (both in-person and via webinar), publications, and much more. Get fun facts, success tips, and links to APA's numerous social networking initiatives, including [Facebook](#) and [LinkedIn](#).

Check back in the coming weeks as What's New @ APA unveils even more benefits and opportunities.



APA's ListServ Provides Answers to Payroll Questions

Where can you go to find the answer to your year-end and other payroll questions, or see how other companies handle the diverse array of company policies not regulated by law? These are just some of the topics covered on [APA's Payroll ListServ](#), a great source for questions and discussion on payroll practice and procedures!

It's easy to subscribe, just click on the link above to the Members Only area and click on the "ListServ Sign-up" page. After you join, you'll become one of the many APA payroll professionals who benefit from the give-and-take of the APA Payroll ListServ. You can ask questions, answer questions, or just read along -- no matter what, the ListServ will keep you on top of the latest topics buzzing through the payroll world.

APA's Web Links

[APA's Local Chapters](#)
[Forms, Pubs, and Info](#)
[Education and Compliance Calendar](#)
[State and Local](#)
[Federal and General](#)
[Organizations](#)
[Joblinks](#)

PAYROLL RESOURCES

The Payroll Source: The Road to Compliance Begins Here (at a Discount)

[The Payroll Source](#)[®] provides the information necessary to keep your company in compliance with federal laws and regulations pertaining directly to your payroll operations. Thanks to this book, available for a \$35 discount for those APA members ordering before January 31, 2010, you'll no longer need to defer to multiple sources in seeking answers to your payroll questions.



The Payroll Source tackles a number of payroll-related topics, including new IRS rules on cafeteria plans, the effects of the American Recovery and Reinvestment Act of 2009, compliance guidelines, state charts, and CPP exam preparation tips and review questions. Check out the text's [Table of Contents](#) for more information.

Discounted Research Ready CD Offers Computer-Friendly Payroll Reference

Many payroll professionals and departments rely on digital media to handle their burgeoning research needs; APA offers a single CD that allows you to view, access, and print from four of APA's leading reference works for federal and state payroll research. APA members who order their own Research Ready CD before January 31 will also secure a discount of \$65.

[The Research Ready CD](#) includes full text of *The Payroll Source*, *APA's Guide to State Payroll Laws*, *Federal Payroll Tax Laws & Regulations*, and *Federal Payroll Non-Tax Laws & Regulations* -- four of the most comprehensive payroll texts on the market today.

PAYROLL EVENTS

Ensure Payroll Basics; Enroll in Payroll 101 in 2010

[Payroll 101: Foundations of Payroll Certificate Program](#)

is vital to laying the foundation (no pun intended) for your payroll career. This interactive, computer-based classroom training covers the basic procedures, processes, and terminology defining the daily work load of the beginning payroll practitioner. Among the many topics covered over the five-day course are calculating gross pay and deductions, calculating tax withholding, preparing Forms W-2 and 941, and so much more.



Payroll 101, offered at both APA's Payroll Learning Centers in San Antonio and Las Vegas, is tailored to those who are just entering the payroll profession, plus supervisors and managers new to the payroll environment.

Act Now to Save on Congress Registration

[APA's Annual Congress](#) in 2010 will feature nearly 200 workshops; the world's largest payroll, accounts payable, and finance expo; and a bevy of networking opportunities. Scheduled for May 25-29, 2010 at the spacious and luxurious Gaylord National Resort and Convention Center in National Harbor, Maryland (just outside Washington, D.C.), this year's Congress is indeed the best, most informative yet.

Check out the Congress Housing pages -- for both [attendees](#) and [exhibitors](#) -- to book discounted rooms and travel. The page also offers information on various hotel amenities.

[Plus, those who register today save \\$150.](#)

APA Education Calendar of Upcoming Events

Conferences

[Educational Institutions Payroll Conference \(EIPC\)](#)

Payroll Learning Center Courses

[Payroll 101: Foundations of Payroll Certificate Program](#)

[Payroll 201: Payroll Administration Certificate Program](#)

[Payroll Administration in Canada](#)

[Payroll Administration in the United Kingdom](#)

[Implementing Payroll Best Practices](#)

[Payroll System Selection and Implementation](#)

Payroll Training

[Intermediate Payroll Concepts](#)

[Payroll Practice Essentials](#)

[Strategic Payroll Practices](#)

[Advanced Payroll Concepts](#)

[Payroll Practice Essentials: Virtual Classroom](#)

Specialty Seminars

[Mergers & Acquisition Forum](#)

[Local Income Tax Compliance](#)

[Audio Seminar Series](#)

[Audio Seminars On Demand](#)

[Garnishments Forum](#)

[Payroll Issues for Multi-State Employers](#)

[Payroll Tax Forum](#)

Webinars

[Accounts Payable Webinars](#)

[Calculating Paychecks Webinar](#)

[Garnishments Forum Webinar](#)

[Local Income Tax Compliance Webinar](#)

[Payroll Webinars](#)

[Wage and Hour Summit Webinar](#)

[APA Education Course Listing](#) -- Find a class near you, as well as information on all APA courses.

[APA Compliance and Education Calendar](#) -- dates, locations

2009 Alaska Statewide Payroll Conference Pays It Forward

By Dee Nelson, CPP

"Awesome event," "best one yet," and "very organized event,"--these were some of the comments received during and after the 2009 Alaska Statewide Payroll Conference. The [Northern Lights Alaska Chapter \(NLAC\)](#) Statewide committee was at the top of its game this year.



Lauran Gularte, CPP; Kim Randolph, CPP; Patsy King, FPC; Amber Reed, CPP; Melinda Edwards, CPP; Anne Marie Walker; Michelle Stewart; Peggy McGuire; Na Diep; Desiree Gill; and Germaine Eames made up this year's statewide committee. With no stone left unturned, the event went off without a hitch.

This year's theme was "Pay It Forward -- The Power of Payroll Mentoring." Attendees visited with Platinum sponsors [Global Cash Card](#) and [Analytic Innovations](#), as well as numerous other sponsors and charitable organizations.

The opening guest was Annette Kreitzer, Commissioner of Administration for the State of Alaska, who spoke about mentoring others in your organization to become the best they can be as performers. Guest luncheon speaker was Lynne Curry, PHD, of The Growth Company in Alaska, who spoke about the importance of payroll mentoring. With 12 break-out sessions, the day offered Alaska payroll professionals a top-notch educational, networking experience.

The NLAC obtained over 25 new chapter members and shared with the group the importance of certification. The NLAC started a new certification recognition program for members by presenting each member with an engraved name plate for each certified chapter member. The 2009 Alaska Payroll Professional of the Year, Lauran Gularte, CPP, was recognized for her dedication to the profession and to the advancement of our members.

Dee Nelson, CPP, is the Corporate Payroll Manager for the Koniag Development Corporation in Anchorage, Alaska.

My Certification Success Story

By Mitch Johnston, CPP

I joined APA last year to learn more about the [Certified Payroll Professional \(CPP\) certification](#) and develop a personal process to achieve my CPP. Thanks to APA, I was able to study through an online course and had the luck of working with Vicki Lambert, CPP, as my facilitator.



Mitch Johnston, CPP

In April 2009, I contacted the [Northeast Indiana Chapter](#) and indicated that I'd like to join a study group in the area. During that conversation, I was informed that the chapter had a hard time organizing a group. However, I was urged to immediately start one myself, and the chapter provided support for doing so by naming me the Educational Committee Chairperson for 2009/2010.

In short order, 14 chapter members formed a study group that met for 13 consecutive weeks. This was a diverse group of payroll pros that were not only dealing with learning, but like everyone else we were also working within the difficult economic climate. This meant long hours at the office, sharing materials as "study buddies," balancing summer activities, and honoring commitments to the group. We finished the study group with commitments from six people to pursue their own CPP certifications and two more for FPC certifications within the next year. I was able to sit for and pass the CPP exam myself on October 10, 2009.

As a bonus, I also attended the Indiana Statewide Payroll Conference in September this year, which provided a great amount of information concerning CPP testing topics and resources-- something I'd also highly recommend not only for all payroll professionals, but especially for those wanting to sit for the CPP exam. Having the ability to converse with those who have been there was extremely valuable.

Mitch Johnston, CPP, is the Payroll Systems Manager for the ITT Corporation in Fort Wayne, Indiana.

Chapter President Profile: Tanya Lassman, CPP

By Caren Bennett

As any busy payroll professional knows, it can be difficult to find the time to leave town for education classes. For Tanya Lassman, CPP, President of the Central Oregon Chapter, it was this very issue that motivated her to found her chapter. There was no chapter in central Oregon, and therefore no opportunities for education without traveling. Tanya saw an important need in her community and jumped at the opportunity to meet it head-on.

Tanya worked hard to get the chapter up and running. She established bylaws, sought out locations for monthly chapter meetings, and organized CPP certification classes.

Now payroll professionals in the area can take advantage of local classes to study for the CPP exam or to keep their certifications current. The classes have been successful and Tanya happily reports that several of her members have achieved their CPP certification.

The chapter also provides increased networking opportunities and a place where members can discuss new payroll issues in the community. All of Tanya's hard work has produced a solid infrastructure on which the young chapter can build. Founded in 2008, Tanya's chapter is still in its developmental stage.

"Membership is branching out all of the time," Tanya says.

Currently, Tanya's main focus is to promote and gain exposure for her chapter. She has had success in this area by reaching out and advertising with local businesses. She is also focused on securing a permanent location for monthly meetings, as well as finding a variety of educated speakers to speak at their meetings. Tanya finds that creativity and attention to detail are vital in running the chapter. She looks forward to the chapter's continued growth.

In her free time, Tanya enjoys off trail backpacking, snorkeling, reading, and baking.

2009 Study Groups and Statewide Meetings

[Study Group list](#)
[Statewide list](#)

[Study Group Registration Form](#)
[Statewide Registration Form](#)

Contact Us

For anything chapter-related, or for more information about the issues above, please contact the Chapter Relations Department at (210) 226-4600 or chapterrelations@americanpayroll.org.

GOVERNMENT CORNER

New W-4 Has Special Instructions for Nonresident Aliens

Form W-5 Should Be Available This Week

By Scott Mezistrano, CPP

The [2010 Form W-4](#) is now available. It has a message to your employees who are nonresident aliens, directing them to a new notice with instructions on the specific way they must complete the W-4. The message says, "If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form."



Emily Lindsay, CPA

The 2010 Form W-5 should be posted to the IRS website this week, and will then be immediately available at APA's [Forms, Pubs, and Info website](#).

Special W-4 Rules for Nonresident Aliens

Nonresident aliens (NRAs) are non-U.S. citizens working in the United States who do not meet the qualifications to be considered a "resident alien." NRAs are not eligible for the "standard deduction" from income when calculating their income tax, nor are they eligible for the Making Work Pay credit. So they have to complete the W-4 in a specific manner. This manner identifies them as NRAs to the payroll department, which is required to calculate their withholding in a specific way that does not let them benefit from the standard deduction or the Making Work Pay credit. See [Notice 1036](#) for more information on the special withholding procedures.

While these special rules for the W-4 and the withholding calculations have existed for a number of years, there had never been a clear and comprehensive set of instructions about it for NRAs. Notice 1392 and the note on Form W-4 correct that problem and were created by the IRS Information Reporting Program Advisory Committee (IRPAC). APA is represented on IRPAC by Emily Lindsay, CPA (pictured).

Remind Employees to Review Their Withholding Status

You may remember the article in the [November edition of PAYTECHonline \(Page 11\)](#) that discussed your responsibility to remind employees to review their withholding status by December 1. Interestingly, the deadline for that reminder came around before IRS issued the 2010 W-4. But now that the 2010 W-4 is available, [direct your employees to it](#).

Here are a few more reminders not required by law, but which could come in very handy for your employees:

1. Employees should save their final paystub of 2009 to reconcile to their W-2. Any pre-tax deductions will create a difference between the year-to-date gross pay and the dollar amounts in W-2 boxes 1, 3, and 5 (and probably state and local wages as well).
2. Deductions for an employer-sponsored savings plan, such as a 401(k) retirement plan, will reduce the amount in box 1.
3. Deductions for cafeteria plans, health insurance, health flexible spending accounts (FSAs), dependent-care FSAs, transportation expenses, or health savings accounts (HSAs) will reduce the amounts in boxes 1, 3, and 5.
4. Box 3 cannot exceed \$106,800--the 2009 social security wage base.
5. Employees should make sure the name on their paystub exactly matches what appears on their social security card. If you can provide them a way to verify their social security number as well, that's even better. Having an exact match of name and SSN is vital for the SSA to post their W-2 wages to their earnings history so each employee can get his or her eventual retirement benefits.
6. Having the employee verify the address on their paystub is also a good idea, especially if you will be mailing the Forms W-2 to employees' homes.
7. Any employee who claims "exempt" from income tax withholding and wants to continue doing so in 2010 must complete [a 2010 W-4](#). IRS does allow a grace period for "exempt" W-4s through February 15 of the following year. So, these employees must submit their new W-4s by your deadline for the processing of the first payroll dated on or after February 16, 2010. Otherwise, their withholding must be taken according to a marital status of "single" and zero withholding allowances.
8. Any employee who receives advance payment of the Earned Income Credit and who wants to continue receiving these payments must file a 2010 Form W-5, *Earned Income Credit Advance Payment Certificate*, in time for the processing of the first payroll of 2010. There is no grace period for the 2009 form. IRS has told APA that the 2010 W-5 should be posted by December 18 at <http://www.irs.gov/pub/irs-pdf/fw5.pdf>. (Until the 2010 form is posted, that link will take you to the 2009 form.)

Best Practices for W-2 Replacements and Corrections

APA Advises U.S. Employers in SSA/IRS Reporter

By Scott Mezistrano, CPP

As you read this, you're probably still busy preparing this year's Forms W-2 (due to employees by February 1, 2010). But it's not too early to strategize how you'll handle requests for replacements or corrections.

APA offers U.S. employers plenty of tips for managing the process in the [Winter 2009 edition of the SSA/IRS Reporter](#). For example, we suggest devising a form for employees to complete, to request a replacement or correction, to decrease the time you'd spend on the phone, taking down details. Did you know you can charge a fee for W-2 replacements?

The article also reviews:

*the basics of completing a W-2c (*Corrected Wage and Tax Statement*)

*whether or not you may correct amounts of taxes that have already been deposited

*the follow-up steps that must be considered after filing a W-2c

*Social Security Administration's *W-2c Online* service, which lets you prepare and file Forms W-2c for the four previous tax years

This quick primer is in the Winter 2009 edition of the *SSA/IRS Reporter*. See our article, "W-2 Replacements and Corrections: Best Practices," on page 4. Obviously, the IRS and SSA think we've got it right, because this explanation is going to the six million U.S. employers and thousands of tax professionals who get the *SSA/IRS Reporter*.

APA, IRS, and SSA--A Great Alliance

APA articles have been a regular feature in the *SSA/IRS Reporter* since the Fall 2003 edition. APA's contributor status helps fulfill the Association's mission to educate the payroll community, in addition to providing great exposure for the organization to all employers and thousands of tax professionals. It is also evidence of the ongoing partnership among APA, IRS, and SSA.

Read current and back issues of the *Reporter* [at the IRS website](#).

FEATURE STORY

Chicago Chapter Sets Shining Example in Silver Anniversary

After 25 years, the [Chicago Chapter of the American Payroll Association](#) rang in its silver anniversary by claiming its first-ever APA Chapter of the Year Award. Get a full rundown of this chapter's crowning achievement in the [December PAYTECH cover story \(APA member login required\)](#).



Not only will you get to help pay homage to one of APA's finest local chapters; you can also pick up a few tips to use in the coming year as your local chapter makes strides to earn its very own APA Chapter of the Year award.

Congratulations again to the Chicago Chapter of the American Payroll Association and each of its devoted members!

NEW MEMBERS

APA Welcomes 234 New Members

Our online, searchable-by-state listing is very handy. Use it to

NEW MEMBERS

APA Welcomes 234 New Members!

To use this [new member list](#), download the file to your computer and open the file. You should see a listing of states and Canada in the left-hand frame (the "Bookmarks" window). Simply click on the state you want and you will go to the proper page. If you do not see the Bookmarks window, click F5. This list can be printed on any printer.

To contact new members on this list: Use the APA's searchable online membership directory (for use by APA members only). The directory is really easy to use. Just log in to the Members Only page by using the login at the right. After you log in, click on Member Directory and you will be transported to the Member Search page.

VENDOR NEWS

Workday Announces Release of Workday 9



[Workday](#) said it is 'redefining the user experience for employers and managers' with Workday 9. Workday 9 is adding a new homepage and streamlined business processes that work more like consumer websites than traditional enterprise applications.

The major enhancements in Workday 9 include support for multiple jobs and support for 197 countries. Workday 9 adds new user experiences, which company officials contend optimizes manager/employee workload. Workday 9 tracks individual, team, and corporate goals to help organizations manage and optimize business performance.

ADP Lauded as a Leader in HR-Related Services



[ADP](#) has been positioned by Gartner, Inc. in the Leaders quadrant of the "Magic Quadrant for Comprehensive HR BPO" report.

ADP's HR Business Process Outsourcing (HR BPO) solutions are focused on providing critical HR-related services to its clients, and include:

*Single-country solutions for organizations whose employee populations are centered in particular geographic locations, such as ADP's Comprehensive Outsourcing Services (COS). These offer scalable, best-practice-based HR solutions for U.S.-based businesses with more than 1,000 employees.

*Multi-Country solutions, such as ADP GlobalView[®] and ADP Streamline[®], for multinational organizations looking to standardize and consolidate payroll and HR functions across geographic boundaries.

*The expansion of ADP's global talent management solutions working with Cornerstone OnDemand extends the end-to-end HR offering for clients to include scalable, cost-effective and easy-to-use solutions to enhance employee collaboration, development, and performance.