



Welcome to PAYTECHonline for March 2010

## TOP STORY



## Congress to Address Random Employment Tax Audits, Stimulus Impact, and Other Legislative Info

Douglas Shulman, Commissioner of the Internal Revenue Service, and Mark Eichorn, Assistant Director of the Federal Trade Commission's Division of Privacy & Identity Protection, will speak during general sessions at the 28th Annual Congress May 25-29 in Washington, D.C. Among the topics on the agenda are random employment tax audits under the IRS's National Research Program, substantiation and taxation of employer-provided cell phones, and much more.

## CHAPTER NETWORK

## Chapter Contests Recognize Best and Brightest

Think your APA local chapter has what it takes to shine among a crop of elite chapters from across the nation? If so, make sure to enter one of APA's many 2010 Chapter Contests, with awards being presented in categories such as Best Chapter Website, Chapter Pictorial, and more.



## GOVERNMENT CORNER

## APA to Congress: Remove Payroll System Obstacles in HIRE Act

APA recently recommended changes in legislative language to remove obstacles for payroll systems contained in the Senate-passed version of the Hiring Incentives to Restore Employment (HIRE) Act, and Congress has heard us. Learn more about this recommendation, as well as what APA member Debbie Lindenmuth, CPP, told the Kansas Senate Judiciary Committee regarding ways to streamline the garnishment process.

## PAYROLL EVENTS

### Payroll 201 Covered Under G.I. Bill, Provides Next Step in Your Career

Payroll 201: Payroll Administration Certificate Program is now covered under the G.I. Bill, meaning certain military members can take the course free of charge. Of course, anyone looking to take their payroll career to the next level or to get in a final review before taking the CPP exam can enroll in Payroll 201, taking place during April at APA's Learning Centers in San Antonio and Las Vegas.

## PAYROLL EVENTS

### Register for Congress Today, Save \$100

APA's 28<sup>th</sup> Annual Congress will feature a smorgasbord of payroll- and accounts payable-related education and networking, not to mention the world's largest payroll/accounts payable expo. Learn how you can attend this must-see event, and save \$100 in the process if you register before March 31.



## PAYROLL RESOURCES

### Payroll Practice Fundamentals Provides Thorough Base of Payroll Knowledge

Payroll Practice Fundamentals, one of APA's many payroll-related publications, is ideal for those looking to start their payroll career off on the right track. Each chapter of the text focuses on a select topic pertaining to payroll administration, while questions and quizzes measure your progress. Learn how to use this publication to your professional benefit. It's also a great study tool for the FPC exam.

## VENDOR NEWS

### Infor Offers Retailers Path to Global Workforce Task Management

Learn more about Infor's release of a new retail task management add-on for users of Infor WFM Workbrain. Plus, Workforce Software has been selected by Ensign Energy to automate its labor policies; Paychex officially offers certified payroll in all 50 states; and more.

## NEW MEMBERS

### APA Welcomes 225 New Members

Our online, searchable-by-state listing is very handy. Use it to contact payroll people in your area, including 225 new payroll peers.



New Member Katherine Hilliard

## BUYER'S GUIDE

### The 2010 SaaS and Software Solutions Buyer's Guides

This month's guides are the 2010 Software-as-a-Service (SaaS) and Software Solutions Buyer's Guides. And that's not all. You can also find an extensive list of 2008, 2009, and 2010 Buyer's Guides.

## GOVERNMENT CORNER

# IRS Commissioner, FTC Data Privacy Director to Speak at APA Congress

By Scott Mezistrano, CPP, and William Dunn, CPP

Douglas Shulman, Commissioner of the Internal Revenue Service, and Mark Eichorn, Assistant Director of the Federal Trade Commission's Division of Privacy & Identity Protection, will speak during general sessions at the [28th Annual Congress May 25-29](#), just outside Washington, D.C.



**Douglas Shulman**

Commissioner Shulman will speak on May 27, on topics including:

- \*Random employment tax audits under IRS's National Research Program
- \*Substantiation and taxation of employer-provided cell phones
- \*The option to print just the last four digits of an individual payee's taxpayer identification number on paper Forms 1098, 1099, and 5498 provided to payees
- \*Results of audits of backup withholding from payments to independent contractors
- \*The latest economic stimulus to be executed through the payroll function

## Identity Security a Primary Mission of the FTC

While a number of federal agencies, including the IRS, have divisions that focus on privacy and identity theft issues, these topics are the primary mission of the Federal Trade Commission. Mark Eichorn, Assistant Director of the FTC's Division of Privacy & Identity Protection, will address these issues as well as the Red Flags Rule, during the May 28 General Session.



**Mark Eichorn**

## Congress to Spotlight APA Lobbying Efforts

In several workshops at Congress, members will learn about the lobbying efforts APA has successfully undertaken and those that are still in progress.

In the "APA Lobbying Efforts--Wage Payments and Deductions" workshop, members will hear about the association's efforts to improve employers' ability to complete some of the most basic elements of payroll: paying employees and complying with mandatory withholding orders. There will be a discussion about direct deposit, paycards, paperless payroll, as well as child support and creditor garnishments.

The payroll function collects and deposits two thirds of our nation's tax revenue. And while employment is the immigration magnet, companies may employ only those with authorization to work. In the workshop, "APA Lobbying Efforts--Tax and Immigration," the impact of stimulus programs on Forms 941 and W-2 will be discussed, as well as APA's comment to IRS on cell phone taxation and TIN-masking, improvements to tax forms and publications, healthcare reform, tax exemptions for military spouses, and improvements being made to the I-9 and E-Verify processes.

But that's just the tip of the iceberg. Representatives from many government agencies will be presenting a wide variety of workshops, as will experts from within APA's membership. Visit [www.americanpayroll.org/congress](http://www.americanpayroll.org/congress) for more information on APA's 28th Annual Congress, including program description, hotel information, registration, and tips to get your manager's approval of the trip.

## CHAPTER NETWORK

# Showcase Your Skills With APA's 2010 Chapter Contests

There's still time to show off your chapter's pride and accomplishments. What better way than to participate in APA's 2010 Chapter Contests!



### **\*Chapter Pictorial Contest \*NEW Guidelines**

This contest allows chapters to be creative and display their successes through the use of pictures.

**Deadline: April 5, 2010**

### **\*Best Chapter Website Contest**

Local chapters are awarded for their efforts to be innovative and informative while serving their members using their chapter's website as an educational tool.

**Deadline: April 5, 2010**

### **\*The Dream Theme Contest: Promoting Your Statewide or Regional Meeting**

Chapters are awarded for their creative use of a theme during their statewide or regional meeting. Winners are determined by how well the chapters incorporated their theme into the meeting's marketing, events, and onsite materials or displays.

**Deadline: April 5, 2010**

Your chapter's entries will **NOT** be judged on the size and volume of your chapter's activities, but on the quality, creativity, originality, enthusiasm, and service your chapter has provided to the payroll profession over the past year. All awards will be presented at the **28th Annual Congress, May 25-29, 2010, in Washington, D.C.**

**The CHAMPS Mentor** program is available online for chapters needing assistance with any of the above entries. **Request a referral today!**

## **Does Your Chapter Have New Officers?**

Be sure and update Chapter Relations by filling out the **Chapter Office Update Form.**

## **Chapter President Profile Adrienne Crawford, CPP, Detroit Chapter**

By Caren Bennett

When Adrienne Crawford, CPP, became President of **the APA Detroit Chapter** in 2009, her main goal was to bring new life to the chapter. She sought to get more people involved from the Greater Detroit and surrounding areas.

"It is important to get APA's name out into the public and show people we can help them and inspire new ideas for their personal and professional career," Adrienne says.



**Adrienne Crawford, CPP**

Adrienne utilized one of her main responsibilities as President, scheduling and securing monthly chapter meetings, to achieve this goal. Rather than hold the meetings in the same location every month, she scheduled the meetings in a wide variety of venues. This allows a greater number of payroll professionals to attend and attracts local payroll professionals who are potential new members. She also varies the times meetings are held to make attending more convenient. By taking these steps, Adrienne has also provided her chapter with greater networking opportunities.

Adrienne seeks to make the most out of the chapter's monthly meetings by e-mailing and distributing lists to members regarding upcoming events. She also conducts surveys of interest to attendees. Recently, Adrienne and her team added a list of prior meetings and their highlights for the last 12 months [to the Detroit Chapter website](#). This attracts more people by showing them the quality of training and education they can look forward to. For those who already have attended, it is a great review of the past year.

To celebrate [National Payroll Week](#) 2009, the chapter visited the Detroit Federal Reserve. Members were excited to learn how money is received from the banks, inspected for counterfeit bills, and how old money is destroyed. After all, "cash currency has been the basis of getting paid in America," Adrienne says. They were also able to see all the new security features that were installed at the facility after 9/11.

Adrienne feels that serving as chapter President has been a wonderful way to fulfill her desire to help people in her community. She has poured her energy into showing payroll professionals how the APA can be a wonderful benefit to them. She provides an atmosphere where people in the payroll profession can come and continually improve their knowledge. All the hard work has been gratifying.

"Whenever I see a new attendee with the look of interest, wonderment, and enjoying the networking of others, it makes me smile and know my time was well worth it," she says.

In her free time, Adrienne enjoys spending time with her family and co-workers, as well as sewing, quilting, music, and cooking.

## 2010 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](mailto:chapterrelations@americanpayroll.org).

## GOVERNMENT CORNER

# APA to Congress: Remove Payroll System Obstacles in HIRE Act

Read the [March edition of Inside Washington](#) to learn about:

\* APA recommended changes in legislative language to remove hurdles for payroll systems contained in the Senate-passed version of the Hiring Incentives to Restore Employment Act. Between the publishing of *Inside Washington* and PAYTECHonline, the House-passed version of the bill addressed those issues! We also discussed potential changes to Form 941 to accommodate this stimulus with a minimum of burden for employers and IRS.

\*APA member Debbie Lindenmuth, CPP, testified before the Kansas Senate Judiciary Committee in order to "...streamline the garnishment process for everyone involved and also reduce the amount of money debtors will pay to settle their debts." The bill was passed by the Senate and is expected to be discussed in the House this spring.

\* APA members Carl Morris and Bill Dunn, CPP, testified on paycard bills in Vermont and Connecticut. Vermont would require three free transactions per pay period.

You can always learn more about the lobbying activities of APA's Washington office and the six subcommittees of the Government Affairs Task Force by visiting [the Government Relations section of the APA website](#). For example, check out the minutes of the latest meetings of the Immigration Subcommittee.

## 'Lucky' Employers Will Be Notified Soon of Selection for New IRS Employment Tax Audits

*IRS Chief Counsel Expects Final Cafeteria Plan Regulations in June 2010; Topic to be Discussed at 28th Annual Congress*



By Scott Mezistrano, CPP

The Internal Revenue Service is revving up its Employment Tax National Research Program, the first comprehensive employment tax compliance study in 25 years. The employers to be audited in 2010 have been selected by the IRS, and they will be notified within 30 days, said John Tuzynski, Chief Employment Tax Operations, at the monthly conference call between IRS and payroll industry leaders.

The bulk of the 2,000 employers to be selected in each of 2008, 2009, and 2010 are in the Small Business and Self-Employed division, according to Mary Gorman, of the office of IRS Chief Counsel. Employers in the SB/SE division are those with assets under \$10 million. The other IRS divisions serving employers are the Large and Mid-size Business division and the Tax-Exempt and Government Entities division.

There are two main goals for these 6,000 audits:

1. Measure the employment tax contribution to the tax gap. The last assessment of this was made in the 1980s, and the number has just been adjusted for inflation since that time. In 2001, it was estimated at \$54 billion.

2. Determine current characteristics of compliance and noncompliance so that future audit selections and procedures can be more effective and efficient and waste less of taxpayers' time.

This topic will be discussed in greater detail at the IRS presentations during the 28th Annual Congress May 25-29 in Washington, D.C. For more information, see the workshop listings for "Top 10 Things You Need to Know About Employment Tax" and "Dealing With the IRS" on pages 39 and 40 of [the Congress brochure](#).

Two other items revealed at the March 4 conference call:

\*IRS Chief Counsel expects to issue final regulations on cafeteria plans by the end of June 2010. When the proposed rules were issued in August 2007, it was anticipated that the rules would be finalized in time to be effective for plan years beginning on or after January 1, 2009. For more information on the proposed regulations and APA's comments and testimony on them, [see the Government Relations page](#) of APA's website.

\*IRS no longer has on its website the "Estimated Schedule for Posting Tax Products (Tax Forms, Publications, Instructions)." IRS found it was creating expectations it could not fulfill, according to Sherry Saucerman, Senior Tax Analyst in IRS's office of Payroll and Practitioner Liaison.

## **APA Member Gives Guidance on Handling an IRS Audit in *SSA/IRS Reporter***

By Scott Mezistrano, CPP

Be sure to read the spring 2010 edition of the *SSA/IRS Reporter*. APA's own David M. Young, CPA, provided the article, "Tips on Dealing with an IRS Audit."

As Young recommends to the six million employers who get the *Reporter* in the mail with their Form 941 and to thousands of tax professionals who view it online, "you should establish an internal team that will coordinate your organization's participation during the examination. This may include representation from payroll, accounts payable, accounting, human resources, internal auditing, general counsel, and outside tax professionals."

He also suggests that there should be an employee designated as the audit controller who will review all information before it is turned over to the IRS, and he explains the method by which the IRS must request any data or documents. He even discusses how to handle issues that cannot be resolved with the IRS examiner.

Read the current *SSA/IRS Reporter*, featuring APA's ["Tips on Dealing With an IRS Audit"](#) article. While you're there, check out the mention of the 28th Annual Congress on page 6.

Young is the Associate Treasurer and Risk Manager for Kent State University, where he also teaches courses in tax accounting. He serves on APA's Board of Directors and is a member of APA's National Speakers Bureau. Young is also a past chair of the Taxation Council of the National Association of College and University Business Officers.

### **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 before 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](#).

## PAYROLL EVENTS

# G.I. Bill Covers Payroll 201

[Payroll 201: Payroll Administration Certificate Program](#) is now covered under the tuition reimbursement program of the G.I. Bill. Military personnel and their family members who qualify can take this course at a significantly reduced cost, or even at no cost to them! Payroll 201, being offered at APA's Learning Centers on three separate occasions during April, provides intensive, advanced, hands-on training on complex payroll functions and regulations.



Issues such as how the payroll function impacts the accounting, benefits, and human resources departments are discussed, as well as the more complicated legal issues like benefits taxation, third-party sick pay reporting, and involuntary deductions. Payroll 201 offers proven practices for managing a cost-effective payroll department and practical experience that can be immediately applied on the job.

## 28th Annual Congress Offers Networking, Education, and Savings!



[The 28th Annual Congress](#) is scheduled for May 25-29 at the luxurious Gaylord National Resort and Convention Center just minutes from Washington, D.C.. The conference offers over 170 educational workshops, the world's largest payroll, accounts payable, and finance Expo with over 100 exhibitors, and countless networking opportunities. Plus, those who take advantage of registration in the coming days can save \$100 if they act before March 31, or \$50 if you register between April 1-15!

## Expand Your Payroll Knowledge With Learning Progression Series

APA's Learning Progression Series is tailored for your success and compliance. No matter what stage you are at in your payroll career, this educational series is designed to meet your needs through the following course progression--[Payroll Practice Essentials](#), [Intermediate Payroll Concepts](#), [Advanced Payroll Concepts](#), and [Strategic Payroll Practices](#). Classes are offered in cities across the country and may also be brought to your organization. In addition, [Payroll Practice Essentials](#) and [Intermediate Payroll Concepts](#) are also offered in a Virtual Classroom over the Internet.

## Payroll Issues for Multi-State Employers Covers E-Verify, Abandoned Wages, State Income Tax

When processing payroll in multiple states, differences in state laws and regulations present unique challenges to professionals responsible for compliance. [Payroll Issues for Multi-State Employers](#) provides the information necessary to maintain compliance in every state in which you pay employees. Topics in this course include which states require E-Verify use, how to determine when wages become abandoned, which state's income tax should be withheld for employees living and working in different states, and earned income tax credit notice requirements in California and other states.

## New Webinar Details Taxation of Public Sector Fringe Benefits

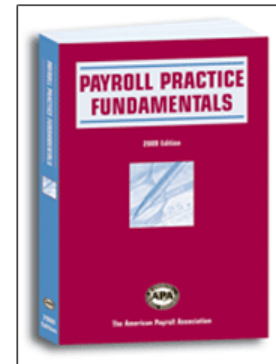
Gain an understanding of how the taxation of fringe benefits is handled in the government sector, including the taxation of cell phones, employer-provided uniforms and vehicles, with APA's new webinar, "[Taxable Fringe Benefits in the Government Sector](#)." Scheduled for March 26 at 1 p.m. EDT, this new webinar is vital for those looking to improve their knowledge in the ways in which government organizations handle fringe benefit taxation.



### PAYROLL RESOURCES

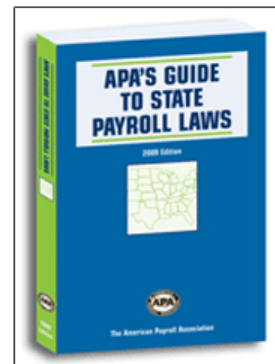
## Payroll Practice Fundamentals Equips New Payroll Pros With Tools for Career Advancement

[Payroll Practice Fundamentals](#) is tailored to those new to the payroll profession. Each chapter focuses on a specific aspect of payroll administration and includes review questions and quizzes, and it reflects the latest payroll compliance changes. The text covers the content outline for the [Fundamental Payroll Certification exam](#) and even includes a practice exam. For those looking to take the next step in their burgeoning payroll career, this text is a vital stepping stone.



## Learn the Latest on Those Confusing State Payroll Laws

[APA's Guide to State Payroll Laws](#) features the latest information on payroll laws and regulations in all 50 states, as well as the District of Columbia and Puerto Rico. It does so through easy-to-read tables that simplify these sometimes-confusing regulations in easy-to-understand terms. Citations to state laws and regulations are included to facilitate further research.



## Survey: CPPs Earn Higher Salaries

According to APA's 2009 Survey of Salaries and the Payroll Profession, those in payroll positions with the Certified Payroll Professional (CPP) designation earn, on average, 15.5% higher salaries than those without the CPP designation. [APA's 2009 Survey of Salaries and the Payroll Profession](#) is free for APA members; just sign in at <http://www.americanpayroll.org/member> (call Membership Services at 210-224-6406 if you can't remember your member number).

For more information about achieving your CPP, and perhaps upping your salary in the process, visit [APA's CPP homepage](#).

### VENDOR NEWS

## Infor Offers Retailers Path to Global Workforce Task Management

[Infor](#) has released a new retail task management add-on for users of Infor WFM Workbrain. Infor WFM Workbrain, according to company officials, is one of the most widely deployed workforce management solutions in retail today. It is designed to help retailers simplify global workforce policy implementation, maximize workforce efficiency, and ultimately achieve higher sales-per-labor-hour.



The new task management capabilities aim to enable streamlined task-related communication and data exchange among retail locations and corporate headquarters. According to the company, this functionality enables faster creation and deployment of in-store tasks, with built-in efficiency mechanisms, such as timers and feedback solicitation.

## Ensign Energy Selects WorkForce Software to Automate Labor Policies

[Workforce Software](#) announced that Ensign Energy Services, Inc. selected its EmpCenter workforce management suite to support its workforce by automating its highly complex time and attendance. According to the companies, Ensign chose WorkForce Software's EmpCenter because it could support the various labor and business requirements across borders, as well as the varying rules and requirements that are contract driven.



"The configurability of our EmpCenter workforce management solution allows us to meet any requirements, as well as give Ensign the ability to change labor policies to meet the needs of individual customers," said Kevin Choksi, President and CEO of Workforce Software.

## Paychex Offers Certified Payroll in 50 States

[Paychex](#) has partnered with Points North data integration services to expand its federal certified payroll offering to include state and local-level solutions for companies that receive government funding.



According to Paychex, outsourcing payroll and certified payroll reporting with Paychex and Points North offers customers numerous benefits. These benefits include automatically creating reports from weekly payroll data, capturing all employer, employee and job information, including reports that list fringe benefits paid in cash, and storing data in a Microsoft Access database. When used with Paychex, the Points North Certified Payroll Reporting solution allows for the timely delivery of complex, compliance-driven prevailing wage reports.

## Amano to Acquire Accu-Time Systems

[Amano](#) has announced the acquisition of Accu-Time Systems (ATS). The acquisition of ATS, according to Amano, aims to provide a good synergistic effect to Amano's sales channels for time and workforce management. In joining the Amano Group of companies, ATS will gain more access to overseas markets and benefit from the global engineering and support infrastructure that Amano can provide.



"Amano and ATS share a common vision, and the combination of our products and people provides an enhanced value proposition to our customers," said Mike Lee, CEO of Amano USA Holdings, Inc.

### NEW MEMBERS

## APA Welcomes 225 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.

## BUYER'S GUIDES

Use these handy Adobe files to find the tools you need to accomplish your payroll goals. To access these Buyer's Guides, simply download the appropriate .pdf file to your computer and open it.

Featuring this month:

[2010 Software-as-a-Service \(SaaS\) Providers Buyer's Guide](#)  
[2010 Software Solutions Buyer's Guide](#)

These other Buyer's Guides are also available:

[2010 Time & Attendance Systems Buyer's Guide](#)  
[2010 Yellow Pages Directory Listings for Vendors](#)  
[2009 Tax Filing Solutions](#)  
[2009 Time & Attendance](#)  
[2009 Garnishment Options](#)  
[2009 Outsourcing Options](#)  
[2009 Paycard Providers](#)  
[2009 Workforce Management](#)  
[2009 e-Payroll Providers](#)  
[2009 Payroll & HR Consulting Services](#)  
[2009 Self-Service Solutions](#)  
[2008 Data Privacy](#)  
[2008 Unemployment Insurance Administration Solutions](#)

**All Buyer's Guides can be downloaded.** Use these handy Adobe files to find the tools you need to accomplish your payroll goals. To use these Buyer's Guides, download the appropriate .pdf file to your computer, and open the file.