



Welcome to PAYTECHonline for December 2011

**TOP STORY**

## Showcase Your Local Chapter's Achievements, Win Prizes



The calendar year is winding down; now is the perfect time to show off your chapter's successful events, community service, and other initiatives via APA's various chapter contests. That includes the Chapter of the Year Award, the deadline for which is less than two months away! These awards not only provide a good opportunity to showcase your chapter's achievements, but also an opportunity to earn recognition and win prizes.

**GOVERNMENT CORNER**

## ETAAC Makes IRS Recommendations to Increase E-Filing of Forms 940, 941



The Electronic Tax Administration Advisory Committee (ETAAC) held its annual meeting on November 9 in Washington, D.C. The committee made numerous recommendations to the IRS concerning electronic tax administration, most notably regarding the electronic filing of Forms 940 and 941. Learn more about these recommendations, as well as how they might impact your operations.

**WEBSITE NEWS**

## SSA Helps Maintain Your Year-End Compliance

In an effort to better assist payroll professionals looking to keep their companies in compliance, the Social Security Administration offers a "Critical Links" web page. This page is designed to address concerns regarding the correct presentation of employee names and social security numbers on Forms W-2.

**PAYROLL RESOURCES**

## Certification Your Ticket to a Fulfilling Career

Those looking to take their payroll career to the next level can do so by enrolling in one of APA's valuable certification programs. Learn more about the Fundamental Payroll Certification (FPC) and Certified Payroll Professional (CPP) programs, as well as which one best benefits you.

## PAYROLL EVENTS

# Save \$100, Register Now for Congress 2012



The 30th Annual Congress, May 6-10, 2012, in Orlando, is your ticket to the latest in payroll education, compliance, and networking. Visit the official Congress homepage today to register. Save \$100 if you register by December 31.

## VENDOR NEWS

# Check Out 2011 Showcase of Payroll Supporters

This document provides more in-depth information on each company that supported APA over the past year, as well as their array of services, features, and products. Plus, Kronos unveils Version 9 of its selection and hiring solution, and Wolters Kluwer Law and Business announces a new solution for Lincoln Financial Group.

## BUYER'S GUIDES

# Outsourcing Options Buyer's Guide

This month's guide is the Outsourcing Options Buyer's Guide. And that's not all. You can also find an extensive list of past Buyer's Guides.

## NEW MEMBERS

# APA Welcomes 275 New Members

Our online, searchable-by-state listing is very handy. Use it to contact payroll people in your area, including 275 new payroll peers.



New Member  
Nadia Camarena

## PAYROLL RESOURCES

# Digital Catalog: Your Online Outlet for Payroll Education

APA's 2012 Digital Catalog offers a full menu of educational resources, including texts, e-books, training opportunities, and much more. Start maximizing this free online resource today.

## WEBSITE NEWS

# Last-Minute Gift Ideas at Your Fingertips

The holiday season is here! Looking to score those last-minute gift ideas online? Check out these helpful websites. Happy holidays from APA!



## CHAPTER NETWORK

# 2012 Chapter Contest Season Fast Approaching

*Showcase Your Chapter's Achievements,  
Win Prizes*

By Liz Herrera

Now is the time to look back on 2011 and show off your chapter's successful enhancements, events, and community service by participating in the 2012 chapter contests. In addition to entering the contests, this is the perfect opportunity to share with APA your chapter activities and conduct your own evaluation for future enhancements. Each chapter has its own unique way of sharing its creative ideas and showcasing achievements.



All [chapter contest information can be found on the Local Chapter section of APA's website](#).

### Chapter of the Year (COTY)

**Deadline: February 3, 2012**

This prestigious competition gives chapters the opportunity to share their developments, accomplishments, innovations, and activities. Every activity your chapter has organized or participated in during 2011 should be part of your campaign to be APA's Chapter of the Year.

**\*NEW** for 2012, the COTY questionnaire has been redesigned. New questions have been added and the format has changed.

From the COTY contest entries, four Gavel award winners also are chosen. The Gavel Awards recognize specific achievements, activities, or aspects of a chapter's COTY entry in four separate categories: *Innovator, Mentor, Facilitator, and Communicator*.

### Chapter Pictorial Contest

**Deadline: March 7, 2012**

This contest allows chapters to be creative and display their successes through the use of photos in a PowerPoint slide show. A creative and unique electronic montage gives everyone a glimpse into your chapter's hard work, chapter meetings, study groups, community service, NPW, and statewide conferences. All the pictorials will be displayed at the [30th Annual Congress](#) in Orlando, Fla.

### Best Chapter Website Contest

**Deadline: March 7, 2012**

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. Share how your chapter has successfully created a user-friendly website to educate, stimulate, and inform local members.

### The Dream Theme Contest: Promoting Your Statewide and Regional Meeting Awards

**Deadline: March 7, 2012**

NEW for 2012! Planning for a successful conference takes a lot of time, hard work, and teamwork. Share the fruits of your labor by entering the Best Statewide or Regional Meeting Contest. Winners are determined by how well the chapters execute the planning/marketing of the statewide/regional meeting, chose a theme, the education provided, and the recognition of chapter members.

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 on Monday, May 7, 2012, at the 30th Annual Congress in Orlando, Fla.

## Chapter President Profile

### Michele Eure

## Washington Metropolitan Area Chapter



Michelle Eure

By Caren Bennett

When Michele Eure became President of the [Washington Metropolitan Area Chapter](#), she brought her passion for helping others and her enthusiasm for payroll to the table. Known by the nickname, "Super Woman," both professionally and personally, Michele set out to improve the chapter for members.

As President, Michele knew that she wanted to improve communication within the chapter. She has worked to create an atmosphere where everyone's opinion is heard and respected.

"Cohesiveness in the group plays a large part in the success of the chapter," Michele said. "No one should feel they need to be a part of a clique to be a part of the team."

The chapter has made "tremendous strides" this year by increasing membership, as well as by becoming more involved in the community. This year, Michele and her chapter have sponsored two community outreach events. One is with The Holiday Project, a non-profit organization which visits elderly residents confined to nursing homes and hospitals throughout the holiday season. The other is with Martha's Table, a program which provides meals to the homeless 365 days a year, in addition to learning and recreational programs. Michele also entered her chapter in the 2010 Dream Theme Contest, for which they won third place for their education theme. Michele created a yearbook to showcase the chapter's many talents and contributions in this area.

For [National Payroll Week 2011](#), Michele and her chapter celebrated with a Slogan and Payroll Team Photo Contest. The chapter slogan was "The Power of Payroll." Each board member wore green National Payroll Week shirts, gave away PayDay candy bars, and had a cake with balloons. To top it off, the chapter displayed the 31 proclamations they received from cities within Maryland, D.C., and Virginia! At the end of the meeting, Michele and her board held a social for chapter members, in recognition of their hard work and dedication to the chapter.

For Michele, the most enjoyable part of being President is knowing her time and efforts made a difference and are appreciated. She also enjoys working with her team of "extraordinary people."

"I tend to do it all and seek very little assistance from others," she explains, "My experience as Chapter President has taught me to delegate more within my career."

Michele has been a member of the American Payroll Association since 2001, and has served on the Child Support and Data Privacy & Security task forces. In her free time, Michele enjoys spending time with her family and friends, event planning, and relaxing to music. Michele's most rewarding and highest personal achievement has been being a mother to her son, DeMarcus.

## ETAAC Makes Payroll Recommendations to IRS

*APA Helps Provide Key Suggestions on E-Filing of Forms 940 and 941*



By Brian O'Laughlin, Esq.

[The Electronic Tax Administration Advisory Committee \(ETAAC\)](#) held its annual public meeting on November 9 at the IRS offices in Washington, D.C. The committee focused on researching, analyzing, and making recommendations to the IRS, through a report to Congress about a wide range of electronic tax administration issues. Two APA members participate on the committee.

The most important recommendation affecting payroll professionals focused on employment tax returns, particularly the electronic filing of Forms 940 and 941, which account for approximately 97% of all employment tax returns filed with the IRS. One of ETAAC's primary responsibilities is to assess the IRS' progress toward achieving its goal of having 80% of major returns be electronically filed. Currently, employment tax returns are the largest group of tax returns not being filed electronically. Of the almost 29 million employment tax forms projected to be filed in 2011, less than 7 million are projected to be filed electronically. This equates to only 23.78% of employment tax forms being filed electronically.

### Overall Recommendations

The committee broadly recommended that the IRS should work with employers and employment tax return software companies to increase awareness, remove barriers, and make electronic filing the preferred filing method by:

- \* increasing IRS education and outreach
- \* increasing industry promotion of electronic filing
- \* reviewing and simplifying the application and filing process, and
- \* investigating the most cost-effective ways to increase the electronic filing of Forms 94X

### Challenges to Employment Return E-Filing

The ETAAC identified a number of challenges the IRS will face in moving toward its 80% e-file goal for employment tax returns:

- \* First, Forms 940 and 941 are simple to prepare manually on paper.
- \* Second, changing years of repeated behavior among paper filers is difficult and takes time to achieve.
- \* Third, any requirements the IRS imposes for e-filing, such as a registration process, will deter individuals and companies from making any effort to change from paper filing to electronic filing.
- \* Lastly, unlike individual returns, employment tax returns do not provide a refund, so there is no incentive to send the return in early by electronically filing.

## Detailed Recommendations

***Increase IRS Education and Outreach:*** The ETAAC believes that the IRS should work with tax filers and the payroll industry to identify the key benefits of electronically filing employment tax returns and increase awareness nationally. A few of the recommendations included:

- \* establishing a simple one-stop location that provides companies with access to information to guide them through the Forms 94X registration and e-filing process
- \* share best practices from industry stakeholders on ways to promote e-filing
- \* communicating how to contact IRS support resources who can help Form 94X filers in the enrollment and filing process.

***Increase Industry Promotion of Electronic Filing:*** ETAAC recommended that the IRS should have a focused effort to increase the promotion and availability of electronically filing Forms 94X. This can be achieved by:

- \* IRS promotion of software and service providers that provide free or low-cost Forms 94X e-filing
- \* encouraging software and service providers that provide Forms 94X e-filing capability for a separate fee to eliminate this fee
- \* encouraging software and service providers that currently do not offer Forms 94X e-filing to pursue that capability

***Review and Simplify the Process:*** ETAAC also recommended that the IRS should interact with employment tax filers and software and service providers to review the Forms 94X registration and e-file process to identify improvements. This can be achieved by comparing the Forms 94X e-file enrollment process with other currently used enrollment processes, such as the EFTPS registration process. Second, the IRS should look to identify and eliminate unnecessary and burdensome requirements that will prevent tax filers from registering and subsequently e-filing.

***Investigate Cost-Effective Ways to Increase E-file:*** In order to effectively implement e-file, while also pursuing the most cost-effective strategy, ETAAC recommended that the IRS should conduct research to identify the range of options to increase Forms 94X e-file rates. This research includes:

- \* studying the perceived and actual benefits of Forms 94X e-filing from the tax filer's perspective
- \* analyzing the challenge and likelihood of changing tax filing behavior to adopt software that is simple and easy to use for those who file on paper
- \* comparing the cost, success, and applicability of free online Forms 94X e-filing services currently offered by state revenue agencies

The ETAAC noted that "increasing the electronic filing of Forms 94X will require that the entire end-to-end e-file registration, filing, and payment process be incredibly easy and convenient -- it is in competition with a simple form, a pencil, an envelope, and a stamp."

## ETAAC Overview

ETAAC was formed in 1998 and has a primary duty of providing input to the IRS on its strategic plan for electronic tax administration. ETAAC is comprised of 14 individuals, including APA members Jean Philippe Choudhry, Chief Process Officer with 1099 Pro, and Douglas Simon, President of HS&A Payroll Services. Other members come from a broad range of backgrounds, including state departments of revenue, large tax-preparation companies, solo tax practitioners, software companies, and business filers from both the non-profit and for-profit sectors.

ETAAC relies on a variety of information sources when conducting and analyzing its research and making recommendations to the IRS. Most importantly, ETAAC participates in several meetings throughout the year with IRS representatives, mostly with employees from the Return Preparer Office. ETAAC also reviews reports from the IRS Oversight Board, the National Taxpayer Advocate, the Government Accountability Office, and the Treasury Inspector General for Tax Administration. This year, ETAAC also solicited input from industry and state departments of revenue, mainly through a survey whose recipients included APA members as well as accountants and tax preparers.

## IRS Releases 2012 Form W-4, Percentage Method Withholding Tables

The IRS released the 2012 Form W-4 and Early Release Copies of the 2012 Percentage Method Tables for Income Tax Withholding on December 2. A copy of the 2012 Form W-4 can be found on the [APA website](#), as can copies of [the withholding tables](#).

### Form W-4

The 2012 Form W-4 has a number of changes. Most notably, all references to Publication 919, *How Do I Adjust My Tax Withholding*, have been deleted and replaced. The form now refers the reader to Publication 505, *Tax Withholding and Estimated Tax*, for guidance. When the next version of Publication 505 is issued, it will contain much of the guidance that had been included in Publication 919.

The top box on Page 1:

\*Under "Exemption from Withholding" -- The deadline for renewing an employee's claim to be exempt from federal income tax withholding in 2012 will be February 18, 2013.

\*A new paragraph titled "Future Developments" has been added to the end of this section.

Personal Allowances Worksheet:

\*Under letter "G, Child Tax Credit" -- New language has been added to clarify the number of allowances available for the child tax credit depending on how many children the taxpayer has.

\*Deductions and Adjustments Worksheet: Under "2" -- Married Filing Jointly or Qualifying Widower amount increased to \$11,900. Head of Household amount increased to \$ 8,700. Single or married filing separately amount increased to \$ 5,950. The personal exemption amount in Line 8 increased to \$3,800.

\*Two-Earners / Multiple Jobs Worksheet: Under "Table 2, Married Filing Jointly" -- Wage ranges increased by \$5,000 for most of the salary levels.

### Percentage Method Withholding Tables

At the time the notice was being prepared for release, Congress was discussing possible changes to the social security tax rate for employers. Employers should continue to [check the website](#) for any recent developments. APA will also notify its members as soon as information is made available on this and other important payroll legislative and regulatory developments.

Notable changes:

\*"Making Work Pay credit" and "Advance payment of earned income credit (EIC)" sections have been deleted.

\*"One Withholding Allowance" amounts have increased for all payroll period frequencies.

\*"Amount to add to Nonresident Alien Employee's Wages for Calculating Income Tax Withholding Only" amounts have increased for all payroll period frequencies.

## IRS Eases Tax Rules for Employer-Provided Cell Phones

In [Notice 2011-72](#), issued in September, the IRS announced that an employee's business and personal use of an employer-provided cell phone is not taxable income to the employee as long as the employer can show it provided the cell phone to the employee for a legitimate business reason, and not as a substitute for extra compensation. In a [memo](#) to its employment tax auditors, the IRS also said that an employer's reimbursement of an employee's cost for a personal cell phone plan is not income if the employer requires the employee to use the phone for business.



### WEBSITE NEWS

## Discover SSA's Critical Links to Successful Year-End

If you've had trouble with the correct presentation of employee names and social security numbers (SSNs) on Forms W-2, you're not alone. According to questions raised by payroll professionals who attend APA's year-end classes annually, it's one of the biggest challenges for employers. To learn more about how to address these concerns, [check out the Social Security Administration's "Critical Links" web page](#).



The overarching rule is that the name and SSN on a W-2 should match whatever is on the social security card. However, there are a couple of exceptions and some tricky situations. Getting the name and number correct helps avoid inquiries from either the SSA or the IRS, and it is essential for earnings to be posted to the SSA database. That eventually determines an employee's future eligibility and benefit amount for SSA's retirement, disability, and survivors programs.

The Critical Links page also includes information on [how to use the SSA's Social Security Number Verification Service \(SSNVS\)](#) that is available for free over the Internet to all employers.

## Digital Catalog One-Stop Shop for Payroll Education

[APA's 2012 Digital Catalog](#), now available, offers APA's full menu of educational resources. That includes texts, printed and electronic, as well as training, both in-person and online. Make your picks in the [2012 Digital Catalog](#) to build a professional development plan perfect for you and your team.

## Your Guide to Last-Minute Holiday Gifts

The holiday season is already upon us; looking to secure those last-minute holiday gifts? If so, check out some of the following websites for helpful last-minute gift ideas:



- \*[Squidoo](#)
- \*[Facebook](#)
- \*[Christmas Gifts](#)

## PAYROLL RESOURCES

# Certification Opens Career Doors

APA certification is a valuable, objective credential that verifies a specified level of knowledge, skills, and abilities in the payroll profession.

[Certification helps payroll professionals](#) demonstrate their payroll expertise, secure promotions, advance their careers, and enhance their standing within the profession.



APA offers two levels of certification--the [Fundamental Payroll Certification \(FPC\)](#) and the [Certified Payroll Professional \(CPP\)](#). The exams are administered at more than 300 locations throughout the United States and Canada. The CPP is a certification credential for those with payroll knowledge and experience. The FPC is a certification credential for payroll beginners and service and support professionals with payroll knowledge.

## Order Book Combo by January 31, Save Money

The [book combo](#) is payroll's comprehensive resource text, combined with two volumes that contain the payroll-related sections of applicable federal laws and regulations. It features the following texts, all designed to keep you in year-round compliance:

*\*The Payroll Source®*

*\*Federal Payroll Tax Laws and Regulations*

*\*Federal Payroll Non-Tax Laws and Regulations*

Those who order the book combo will pay up to \$195 less than if they had bought the books individually.

## AAPA Offers Professional Services for Accounts Payable Professionals

Are you an accounts payable professional seeking the professional training that comes from organizational membership? If so, [become an American Accounts Payable Association \(AAPA\) member today!](#)

If you are engaged in AP administration or any other related fields, you are eligible for AAPA membership. AAPA represents a true cross-section of the accounts payable profession. Members have exclusive access to content reserved for AAPA members when they log into the [AAPA website](#). The site features a wealth of information and tools to facilitate networking with other accounts payable professionals.

## PAYROLL EVENTS

# 2012 Congress: Register Online, Save \$100



Registration is now open for the upcoming 30th Annual Congress, scheduled for May 6-10, 2012, in Orlando. [Check out the Congress homepage](#) and use it to register for the upcoming payroll and accounts payable conference. Do so by December 31 and [save \\$100 off registration](#).

The Congress homepage features online resources aplenty, including:

\*Housing information for both [attendees](#) and [exhibitors](#)

\*Access to every issue of *Congress Today*, APA's on-site daily Congress newsletter (great for first-timers looking to get a feel for what Congress is all about)

\*[Orlando-area maps](#)

## Kronos Webinar Spotlights Time & Attendance Strategies



Many of today's consumer-based technologies, such as the iPad, Wii, and smartphones, deliver an unprecedented level of functionality through a simple, intuitive, and easy-to-understand user experience. As this basic value proposition - that users don't have to sacrifice functionality for ease - has gained mass consumer appeal, business application software providers are fundamentally rethinking the way their software is designed.

Kronos' new webinar, "[Time and Attendance Strategies for the Modern Workforce: How Consumer-Based Technology Is Reshaping Workforce Management Software and Payroll Efficiency](#)," will explore new advancements and trends in time and attendance software and how these new technologies and techniques improve user adoption that results in less work at the front end of the payroll process. This webinar, scheduled for Wednesday, February 8, 2012 from 1-2 p.m. ET, will also discuss how time and attendance technology has fundamentally changed over the last 5 years - from single-point solutions to integrated workforce management suites that can be deployed on site or in the cloud.

## APA Year-End Webinars On Demand Offer Last-Minute Compliance Tips

Year-end is here--are you certain that your organization is in compliance with all legislative rules and regulations? For those looking to ensure year-end compliance from the comfort of their home or office, [APA offers a Preparing for Year-End and 2012 Webinar On Demand](#), as well as an [advanced version of the year-end Webinar On Demand](#).

The Preparing for Year-End and 2012 Webinar On Demand is available anywhere an Internet connection is available. The course is divided into four sections to help ensure compliance:

\*Year-End Preparation

\*Year-End Reporting and Taxation of Fringe Benefits

\*State Regulations Impacting Year-End, Annual Changes, and Forms Review/Revision

\*Legislative and Regulatory Review

### Advanced Year-End Webinar On Demand

APA also offers an [Advanced Preparing for Year-End and 2012 Webinar On Demand](#), designed for professionals facing more complex taxation issues. Segments include:

\*Advanced Year-End Issues

- \*Advanced Fringe Benefit Issues
- \*State Regulations Impacting Year-End, Annual Changes, and Forms Review/Revision
- \*Legislative and Regulatory Review

## VENDOR NEWS

### Check Out 2011 Showcase of Payroll Supporters



The [2011 Showcase of Payroll Supporters](#) is now available. This document provides a thorough overview of companies who helped support APA -- and the payroll profession as a whole -- over the past year. It also includes more in-depth information on each company and its array of services, features, and products.

### Symmetry Software Releases Free Act32 Auto-Form



Changes in the Pennsylvania Earned Income Tax will occur in 2012. Along with this change, employees that live or work in Pennsylvania must prepare a Local Residency Certification form for their employer. This form includes locality settings and new codes and rates. Finding these codes is not an easy proposition for anyone involved. To assist with this, [Symmetry Software](#) has released the [FREE Act32 Auto-Form](#). It provides an automated way to pre-fill the locality and PSD Codes and rates required.

### Kronos Unveils Version 9, Selection and Hiring Solution



[Kronos](#) has released the latest version of its selection and hiring solution. Workforce Talent Acquisition 9.0 introduces a new look, improved reporting capabilities, self-service configuration tools, new recruiting features, and simplified assessment technology. Workforce Talent Acquisition 9 includes a variety of new features and functionality focused in five strategic areas including integration, improved reporting, self-service, simplified assessments, and unified hourly/salaried solution.

"Kronos is committed to being an innovator in the field of talent acquisition," said Nick Ordon, Vice President and General Manager for Kronos. "We continue to deliver on our promise to provide customers with the very best unified hiring solution available."

### Wolters Kluwer Announces New Solution for Lincoln



[Wolters Kluwer Law and Business](#) announced a new data transfer feature, which can be accessed via its [ftwilliam.com](#) defined contribution administration software. The new feature is designed to streamline workflow and reduce year-end processing time for third-party administrators (TPAs). The new data transfer feature enables TPAs to efficiently batch transfer transaction data, for all plans they have with Lincoln Financial Group.

"This type of innovation offers a solution that can help TPAs to become more efficient," said Fred Bloodgood, Vice President and Director of TPA Relationship Management for Wolters. "We are constantly assessing the needs of the marketplace and always looking for ways to enhance the customers' experience."

## BUYER'S GUIDES

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

Featured this month:

### [\\*Outsourcing Options Buyer's Guide](#)

These other Buyers' Guides are also available:

### [\\*2011 Global Payroll Service Providers Buyer's Guide](#)

### [\\*2011 Tax Filing and Year-End Solutions Buyer's Guide](#)

### [\\*2011 Self-Service Solutions Buyer's Guide](#)

### [\\*2011 Time & Attendance Time Capture Technologies Buyer's Guide](#)

### [\\*2011 Paycard Providers Buyer's Guide](#)

### [\\*2011 Workforce Management Buyer's Guide](#)

### [\\*29th Annual Congress Expo Directory](#)

### [\\*2011 SaaS Providers](#)

### [\\*2011 Software Solutions](#)

### [\\*2011 Yellow Pages](#)

### [\\*2011 Time & Attendance Systems](#)

### [\\*2010 Vendor Showcase](#)

### [\\*2010 Tax Filing Solutions](#)

### [\\*2010 Global Payroll Service Providers](#)

### [\\*2010 Paycard Providers](#)

### [\\*2010 Workforce Management](#)

## NEW MEMBERS

# APA Welcomes 275 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.