

Welcome to our Thirty Sixth Edition of Pay-Net's E-Newsletter. Previous editions of our E-Newsletter are available on our web site, www.pay-net.net, under the "Employer Resources – Newsletter" section. We want to welcome all of our new clients that started processing with us this month. Our E-Newsletter is published about 8 to 10 times per year. If any other people in your organization would like a copy of our E-Newsletter, please send a request by email to: operations@pay-net.net

Please Keep Your E-Mail Addresses Current When you have personnel changes, remember to send us any e-mail address changes. You can send these to operations@pay-net.net. By doing this, our list will remain current.

Pay-Net E-Mail Addresses: If you need to communicate with us, we recommend that you send us an email. This practice will provide you, and us, a hard copy of the communication. We would like to welcome our newest employee, Peggy, who will be working in our Operations Department. Here are Pay-Net's current email accounts.

Wayne Lee (Owner):	wayne@pay-net.net
Hollis (Operations):	hlee@pay-net.net
Gloria (Operations):	gbal@pay-net.net
Dan (Operations):	danr@pay-net.net
Becky (Operations)	rbaker@pay-net.net
Anna (Taxes):	atudor@pay-net.net
Ivan (Technical):	idiaz@pay-net.net
General Communication:	operations@pay-net.net (this will be forwarded to the appropriate person)
Debbie (Sales):	dwillett@pay-net.net
Amabel (Sales):	amabelh@pay-net.net

Of course, if you need to talk with us immediately, we do answer the phones with *live* people, not voice mail. If you happen to get into our voice mail system, be assured that all of us are on the phone when you called.

Pay-Net's web site: If you have the opportunity, please visit our web site at www.pay-net.net and let us know what you think about it. Send your responses to operations@pay-net.net.

"Challenging" Payroll Dates: Please take notice of the following dates as you prepare your payroll information.

▶ **Monday, November 12, 2007, is the Veterans Day Holiday. Pay-Net will be open that day. However, it is a banking holiday. Be sure to take this day into consideration as you prepare your payroll information.**

▶ November 5th falls on a Monday. If you normally date your checks for the 5th and you have direct deposit, we will need your payroll information by 3:00 pm on Thursday, November 1st.

- ▶ November 20th falls on a Tuesday. If you normally date your checks for the 20th and you have direct deposit, we will need your payroll information by 3:00 pm on Friday, November 16th.
- ▶ **Thursday, November 22, 2007, is Thanksgiving Day. Pay-Net will be closed on that day. Please be sure to take this into consideration as you prepare your payroll information.**
- ▶ **On Friday, November 23, 2007, the day after Thanksgiving Day, Pay-Net will be closed. However, this is not a banking holiday. Please be sure to take this into consideration as you prepare your payroll information.**
- ▶ December 1st falls on a Saturday. If you normally date your checks for the 1st, your calendar rolled back to a check date of Friday, November 30th. If you normally date your checks for the 1st and you have direct deposit, we will need your payroll information by 3:00 pm on Wednesday, November 28th.
- ▶ December 15th falls on a Saturday. If you normally date your checks for the 15th, your calendar rolled back to a check date of Friday, December 14th. If you normally date your checks for the 15th and you have direct deposit, we will need your payroll information by 3:00 pm on Wednesday, December 12th.
- ▶ **Plan carefully around the holidays. Christmas Day falls on a Tuesday. Currently Pay-Net plans to be closed on Monday, December 24th, Christmas Eve Day and on Tuesday, December 25th. However, Monday, December 24th is not a banking holiday so you may date your direct deposits for the 24th.**
- ▶ **New Years Day falls on a Tuesday also. Currently, Pay-Net will be open on Monday, the 31st, but will close at NOON, Pacific Time, that day. Pay-Net will be closed on Tuesday, January 1st.**
- ▶ **The last day for Year End adjustments is Friday, December 28th, at NOON Pacific Time. Any and all adjustments must be reported to Pay-Net by that date. If you need Pay-Net to add an additional calendar day to your processing calendar, please call our office.**

2007 Holiday Schedule: The following remaining holidays are scheduled for 2007. The official “bank holidays” are marked with an “*”

- ▶ * Monday, November 12, 2007 – Veteran’s Day
- ▶ * Thursday, November 22, 2007 – Thanksgiving Day – Pay-Net will be closed
- ▶ Friday, November 23, 2007 – Day after Thanksgiving – Pay-Net will be closed
- ▶ Monday, December 24, 2007 – Day before Christmas – Pay-Net will be closed
- ▶ * Tuesday, December 25, 2007 – Christmas Day – Pay-Net will be closed
- ▶ Monday, December 31, 2007 – Day before New Year’s Day – Pay-Net will close at Noon
- ▶ * Tuesday, January 1, 2008 – New Year’s Day – Pay-Net will be closed

Important News For our Payentry Clients

If you use Pay-Net's web based payroll system, Payentry.com, this is an important announcement for you. Effective immediately, we need you to change your method of login to the Payentry web site.

Sometime in the near future, within the next few months, Payentry will be changing their web servers, and, at the same time, the web address for Payentry will also change. To ensure that your service will not be interrupted, we suggest using the following method of accessing Payentry:

- (1) Open Pay-Net's web site by typing www.pay-net.net into your browser.
- (2) When the main page of our web site opens in your browser, there is a Payentry logo on the left hand side of the screen. This logo is a "clickable link". By clicking on the Payentry logo, you will be presented with the Payentry login screen. Enter your username and password and you will be taken into the Payentry web site.

If you use this method of accessing Payentry, then when the web site changes, Pay-Net will instantly change the link on our web site and you will be assured of continuing to access Payentry without any loss of service.

If you have any questions, or problems accessing Payentry this way, be sure to call our office.

Status on Social Security Name/Number Mismatches: As most of you are aware, Pay-Net has been following this issue for several years, keeping our clients up-to-date on the latest developments .

This summer, it has been interesting to watch the conflict between the Department of Homeland Security and the Social Security Administration. The DHS wanted to receive a copy of the "inaccurate" Social Security Number letters that the SSA will be sending out to companies after the 2007 W-2's are processed. The DHS wanted to pursue employers that had a large number of SSN mistakes, assuming that the mistakes were due to hiring illegal aliens. However, the SSA has refused to give a copy of the letters to the DHS.

At the present time, for 2007 W-2 Forms, the SSA will send letters to companies that have a "large" number of mismatches between Social Security Numbers and the employees' name on the W-2 Form. The IRS has not committed on the issue of penalizing employers for these incorrect W-2 Forms. And, the DHS will not get a copy of these letters.

All of which lead us to the following topic: Pay-Net's EVS Service.

IRS Form 944: Last year, the IRS introduced a new form for very small companies. This form, the 944, replaces the normal quarterly form 941. In 2006, the IRS was very liberal in its enforcement of this new form. The Form 944 is filed annually where the 941 is filed quarterly.

However, in 2007, any company that has received notice from the IRS that they are subject to the new Form 944, must use this form instead of the normal Form 941. If a company does not use the 944, they may be subject to penalties.

Pay-Net does not receive any notification from the IRS if a company must file on a Form 944, and we must rely on our clients to provide us with this information. If your company received a letter from the IRS notifying you of your 944 filing requirement in 2006 or 2007, please send this notice to us immediately. Pay-Net cannot be held responsible for penalties issued to any company that has not notified us of this filing requirement.

What Printer to Buy? As you are probably aware, most small printers designed to connect directly to your PC are now manufactured and sold with USB connections instead of the “old” serial cable interface. This fact creates problems with printing checks, both regular and manual checks, from within Millennium or on Payentry. Due to security features programmed in Millennium, you can only print checks from a PCL compatible printer. This is technical talk for “you need a special printer to print checks.” This security affects both remote software users and Payentry users with the “Secure Document” printing. Please note that this situation applies only to check printing, not report printing. However, there are some USB based printers that are also PCL compliant. If your company is thinking about adding a new printer, and if you print checks onsite, please contact Ivan in our Technical Support department for guidance on what printer models are PCL compliant.

GSA Releases Per Diem Rates for Fiscal Year 2008: Effective Oct. 1, 2007, the standard per diem rate for business travel within the continental United States will be \$109 (\$70 for lodging, \$39 for meals and incidental expenses), the General Services Administration has announced. For specifically listed localities, the lodging rate will range from \$70 to a new high of \$317 for Vail, Colo. The rates for meals and incidental expenses remain the same, ranging from \$39 to \$64. The entire listing of per diem rates is available online at <http://www.gsa.gov/perdiem>.

November IRS Letter and State SUI Letters: Each year at this time, the IRS sends companies a letter that indicates if their depository frequency changes. Please be sure to send us a copy of the IRS letter and state SUI letter when you receive them. **Please note: Since Pay-Net cannot confirm your company’s deposit frequency with the IRS, any penalties or interest charged to your company due to a deposit frequency change will not be Pay-Net’s responsibility!** So be sure to send us those letters!



A Note from Wayne

It's hard to believe that we are quickly approaching the Year End time again. While this year marks the 21st time I have been through a Year End period, each year sees new and different problems crop up. So as we approach this time, the employees of Pay-Net and I wish you and your family a great Thanksgiving time, a very Merry Christmas, and a good and prosperous New Year. Please watch our for our December Enewsletter for the latest in tax law changes for 2008.

Wayne J.