

Welcome to our Thirty-Ninth 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. Here are Pay-Net's current email accounts.

Wayne Lee (Owner):	wayne@pay-net.net
Hollis (General Manager):	hlee@pay-net.net
Gloria (Operations Mgr):	gbal@pay-net.net
Dan (Operations):	danr@pay-net.net
Becky (Operations)	rbaker@pay-net.net
Peggy (Operations)	pgreenwell@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

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.

► May 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, May 16th.

► ***Monday, May 25th is Memorial Day, a national holiday and a banking holiday. Pay-Net will be closed on this date. Please ensure that you take this holiday into account as you prepare your payroll information.***

► May 31st falls on a Saturday, and June 1st falls on Sunday. If you normally date your checks for the end of the month or the first of a month, your check date has rolled back to Friday,

May 30th. If this applies to you and you have direct deposit, we will need your payroll information by 3:00 pm on Wednesday, May 28th.

▶ June 15th falls on Sunday. If you normally date your checks for the 15th, your check date has rolled back to Friday, June 13th. Yes, Friday the 13th! If this applies to you and you have direct deposit, we will need your payroll information by 3:00 pm on Wednesday, June 11th.

▶ June 30th falls on Monday. If you normally date your checks for the end of the month and you have direct deposit, we will need your payroll information by 3:00 pm on Thursday, June 26th.

▶ July 1st falls on Tuesday. 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 Friday, June 27th.

▶ ***July the 4th, Independence Day, falls on Friday this year. This day is a national holiday and a banking holiday and will present problems for payroll professionals. Please take this date into account as you prepare your payroll information.***

▶ If you normally date your checks for Friday and the 4th would be your normal check date, your check date has rolled back to Thursday, July 3rd. If this applies to you and you have direct deposit, we will need your payroll information by 3:00 pm on Tuesday, July 1st.

▶ July 5th is on Saturday. If you normally date your checks for the 5th, and with the holiday, your check date will roll back to Thursday, July 3rd. If this applies to you, we will need your payroll information by 3:00 pm on Tuesday, July 1st.

▶ July 15th falls on a Tuesday. 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 Friday, July 11th.

▶ July 20th falls on a Sunday. If you normally date your checks for the 20th, your check date has rolled back to Friday, July 18th. If this applies to you and you have direct deposit, we will need your payroll information by 3:00 pm on Wednesday, July 16th.

2008 Holiday Schedule: The following remaining holidays are scheduled for 2008. The official “bank holidays” are marked with an “*”

- ▶ * Monday, May 26, 2008 – Memorial Day – Pay-Net will be closed
- ▶ * Friday, July 4, 2008 – Independence Day – Pay-Net will be closed
- ▶ * Monday, September 1, 2008 – Labor Day – Pay-Net will be closed
- ▶ * Monday, October 13, 2008 – Columbus Day
- ▶ * Tuesday, November 11, 2008 – Veteran’s Day
- ▶ * Thursday, November 27, 2008 – Thanksgiving Day – Pay-Net will be closed
- ▶ Friday, November 28, 2008 – Day After Thanksgiving – Pay-Net will be closed
- ▶ * Thursday, December 25, 2007 – Christmas Day – Pay-Net will be closed
- ▶ * Thursday, January 1, 2009 – New Year’s Day – Pay-Net will be closed

Important Announcement

Effective February 1, 2008, OnePoint Solutions LLC, of which Pay-Net is a member, received ownership to the Millennium payroll software system we have been using since 2002. OnePoint Solutions LLC has now employed software programmers and technical support personnel to develop the payroll software solution into a system that we believe will serve the complex requirements of our client base through many years to come.

Also, as a result, our on-line payroll system will now be called ePayentry and we have moved our clients onto our own web server.

Ongoing Saga of the SSA Name/Number Mismatches:

As many of our clients are aware, the issue of the mismatches between employees' names and Social Security Numbers on W-2 Forms compared to the names on file with the SSA, has continued for many years now.

As you are probably aware, the IRS has ruled that such mismatches are considered to be inaccurate W-2 Forms and they *CAN* impose fines and penalties on employers for such mismatches. Although the IRS has done some "saber rattling" through the years, they have not imposed many fines or penalties. The SSA has continued to send employer's warning letters if the employer had above a certain percentage mismatch on their W-2 Forms.

Last year, the Department of Homeland Security (DHS) jumped into the act. The DHS asked the SSA for copies of the "mismatch" letters with the intent of threatening the employers with civil and criminal action if they fail to resolve the discrepancies. The SSA refused to give the DHS a copy of the letters. The DHS went to court, and a federal judge agreed with the SSA and issued a temporary restraining order on the DHS to prevent them from receiving a copy of the mismatch letters.

Now, the DHS has prepared policy statements that they believe will answer the concerns of the judge and have requested a new hearing before the judge on this matter. We will keep you informed on this issue as it evolves.

Record Retention: It is "spring cleaning" for Pay-Net's computer systems. Please carefully read the notice that is coming out with your May payroll packages regarding Pay-Net's Record Retention service. As the notice states, make your choice and fax the notice back to Pay-Net before you run your first payroll in June.

IRS Form 944: Two years ago, 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, starting 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, 2007 or

2008, 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.



Note from Wayne

Spring has sprung and summer is right around the corner. As usual, there is really no changes happening in the payroll world this time of year. Plus, with the upcoming elections, I do not expect anything to really change until the fall/winter time period. I hope that all of you have a wonderful vacation planned this year and I hope that you enjoy it completely.

Wayne J.