



# Payroll Notes



2<sup>nd</sup> Quarter 2011

## iPAY

Payroll Anywhere, Anytime!

In 3 Easy Steps

### Step 1

Using our iPAY web solution enter your payroll data.

### Step 2

MinutePay® processes your data within a minute.

### Step 3

Print your payroll reports & negotiable checks from our website.

## PaySystems.Net Price Guarantee

Pay Systems maintains a best-price policy for comparable services against any other major full-service payroll company. To insure that our clients continue to enjoy the best price for comparable services, we will match any lower written offer retroactive to thirty days prior to the date Pay Systems is in receipt of the offer.

## Bank Holidays

Below is a list of the remaining 2011 Pay Systems and Federal Reserve Banks and Branches holidays. Please allow an extra day for Direct Deposit.

Independence Day, Monday, July 4	Pay Systems & banks closed
Labor Day, Monday, September 5	Pay Systems & banks closed
Columbus Day, Monday, October 10	Banks closed
Veterans Day, Friday, November 11	Banks closed
Thanksgiving, Thursday, November 24	Pay Systems & banks closed
Christmas Day, Monday, December 26	Banks closed

**View and Print your payroll reports and negotiable checks via our website within a minute of sending us your payroll data with our PayAccess® with MinutePay®. For more information contact our Customer Services Department.**

## USCIS Launches I-9 Central

On May 13, 2011, the U.S. Citizenship and Immigration Services (USCIS) launched I-9 Central, a new online resource center dedicated to the most frequently accessed form on their website, Form I-9 Employment Eligibility Verification. The free website provides employers and employees one-click access to resources, tips, and guidance to properly complete Form I-9 and better understand the Form I-9 process.

The website includes sections about employer rights and responsibilities, step-by-step instructions for completing the form, and information on acceptable documents for establishing identity and employment authorization. It also includes a discussion of common mistakes, guidance on how to correct errors, and answers to employers' questions about the Form I-9 process.

You can access this website at [www.uscis.gov/I-9central](http://www.uscis.gov/I-9central) or go to our website at [www.paysystems.net](http://www.paysystems.net), click on Resources at the top of the page, then click on Federal Employment Fill-in Forms, then select I-9 Central from the available links. (Payroll Currently, Vol, 19, Issue 6, June 3, 2001)



Pay Systems is located at:  
31100 Northwestern Hwy  
Farmington Hills, MI 48334  
248.552.8340

## New Services From Pay Systems

**Employee Self-Serve.** Pay Systems now offers "Employee Self Service" option for your employees. This service allows your employees to access their pay stubs and W-2's via the Internet for up to 7 years. For more information please call our Customer Service Department at 248/552-8340.

**Background Checks.** Pay Systems offers instant and affordable employee background checks through our new partnership with National Crime Search (NCS). Through our website, we now provide complete employment screening solutions. Our partnership provides employers with secure and affordable access to a web-based national criminal and sex offender directory that includes over 507 million criminal records, it also allows you access to motor vehicle reports, credit reports, county criminal records and much more. For more information contact Alisa Norris at 248/552-8340 or go our website [paysystems.net](http://paysystems.net), click on the "Resources" link at the top of the page and then the "Employee Background Checks" link.

## 2011 Michigan Unemployment Tax Credit

Since Michigan was considered a credit reduction state for 2010, Michigan employers were required to pay up to an additional \$42 per employee in federal unemployment taxes according to Michigan Unemployment Insurance Agency (UIA) Fact Sheet #133 - September 2010. The Fall 2010 Michigan Employer Advisor states that **certain contributing employers** may apply for a state unemployment tax credit of up to 50% of the extra FUTA tax paid on their Form 940 - Employer's Annual Federal Unemployment (FUTA) Tax Return. In order to assist you in applying for this credit, we included the **Michigan Unemployment Tax Credit for Positive Balance Employers** notice with payrolls processed during the month of April. If you did not process a payroll during the month of April, we mailed this notice to you on April 28, 2011. This tax credit is non-refundable; it is applied as a credit, which can be used against future Michigan unemployment tax liabilities. You will be notified of the credit balance on the UIA 1020 form that you receive from the Michigan Unemployment Insurance Agency each quarter. **If the UIA 1020 has an amount on line 10-Prior Account Balance, be sure to submit this form to Pay Systems Tax Department as soon as possible so that we can include this balance on the form that we prepare for your company.** Providing we receive this form by June 30, 2011, we will include this amount on your second quarter 2011 tax return.

## FUTA Tax Rate Scheduled to Decrease July 1, 2011

The Federal Unemployment Tax Act (FUTA) rate is scheduled to decrease effective July 1, 2011 from 6.2% (.062) to 6.0% (.060). Employers are usually entitled to receive the maximum tax credit of up to 5.4% (.054) if all state unemployment taxes are paid in full by the due date of Form 940 resulting in a net FUTA tax rate of 0.8% (.008) through June 30, 2011 and a net FUTA tax rate of 0.6% (.006) effective July 1, 2011. The 5.4% credit does not apply to wages that are taxable for FUTA but exempt from state unemployment tax (for example: wages paid to corporate officers and certain fringe benefits). Currently, there is proposed legislation in Congress (S. 386) that would extend the 0.2% surtax, which has been in place since 1978. The surtax could be extended retroactively as late as January 31, 2012, the filing date for the 2011 Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return. If the surtax is extended after employers adjust third-quarter FUTA deposits based on the change, employers will be liable for the additional tax; however, IRS will not penalize employers for the 0.2% underpayment of the third-quarter tax liability. Source: BNA, INC – Payroll Administration Guide Newsletter, Vol.22, No. 11, May 25, 2011.

Effective July 1, 2011, Pay Systems will calculate your FUTA tax liability at 0.6% based on the current law. In the event that 0.2% surtax is extended, Pay Systems will notify you of the additional tax due and how and when this tax will be collected for our EZ-TAX customers.

## 401(k) Plans Offered

Five years ago and with great success, Pay Systems partnered with Slankster & Rooney Financial Services LLC and Lincoln Financial Group to set up and run integrated 401(k) solutions for Pay Systems' customer group. The program is designed to provide:

- 401(k) plans with a wide range of investment options with access to the best-known fund families, e.g. Janus, American Century, Fidelity, Franklin-Templeton, and more.
- Employee access and easy trading via telephone and the Internet.
- Individualized investment advice.
- Integration with our payroll services and automatic transmission of report and employee contributions; and,
- Full administration without the higher fees often associated with medium and small company plans.

In addition, depending on where your investments are currently held, you may be able to continue using your current investment lineup or you may want to move into an investment lineup with lower expenses. For more information contact Mike Richard at 248-552-8340.

## How to Change Your Login Password on Our Website

We would like to remind our customers that use our website at [paysystems.net](http://paysystems.net) to change their passwords. To help protect access to your confidential information, change your password every 3 to 6 months or whenever you experience staff turn over in your payroll department.

1. Login using your existing User Name and Password on our website, [paysystems.net](http://paysystems.net).
2. Click on "User Administration".
3. In the "Current Users" section enter a new password in the "Password" field next to the "User's Real Name" field.
4. Click "Save" button.

To add or delete a new user or accountant simply follow Power User Instructions.