

Preparing for 2010 Payroll

* **IRS Federal Deposit Frequency Notices**
The IRS sends notification to taxpayers in November regarding their deposit frequency for 2009. If you received this notice please forward it to PaySmart. If a notice is not received the deposit frequency will be based on the prior year lookback period.

* **IRS Form Filing Requirements**
The IRS also sends notices regarding form filing requirements. Some taxpayers may be changed to Form 944 from 941. Form 944 is an annual form which replaces the quarterly Form 941. If a notice is received stating Form 944 or 941 should be filed please forward the notice to PaySmart.

Information for a great start to 2010 payroll

* **State Deposit Requirements**
Pennsylvania sends notification of filing requirements. A taxpayer can be semi-monthly, monthly or quarterly. Please forward any PA or other state notices to PaySmart.

* **State Unemployment Rate (SUI)**
Most states adjust the employer contribution rate in January. A rate notification will be sent in December. This rate is very important for proper tax impounding and proper expensing of employer taxes. Please forward this rate notice as soon as possible.

* **LST Deductions and Exemptions**
LST is a tax of \$1 per week maximum of \$52 per year per employee. The employer's local jurisdiction approves an employee's exemption status. All exempt employees must provide an LST exemption every year. This form must be provided prior to the processing of the payroll for the employee to be deemed LST exempt. Exemption and refund forms can be downloaded at www.PaySmartPa.com.

EIT Act 32 Implementation
Several local tax agencies are implementing electronic filing systems as well as changing filing requirements to comply with Act 32. Act 32 requires employers to submit quarterly listing of employees, wages and EIT collected to tax collection agents. PaySmart will keep all clients in compliance with the requirements as the agencies implement these programs.



Housekeeping Reminders

- Payrolls received after 3:00 will be processed next business day
- For same day pick up submit prior to 12:00pm pick up available after 3:00pm
- Please assign and use employee numbers for payroll submission
- Check the website for current holiday information
- Email information requests to payroll@paysmartpa.com
- Review the monthly enewsletter for important PaySmart information
- Many frequently used payroll forms can be found at www.PaySmartPa.com
- New Hire & Direct Deposit forms can be prepared online at www.PaySmartPa.com

Other Services Available at PaySmart

- Secure 24/7 client portals
- Secure remote payroll entry
- Employee self serve portals
- Pay as you go workmens compensation insurance
- Direct Deposit
- Tax Impound
- Background checks
- Online paycheck calculator

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 Fax: 717.307.3159
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payroll@paysmartpa.com

2010 Rates

Social security limit is \$106,800
 Simple contribution \$11,500
 W/catch up \$14,000
 401k max \$16,500
 W/catch up \$22,000
 Federal standard mileage rate
 for 2010 .55/mile.

2010 Bank Holidays

| | |
|--------------------|--------|
| New Years Day | Jan 1 |
| Martin Luther King | Jan 18 |
| Presidents Day | Feb 15 |
| Memorial Day | May 31 |
| Independence Day | July 5 |
| Labor Day | Sept 6 |
| Columbus Day | Oct 11 |
| Veteran's Day | Nov 11 |
| Thanksgiving | Nov 25 |
| Christmas | Dec 25 |

Additional PaySmart Holidays

| | |
|--------------------------------|--------|
| Good Friday | Apr 2 |
| Observance of Independence Day | July 2 |
| Black Friday | Nov 26 |
| Observance of Christmas | Dec 24 |
| Observance Of New Years | Dec 31 |