

Other Services Available at PaySmart

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

PaySmart Payroll Services

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Preparing for
2012
Payroll

INFORMATION FOR A GREAT START TO 2012 PAYROLL

What is Pennsylvania Act 32?

Act 32 takes full effect January 2012.

- There will be one tax agent per county.
- Employers will be required to file employee detail on a quarterly basis to include employee social security number, name, address, PSD (political Sub Division) gross wages and income tax withheld. Many employers will be required to file this information electronically.
- Employers will be required to obtain certificates of residency for each employee. Certificates should be maintained with other employment records such as W-4's and direct deposit authorizations. Certificates must be updated each time an employee moves. It is the responsibility of the employer to report this information and deduct the appropriate tax rate per employee. Certificates are available at our website as well as a link to the municipal statistics which provides a look-up by employee address for the PSD and the tax rate for the employee.
- Employers will be responsible for deducting the greater of residential tax rate per employee (where the employee lives) or the non-resident rate (where the employee works). This means employers and employees must know the applicable tax rate.
- LST is not covered under the new ACT 32 requirements. However many tax agents are applying the same reporting rules to LST.

State Deposit Requirements

Pennsylvania sends notification of filing requirements. A taxpayer can be semi-weekly, 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.

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.

IRS Federal Deposit Frequency Notices

The IRS sends notification to taxpayers in November regarding their deposit frequency for 2012. 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 look-back period.

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 e-newsletter 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
- Contact us before cutting out of pay cycle checks

Employer-Provided Health Coverage Informational Reporting Requirements

The Affordable Care Act is going to require employers to report the cost of coverage under an employer-sponsored group health plan beginning in 2012. This reporting is not taxable. This requirement is also optional for smaller employers in calendar-year 2012. The IRS has a notice that provides guidance for employers that are subject to this requirement for the 2012 Forms W-2 and those that choose to voluntarily comply with it for either 2011 or 2012. Visit our website for more information and a list of common questions and answers, including which employers are required to comply.

2012 Bank Holidays

New Years Day	Jan 2
Martin Luther King	Jan 16
Presidents Day	Feb 20
Memorial Day	May 28
Independence Day	July 4
Labor Day	Sept 3
Columbus Day	Oct 8
Veteran's Day	Nov 12
Thanksgiving	Nov 22
Christmas	Dec 25

Additional PaySmart Holidays

Good Friday	April 6
Black Friday	Nov 23
New Years	Jan 1, 2013

2012 Rates

Social security limit is \$110,100
Simple contribution \$11,500
W/catch up \$14,000
401k max \$17,000
W/catch up \$22,500