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Winter 2009

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In observance of Christmas PenSoft will close at noon on Thursday, December 24th and will be closed Friday, December 25th. In observance of New Year's PenSoft will be closed Friday, January 1, 2010.



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Impact of the 2009 Economic Stimulus Plan

Through the years PenSoft clients have come to rely on us to keep them informed and up-to-date about payroll taxes, payroll tax reporting, and about PenSoft Payroll's updates and enhancements. PenSoft is dedicated to offering our clients the best payroll software in the industry and this has not changed during this challenging year.

PenSoft is an active member in the National Association of Computerized Tax Processors and the American Payroll Association

to voice the concerns of our software customers to legislative and executive branches of government. We work with these organizations to find ways to help employers meet their requirements under law and support government objectives. It is our goal to offer solutions to help minimize administrative burden and cost for employers as well as to the government agencies.

2009 Economic Changes
We are dedicated to maintaining PenSoft Payroll's accuracy by staying involved in numerous associations and conferences.

So far this year the new payroll tax credits and COBRA provisions required immediate changes to all payroll software with a tight implementation deadline. This changed how you handled payroll taxes and quarterly tax filings. PenSoft provided the software update in March so employers would meet the 1st quarter reporting deadline.

The Form 940 Employer's Annual Federal Unemployment (FUTA) Tax Return is currently only available in draft format. The credit reduction may affect several states and this in turn affects the reporting of federal unemployment insurance tax.

Once the final copy has been released of Form 940 and Schedule A, we will make the appropriate changes, thoroughly test the form, and release an update so all clients will have the correct form for year-end reporting.

As a reminder, do not file the 2009 Form 940 until you have installed and verified the 4th quarter update is on your system. The 4th quarter update

See Stimulus Plan, page 3

2010 Software Release

Prepaid 2010 PenSoft Payroll and PenSoft Employee Tracker orders ship December 14, 2009 via UPS Next Day Air Saver.

The package will look different when it arrives. You will find everything you need to get started for 2010 packaged in a **NEW** three pocket folder.

NEW! A Quick Start Guide is in the left hand pocket detailing the instructions for installing

the 2010 software. A full manual pdf is available for download on the 2010 CD or website.

In the middle pocket is the 2010 PenSoft CD. **NEW!** You will make the selection for installation from a menu on the 2010 CD.

NEW! Once the product has been installed you

will need to enter the information on the yellow sticker adhered to the middle section of the folder.

NEW! Once 2010 PenSoft Payroll has been installed it must be registered with 30 days. Registration can be done over the internet or phone if internet access is not available

2010
Prepaid 2010 software ships December 14th. Download customers will receive an e-mail notification on December 12th.

In the right pocket is a flyer outlining additional products and services available from PenSoft. Take a moment to

review it to see how you can customize products and services to best fit your company's needs.

Keep everything in the 2010 folder and place it in a safe place should the codes or guide be needed to install the software on a new machine.



Leroy Newman
President & CEO

President's Corner

PenSoft Support Community Forum

PenSoft is excited to announce the release of our new Community Forum. Please visit www.pensoft.com/forum to register as a user for the forum. Users are able to view, post, and comment on a variety of topics. The forum is designed for discussion between current users to ask questions or make comments about PenSoft, IT or payroll related questions. PenSoft will not normally be involved in the discussions except when necessary. This is an opportunity for users to chat with one another and for potential customers to get an idea of how certain real life payroll situations are handled within our software by other companies.

The forum is not intended to be a form of support. Program Support comes directly through PenSoft either via phone, e-mail, or fax. If an immediate response is required it is important to contact Program Support through one of those methods. Remember, the advice posted by other users on the forum has not come from PenSoft. Please keep this in mind when deciding to put the information in practice at your business. PenSoft is a moderator for the forum; therefore we check content of posts and remove incorrect or inappropriate comments.

As we service customers in a variety of industries and states, the forum can be a great opportunity to share information. At PenSoft, although our Program Support department consists of certified payroll professionals, we are unable to provide tax advice to clients. However a question can be posted in the forum to see how other clients have handled a particular payroll or tax situation. This could provide insight and additional options. We do suggest consulting with a tax advisor or accountant prior to making business decisions.

We are excited to host our new community forum and invite you to join us. Come view the various topics and then share your views. Please be courteous when responding to others. This should be an educational and interesting experience for all.

Economic Stimulus, continued from page 1

is generally released the second week of December, but the release is dependent on when PenSoft gets the final approved forms from the IRS.

We continue to participate in a weekly Payroll Industry conference call conducted by the Internal Revenue Service. These conference calls allow us to stay on top of the changes as they are announced. We now have the initial draft 2010 94x xml schemas and are working hard to implement the necessary changes. The 94x schema impacts several areas of the software and will require extensive testing before being released.

If you should have any questions regarding PenSoft Payroll updates, call Program Support at 757-873-1199 or e-mail support@pensoft.com.

We thank you in advance for your patience as we continue to maintain PenSoft with accurate and reliable payroll software and tax forms.

Q. My employees fill out Form W-5 each year to qualify for Advanced Earned Income Credit. Does PenSoft provide this form?

A. PenSoft Employee Tracker™, contains personnel management forms including Forms W-4 and W-5. Visit www.pensoft.com/hrsoftware/employeetracker.aspx for more information and to sign up for a free trial.

Q. The state I do business in may change its income tax tables for 2010. What happens if I receive my initial package before the changes are released?

A. PenSoft uses a host of sources to continually research all state and federal tax changes. If a change occurs after the initial release of the software, users in the affected state will be notified of an out of cycle critical update. CD delivery customers will receive their update via mail, and an urgent e-mail notification will be provided to download users.

Q. I have a suggestion I feel would greatly enhance the PenSoft Payroll software. How can I relay this information to the programmers?

A. Suggestions are always welcome from our customers. A detailed explanation of the suggestion can be sent to us via fax or e-mail. In addition, a Program Support Consultant would be happy to receive your request by phone at (757) 873-1199. All suggestions are reviewed by programming and upper management to determine if it is feasible to add them in the software.

Q. I have an employee who quit mid-year. I need to record group-term life insurance over 50,000, but there are no wages to offset the tax withholding. What are my options in PenSoft Payroll?

A. PenSoft Payroll allows payroll records to be saved with negative or zero net pay. Specialized deductions for uncollectible taxes can also be created and appropriately marked on a W-2 for reporting purposes. Contact Program Support at 757-873-1199 for additional assistance. Always consult with a tax advisor or an accountant before making unfamiliar tax decisions.

Q. Am I required to purchase the red forms for W-2 Copy A and Form W-3 when using PenSoft Payroll?

A. Customers who own the Professional Edition or higher need not purchase the official red forms. PenSoft is an approved vendor with the Social Security Administration and users can mail forms generated from PenSoft Payroll on plain white bonded paper. PenSoft sells 4-Up perforated paper for use with the employee copies of Form W-2. Call Sales & Administration at 888-PENSOFT (888-736-7638) to order.

Q. I would like to generate and print Copy A of W-2's from PenSoft Payroll. For record keeping purposes, can you provide proof of PenSoft's approval status with the Social Security Administration?

A. PenSoft posts the approval notice each year on our website. Visit www.pensoft.com/documents/pensoft_2009_ssa_approval.pdf for a copy of the pdf document.

Free Program Support

Monday-Thursday: 9 am to 6 pm

Friday: 9 am to 5 pm

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E-mail support@pensoft.com

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Web www.pensoft.com/support/support.aspx

Cut Me Out For Easy Access During the Year!

2010 Training Seminars

Training dates for 2010 have just been announced! Sign up for any of the available dates below:

- March 8-9
- June 7-8
- September 13-14
- December 6-7

Visit www.pensoft.com/training/payrolltraining_registration.aspx or call toll-free 888-PENSOFT (888-736-7638) to sign up.

Attention!

We still have a available seats for our last 2009 training seminar on December 7-8. Call 888-PENSOFT (888) 736-7638 to reserve a seat TODAY! For more information, visit www.pensoft.com/training/information.aspx or e-mail training@pensoft.com

Reconciliation Webinar

Reconcile reports properly by attending the PenSoft Payroll Reconciliation Webinar. This is a great opportunity to earn two Continuing Professional Education (CPE) credits. Training is \$99 per phone connection. Call 888-PENSOFT (888-736-7638) to sign up!

- March 16
- March 18
- March 23
- March 25
- March 30
- April 1
- April 6

Tips

Checks

PenSoft Payroll can print checks in the style of most common check types. PenSoft Payroll includes a check editor to create and modify custom check styles.

Back-up Data

Back-up your payroll data! To protect against the loss of your payroll data, it is very important to create regular backups using the built-in backup utility.

Departments

Departments (available in Professional Edition and higher) provide a simple way to divide the company into smaller units for reporting purposes. There is no limit on the number of departments. While departments are simple to use, an employee can only be assigned to one department during a pay period.

Rebooting Computer

If the computer reboots while in the middle of processing payroll, and after doing your check and balance procedures, document the instance and conclusion in the Company Notes section of the software. It is important to have the documentation incase of questions down the road.

SSA Filing

The Social Security Administration no longer accepts magnetic tapes, cartridges, or 3 1/2" diskettes. All wages must be filed either electronically, or on paper. Go to www.pensoft.com/support.aspx for instructions on electronically filing. In the "Enter A Document ID" box enter the following document ID: 604.

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