

Columbia EDP Center, Inc.

News you can use

Volume 1

Issue #1

October 1, 2005

IRS raises auto mileage rate

Due to the price of gasoline, the IRS has increased the rate used for mileage reimbursement for operating an automobile for business. For the time period beginning September 1, 2005 until December 31, 2005 the new rate is 48.5 cents per mile, up 8 cents from the previous rate allowed by the IRS. They will decide on the 2006 rate when it's closer to January as gas prices could change. The rate for deductible medical or moving expenses is now 22 cents per mile, up from 15 cents per mile.

Some retention requirements you need to know

Here are a few guidelines from IRS and FLSA regulations on how long you should hang on to some of the forms your employees complete and reports that we send you.

- ❖ Federal and State W-4's, 941's and State Unemployment Returns - at least 4 years
- ❖ Records that pertain to FMLA compliance – at least 3 years
- ❖ I-9 forms: 3 years from the date of hire or 1 year after termination, whichever is the latest.
- ❖ Payroll Registers showing hours worked and pay – at least 3 years
- ❖ Time cards – at least 3 years
- ❖ W-2 copies – at least 4 years

Year-end is approaching fast!

It's hard to believe that we are beginning the fourth quarter of the year already! But here it is, October. Please begin gathering the information we will need for your year-end processing. You will be receiving the annual year-end letter from our tax department within the next two months. Help us help you have a smooth year-end by beginning to gather the information we will need for W-2's. Items to start thinking about include: Cost of group life over \$50,000, personal use of company car fringe amounts, and 2% shareholder insurance fringe amounts. Getting this information to us before your last payroll process of the year insures that taxes can be collected from the employees as needed, as well as deposited on time, avoiding penalty and interest.

Catch up contributions

Remember, your employees who reach the age of 50 or above this year can defer additional amounts towards your company's 401(k) or other retirement plan. Employees age 50 and above may defer an additional \$4,000.00 this year to a 401(k), 403(b), or 457 plan. They may defer an additional \$2,000.00 towards their Simple IRA plan. This is not something we will automatically withhold without notification from you. Eligible employees must make the "catch up contribution" decision each year. We will need you to contact us, if you haven't already this year, about any eligible employee that wishes to take advantage of this option.

A few reminders for you

- ❖ Payrolls in by 9:00 am are processed that day and are ready for distribution after 3:00 pm that day!
- ❖ Please remember to call in, fax or email your payroll no later than 2 banking days prior to your check date by 9:00 am to insure your employees direct deposits reach their accounts on time.

- ❖ Please total all columns on your Input Worksheet with a grand total on the last page.
- ❖ Verify your check and pay period dates on your Input Worksheets every payroll. If incorrect, please correct on the input worksheet and the fax cover letter as well.

Additional services offered by Columbia EDP Center, Inc.

- ❖ **ESheets** – This is an excel spreadsheet that we set up for you that resembles your current Input Worksheet that can be emailed to our designated email address. This eliminates the hassle of the busy signal on our fax machines on busy days. There is no additional charge for this option.
- ❖ **Remote PC product** – Have your company and employee data at your fingertips. Print or reprint any report on our system (except for tax returns). You have control over your payroll information. You key your new employees and enter their hours – once you preprocess you can tell if the checks are the way you intended them to be before we process and print them. We do the processing and the tax deposits and returns. The system is password protected and secure. When you first sign up, you will need to go to our website and do the initial download and simple install. The process is very quick and easy. Our server will automatically update your pc with patch updates periodically. New releases/software upgrades may require an additional download and simple install. There is no additional charge for this option, and you even save money by printing your own reports!
- ❖ **Time and Attendance** – Using our system is easy and affordable. You can purchase a clock terminal and time cards from us, or simply use the web version and your employees clock in and out from our website. You can view and edit your employees time from our website as well. Contact us for a quote and visit our website www.columbiaedp.com for more information and a demo.
- ❖ **Time off accrual tracking** – Give us your time off policy and your employee balances. We create the tables based on your company policy and set the employees up on those tables with their balances. Report the hours used to us through payroll, if you aren't already, and the employees can see their remaining balance on their check stub. We can produce a report showing activity and balances as often as you need it – the report is \$5.00 (free with remote product). Tracking and showing activity and balance(s) on the employee's check stub is no charge.
- ❖ **General Ledger** – Give us your chart of accounts or a previous entry you made from our reports and we can create a general ledger report for you each payroll. Using our Remote Application and an additional item, you can create a file that imports into many accounting systems. The General Ledger report is \$5.00 (free with the remote product).
- ❖ **HR Software** – We have available a comprehensive HR software that interfaces with our payroll software. Save yourself from double entry.
- ❖ **Worker's Compensation** – Struggling with worker's comp? Contact us today for a solution that can fit your needs. Need help with an audit? Contact us for the reports and forms necessary to answer that auditor's questions.
- ❖ **Benefits Administration** - Want to set up a 401(k) or other retirement plan or a Section 125 cafeteria plan and not sure where to start? Let us know. We have the answer for you. Don't want the hassle of sending the information to your current 401(k) or other retirement plan each payroll? We can send it for you!
- ❖ **Custom Programming/Data Entry** – Contact us with any custom programming or data entry needs you may have! We can help.

We are very appreciative of your business and strive to deliver the best payroll/tax product and service possible. Our most important goal is for you to be completely satisfied with our service, product and price. Please evaluate your current status in the payroll/tax and related HR areas and let us know anytime there is an issue you need a solution for, whether it is in the service area or additional product(s). The above list of additional services may include things you are interested in but didn't know we had or, perhaps there are other services you require that do not appear on this list. Please let us know. It is very likely we have the capability to provide the solution for you. We are confident that our advanced software and hardware technology will enable us to provide solutions to your needs in a very professional manner.

Contact either Terri Thomas or Theresa Kite at 573-474-8431 for more information about any of the above mentioned services.

If you would prefer to receive this via email, please send an email to tthomas@columbiaedp.com or call us and let us know!