



# MasterNews

Information for the MasterTax User

## In This Issue:

ADP Tax Locator	1
PPA Enhanced for Mass Rate Changes	1
White Labeling	2
W-2 PSS Interface	2
MasterTax Help Desk	2
Top 10 Reasons to Attend Synergy '12	3
Did You Know?	4
Tax, Form, and Software Updates	5
Compliance Corner	8
Company News	9

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## New Tax Setup is Easy and Accurate with the ADP Tax Locator

MasterTax is excited to announce that clients will soon be able to license the ADP Tax Locator, which enables payroll, tax, and human resource professionals to easily identify local tax information for new and transferred employees.

The ADP Tax Locator is incredibly easy to use: the employer simply enters the employee's home and work addresses, and within seconds, the locator identifies all relevant local tax codes and rates, MasterTax tax codes, jurisdiction names, and collector names. The locator also enables employers to maintain a history of past addresses for each employee.

The locator virtually eliminates penalties due to incorrect tax setups, and employers can realize an immediate and significant time savings by no longer having to research all municipal, school district, county, and state codes and tax rates. This is especially of benefit to companies with employees spanning multiple states and municipalities.

The ADP Tax Locator is expected to be released to MasterTax clients in the fourth quarter of 2011. For additional information, send an e-mail to [emailus@mastertax.net](mailto:emailus@mastertax.net).

## PPA Feature Enhanced for Mass Rate Changes

As of the third quarter 2011 Release, MasterTax clients will be able to quickly add prior period adjustments (PPAs) for mass changes that affect a specific SUI tax code. This enhancement is particularly useful when processing a large number of SUI rate changes for a prior period or for new minor tax codes.

MasterTax will calculate the balance due or credit, based on the new rate and wages previously reported for the specified period for all impacted companies, saving a significant amount of time by eliminating the need to calculate and enter each amount manually. After reviewing the calculated adjustments, you can change the amounts prior to submitting.

Users also have the option of paying the balance due immediately, or applying it to the next return. Credits are to be applied to the next return.

The newly added PPA transactions will be available in the PPA Post window.

Additional information about this enhancement will be available in the Release Notes on September 13, 2011.

For questions, please contact a Support Representative at 480-778-8734, or send an e-mail to [support@mastertax.net](mailto:support@mastertax.net).

## ➤ MasterTax “White Labeling” Forms

MasterTax is in the process of removing the “MasterTax” label from all tax agency forms, except for those of agencies that require identification of the form’s builder. This includes forms that are contained in company packages. White labeled forms are expected to be fully released to clients in the fourth quarter of 2011.

## ➤ New ADP W-2 Print Services Interface

As of the third quarter 2011 Release, MasterTax clients who are licensed for the W-2 Reporting module have an additional option available for producing employee W-2s: ADP Print Services.

Using ADP Print Services for W-2 printing is the most complete solution for managing year-end tax requirements. Employers will appreciate the reduction in paper and postage costs, security fees, and time spent reissuing W-2s. Employees will enjoy the convenience of accessing their W-2s online at any time. Personal information, such as Social Security Numbers, are password protected, and can be suppressed during printing.

A new menu item, ADP PSS, will be added to the Features>Employee W-2 Services menu for W-2 Reporting clients. This new menu item will enable you to generate an ADP PSS Export file that can be submitted on ADP’s secure website.

Registration is required prior to using this service. For information, please send an e-mail to [marketing@mastertax.net](mailto:marketing@mastertax.net).

## ➤ MasterTax Help Desk

**Q: How do I know when updates or hotfixes are available to my MasterTax software?**

**A: Client/Server and Self-Hosted Customers:**

Hotfixes are available via Help>Check Updates throughout the quarter. MasterTax recommends checking for hotfixes each morning prior to beginning processing. It is especially important to check for hotfixes during quarter-end processing months.

Notifications are e-mailed to those who are specified as Users on their company’s Contact List when a hotfix is deemed critical, or when a release or update is available.

**Hosted Customers:**

Releases, updates, and hotfixes are automatically applied to Hosted accounts. While there is no need for the user to install these, some action maybe be required as part of the update or fix. Notifications are e-mailed to those who are specified as Users on their company’s Contact List when a release or update has been applied.

You can view or print the notes for a hotfix in the View Update Log window [Help>About MasterTax>View Update Log].

**Q: When should I use Transaction Utilities?**

A: Transaction Utilities are very powerful, and generally should not be used unless you have been advised to do so by a MasterTax Support Representative. It is difficult and sometimes impossible for Support to correct a process that has been created or modified in Transaction Utilities. If you are experiencing an issue you feel requires use of Transaction Utilities, you should first contact a Support Representative to assist you.

## ➤ Important Dates:

**Sept. 13, 2011**  
Third Quarter Release

**Sept. 12-14, 2011**  
MasterTax Exhibiting at NAPEO Professional Employer & Marketplace

**Oct. 2-6, 2011**  
MasterTax Exhibiting at Oracle OpenWorld

**Oct. 6, 2011**  
Third Quarter Update

**Oct. 6, 2011**  
Quarter-End Processing Webinars

**Oct. 7, 2011**  
Enhancements Webinars

**Oct. 24-26, 2011**  
MasterTax Exhibiting at Workday Rising

**Nov. 24, 2011**  
Office Closed: Thanksgiving Day

**Nov. 25, 2011**  
**MasterTax is open regular business hours!**

## ➤ Top 10 Reasons to Attend Synergy '12

- 10 **Take a time out!**  
Have fun and be entertained with nightly activities
- 9 **Enjoy the Home field advantage!**  
Live it up in the warm, sunny weather in beautiful Scottsdale, Arizona
- 8 **Learn from the All Stars!**  
Listen to and connect with industry-leading speakers
- 7 **Improve your stats!**  
Earn RCH credits
- 6 **Train with the Pros!**  
Speak one-on-one with the MasterTax Development team
- 5 **Step up to the plate!**  
Share your thoughts and opinions in sessions specifically designed to collect User feedback
- 4 **Meet your team members!**  
Meet and consult with the MasterTax team
- 3 **Play ball!**  
Network with other MasterTax Users
- 2 **Cover your bases!**  
Participate in Best Practices panel Discussions
- 1 **Join the Major Leagues!**  
Enhance your knowledge of MasterTax software

➤ **Details on Synergy '12:**



**Who:**  
MasterTax  
Customers



**What:**  
Synergy '12  
MasterTax's  
Biennial User  
Conference



**When:**  
March 25-28,  
2012



**Where:**  
Scottsdale, AZ  
Talking Stick  
Resort

*Be a Sport and Join Us at*  
**Synergy '12!**



## Notes:

1. We recommend you print a blank copy of the POA form to use as a reference before customizing fields.
2. You can click the **Run Report** button to print a listing of the POA configuration settings to keep on hand for future reference.

## Did You Know?

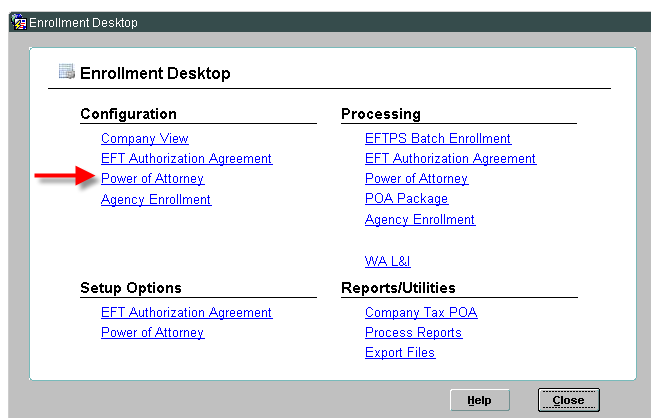
### Customizable Power of Attorney Forms


In the Power of Attorney Configuration window, you can view the list of agency Power of Attorney (POA) forms that are supported by MasterTax. The Filing Information column shows any special requirements for a form, such as whether or not it must be signed by a Notary.

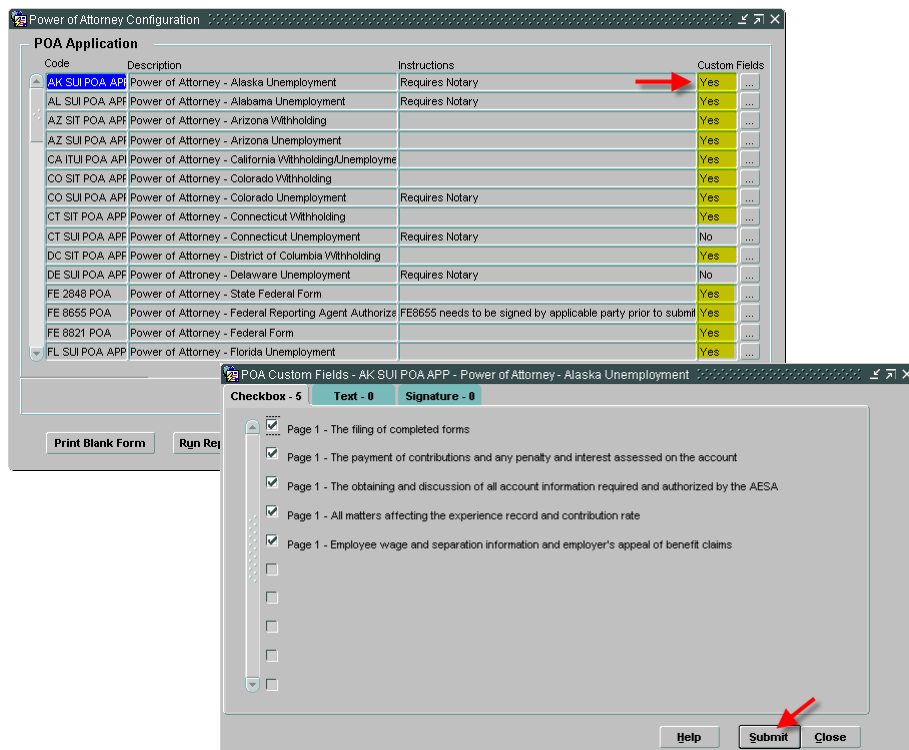
For many POA forms, you can define settings for custom fields. By doing so, you can ensure that your POAs contain all the required information, and that they are configured consistently. Additionally, using custom fields eliminates the need to complete POAs by hand, which saves time for both the authorized agent and the company being represented.

#### To customize a Power of Attorney form:

1. In the MasterTax Home window, select **Features>Enrollment** from the menu bar.
2. On the Enrollment Desktop, click the **Power of Attorney** link under the "Configuration" heading.



3. If the Custom Fields column is set to **Yes**, the form is customizable. Click the ellipses button (  ) at the end of the form's line to view and populate its custom fields.
4. After working through the custom fields, click **Submit**.



## Tax, Form, and Software Updates

### New Tax Setup

The following tax codes will be added to MasterTax as of the third quarter 2011 Release. Please refer to the Release Notes for further clarification and other changes not mentioned here.

- **AZ0000-148** – Arizona - Employer Special Assessment Surcharge
- **CT0000-148** – Connecticut - Special Assessment
- **IL0000-148** – Illinois - Small Business Jobs Creation Tax Credit

### Electronic File Updates

The following changes will be made to electronic files in MasterTax as of the third quarter 2011 Release. Please refer to the Release Notes for further clarification and other changes not mentioned here.

- **Georgia Withholding (GA0000-001)** – The layout of the e-file for the Georgia Quarterly Return for Semi-Weekly Payer (form GA G-7) has been updated to match the agency's latest specifications.
- **Illinois Unemployment (IL0000-010)** – Support of the Mag Media - CD method has been added for the Illinois Employer's Contribution and Wage Report (form IL UI-3/40).
- **Utah Withholding (UT0000-001)** – A template is now provided to convert the MasterTax e-file for the Utah Withholding Return (form UT TC-941) to Microsoft Excel format, as required by the agency. Refer to the e-Filing Instructions for more information [Help>e-Filing Instructions>Tax Return e-Filing Instructions].
- **Vermont Unemployment (VT0000-010)** – If you e-file the Vermont Employer's Quarterly Wage & Contribution Report (form VT C-101), a Remittance file will now be generated by the Tax Return process. This file must be sent to the agency. Refer to the e-Filing Instructions for more information [Help>e-Filing Instructions>Tax Return e-Filing Instructions].
- **Virginia Withholding (VA0000-001)** – The Virginia Department of Taxation requires semi-weekly payers to file their quarterly returns electronically. Support of the e-File method has been added for the Employer's Quarterly Reconciliation and Return of Virginia Income Tax Withheld (form VA VA-16). Refer to the e-Filing Instructions for more information [Help>e-Filing Instructions>Tax Return e-Filing Instructions].
- **Grand Rapids, Kent Withholding (MI0006-001)** – Support of the EFT Credit method has been added. Refer to the EFT Instructions for more information [Help>EFT Instructions>EFT Instructions for Payroll Taxes].
- **Keystone Collections Group** – Support of the Mag Media - CD method has been added for Pennsylvania local EIT and LST taxes reporting to Keystone Collections Group. In addition, the layout of the e-files for EIT and LST returns has been updated to match the agency's latest specifications.
- **Lancaster County Tax Collection Bureau** – Support of the Mag Media - CD method has been added for Pennsylvania local EIT and LST taxes reporting to Lancaster County Tax Collection Bureau.
- **York Adams Tax Bureau** – Support of the EFT Credit method has been added for Pennsylvania local taxes reporting to York Adams Tax Bureau. Refer to the EFT Instructions for more information [Help>EFT Instructions>EFT Instructions for Payroll Taxes].

*“Thank you  
so much for  
ALL of your  
help! Your  
Support  
team is  
awesome!  
AWESOME!”*

Tina Wiley  
Tax Specialist,  
Strategic  
Outsourcing, Inc.

## Tax, Form, and Software Updates (Continued)

### Tax Rule Changes

*The following tax rule changes will be made to MasterTax as of the third quarter 2011 Release. Please refer to the Release Notes for further clarification and other changes not mentioned here.*

- **Georgia Withholding (GA0000-001)** – The Georgia Department of Revenue does not require submission of zero deposits; therefore, the Zero Deposit rule has been removed for this tax.
- **New Hampshire Administrative Contribution (NH0-000-128)** – This tax has been changed from an EIN-rated tax to an agency-rated tax at a rate of .2%.
- **New Jersey Employee Unemployment (NJ0000-020)** – This tax has been changed from an agency-rated tax to an EIN-rated tax.

### Enhancements

*The following enhancements will be added to MasterTax as of the third quarter 2011 Release. Please refer to the Release Notes for further clarification and other changes not mentioned here.*

- The ability to mark the South Dakota quarterly contribution and wage report (form SD DOL-UID-21) as the final return for a company has been added [Master>Company View>Tax>Return>Mark as Final].
- The ability to add a FUTA credit reduction tax code to multiple companies at one time has been added to the Quick Edit tab [Master>Company View]. To use this feature, set the Edit option to **Company Tax**, set the Edit field to **Add FUTA Credit Reduction Codes**, and select the FUTA credit reduction tax in the Tax Code field.
- Support of TimePlus vendor tax codes has been added to the Tax Code Alternate window [List>Import Setup>Tax Code Alternate>Load Vendor Tax Codes].
- The following check boxes have been added to the Federal Processing category in the Process Options window [Process>Options>Federal Processing]:
  - Produce 941 Liability Schedule When Total Liability for Quarter Is Less Than \$2,500 - Enables you to produce federal form 941 schedule B for companies for which the quarterly liability is less than \$2,500.
  - Use Name Control to Replace FEIN Check Digit in Federal 94X e-Files - Replaces the <CheckDigit> element in federal 94x e-files with the <BusinessNameControl> element.
- The **Allow Cash Refund Only After the Corresponding Payment Is Not Negative** check box has been added to the Cash Processing category in the Process Options window [Process>Options>Cash Processing]. This check box enables you to prevent cash from being refunded when the corresponding deposit is negative.
- The ability to release all held variances has been added to the Variance Post window [Process>Quarter-End Processing>Variance Post].
- The **Switch to Paper** button has been added to the Tax Return Select window when accessed via the e-File or Mag Media tab in the Create Tax Returns window [Process>Quarter-End Processing>Tax Return] or the Re-create Tax Returns window [Utilities>Reprint Tax Return]. Clicking this button changes the filing method to **Paper** for the selected companies' returns.

MasterTax reminds you to please inform a Support Representative when your company has an additional MasterTax user.

The easiest way to add a new user to your account is to send an e-mail to [support@mastertax.net](mailto:support@mastertax.net). Please include the new user's full name, e-mail address, and telephone number. You should also indicate whether or not the new user would like to receive notifications from MasterTax.

Please note: Only an existing contact can add a new user to your account. New users cannot add themselves.

## ➤ Differentiating Between Cash Types... Yes, We Do That!

Service providers that use the Cash Care module have the ability to differentiate between various cash types, including variances, PTS liabilities, deposit adjustments, and cash adds.

In the Cash Collection window, simply select the Cash Type you want to be displayed.

All

All Except for Variance  
Liability  
Deposit Adj  
Variance  
Cash

You can also report on specific cash types in the Cash Analysis report (Reports>Cash>Cash Analysis).

If you are not currently using the Cash Care module and would like more information about this offering, please contact a MasterTax Support Representative by phone at 480-778-8734, or by e-mail at [support@mastertax.net](mailto:support@mastertax.net).

## ➤ Tax, Form, and Software Updates (Continued)

- The ability to generate Avery 5692 CD labels has been added to the following processes:
  - Tax Return
  - Reprint Tax Return
  - Amended Tax Return
  - Reprint Amended Tax Return
- The following changes have been made to the Company Package Print window [Process>Quarter-End Processing>Company Package] and the Company Package Reprint window [Utilities>Reprint Company Package]:
  - The W-2 Count column has been added, showing a company's federal W-2 counts for fourth quarter packages.
  - A note has been added, showing the number of packages that are currently selected to be produced.
  - An exclamation point (!) has been added next to a company's package if an amendment exists for the company and quarter.

In addition, federal form FE 1096 has been added to the company packages.

- Display of the worksite number has been added to the RTS Employee Wage Detail report [Reports>QE Reconciliation>RTS Detail].
- The ability to restrict the Reissue Cash by Process ID task to a specific cash collection method has been added to the Transaction Utilities window [Utilities>Transaction Utilities].
- The Group by - Process Date and Group by - Deposit / Collection Date options have been added to the Bank Reconciliation - Bank Account Report window [Features>Bank Reconciliation>Reports>Bank Account]. These options apply only to the EFT Payments, Checks, and Cash Collections report versions.
- A custom field has been added for the Colorado Unemployment EFT authorization agreement (form CO SIT EFT APP), enabling you to populate the taxpayer address with the address from the Profile pane in the Preferences window.
- Support of the secure E-mail rate exchange method has been added, and support of the Tape method has been removed, for Arizona Unemployment (AZ0000-010). Refer to the SUI Rate Exchange Instructions for more information [Features>SUI Rate Exchange>Configuration>SUI Rate Exchange>...].
- The following buttons have been added to the PPA Post window [Features>Amendment>Transaction>Period Period Adjustment or Transaction>Prior Period Adjustment]:
  - **Void** - Enables you to void multiple PPAs.
  - **Quick PPA Add** - Opens the Quick PPA Add for SUI Rate Change window where you can generate prior period adjustments for an unemployment tax rate change for multiple payroll codes at one time.
- Support of View Only access has been added for the Wage Attachment Deposit Maintenance window.

## Compliance Corner

*Review the items below for relevant and topical information for the Payroll Professional. The information comes from various agency websites and publications. Please contact the agency involved if you require more information.*

- **Alabama** - Effective April 1, 2012, employers must not knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work in Alabama. Employers are required to register and use E-Verify for all newly hired employees. Employers with 25 or fewer employees will be permitted to use an E-Verify employer agent service established by the Alabama Department of Homeland Security. Failure to comply with these requirements may result in suspension and/or loss of a business license for the employer. For more information, click [here](#).
- **Delaware** - Effective January 1, 2012, same-sex couples will be permitted to register with the state as civil unions. The same state rights and benefits will be extended to civil union partners as are currently provided to married couples. Employers that provide health insurance coverage for employees' spouses and their children must provide it for employees' civil union partners and their children on the same terms. The benefit is similarly exempt from state income taxation. Also effective January 1, 2012, the state will recognize same-sex civil unions legally performed elsewhere. For more information, click [here](#).
- **Massachusetts** - Effective April 7, 2011, the weekly amount exempt from withholding for a creditor garnishment is the greater of: 1) 85% of the employee's gross wages; or 2) 50 times the federal minimum wage (\$7.25 an hour) or the Massachusetts minimum wage (\$8.00 an hour). Previously, \$125 of an employee's weekly wages were exempt from withholding. For more information, click [here](#), and scroll to page 16.
- **Michigan** - Effective January 1, 2012, professional employer organizations (PEOs) must obtain a license from the Department of Energy, Labor, and Economic Growth no later than July 1, 2012. Effective September 1, 2012, the DELEG may begin issuing limited licenses to PEOs domiciled outside of the state if they meet certain criteria. For more information, click [here](#).
- **New York** - Effective July 24, 2011, same-sex marriage is legal in New York. Under the Marriage Equality Act, opposite-sex and same-sex marriages are treated equally under the laws of New York. Employers that provide health insurance coverage for employees' opposite-sex spouses and their children must also provide it for employees' same-sex spouses and their children on the same terms. For more information, click [here](#).
- **North Carolina** - The Employment Security Commission of North Carolina has issued a new form NCUI-500AB, *Request for Separation Information from Employer*. This new form is two pages (it was formerly one page), and requires more detailed information regarding pay, nature of employment, and reason for separation. Employers must return form NCUI 500AB within 10 days from the date the form was mailed or generated by the Commission. Failure to return the form within 10 days may result in increased benefit charges and higher unemployment insurance taxes. The new form has a revision date of 06/2011. For more information, click [here](#).
- **North Dakota** - Effective January 1, 2012, all employers must include on all new hire reports whether or not they offer health insurance to the employee. Also effective January 1, 2012, an employer with more than 24 employees must submit new hire reports electronically to the Child Support Enforcement Division. Employers may request a waiver for good cause if the employer believes that complying with the electronic reporting requirement will cause special difficulties. For more information, click [here](#).

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by clicking [here](#).

## ➤ Compliance Corner (Continued)

- Pennsylvania** - Changes to the earned income tax (EIT) collection system are scheduled to go into effect in 2012; however, counties are permitted to implement the changes a year early. The changes to the EIT collection system are schedule to be implemented early in four counties: Chester, Lancaster, Lebanon, and Wyoming. However, Chester County is the only one enforcing early adoption. Effective August 1, 2011, employers are subject to penalties and interest for failing to comply with the requirements of the EIT collection system in Chester County. If the EIT is not paid when due, interest is due on the amount required to be paid, and an additional penalty of 1% of the amount of the unpaid EIT applies for each month or fraction of a month that it remains unpaid, up to an aggregate maximum of 15%. Compliance is voluntary for employers in the other three counties, which will not enforce it or penalize employers in 2011. For more information, click [here](#), and scroll to page two.
- Tennessee** - Effective July 1, 2011, an employer is permitted to use a wage deduction to recover money owed by an employee if: 1) the employer entered into an agreement with the employee to advance the employee wages before the date the wages are owed, including permitting the employee to charge personal items on a corporate credit card; 2) the employee signs the written agreement and the employer retains it; and 3) the employer notifies the employee in writing 14 days before the payment of wages is owed. An employer is not permitted to use a wage deduction if the employee sends a sworn affidavit, contesting the amount of money owed, to both the employer and the Department of Labor and Workforce Development within 7 days after receiving notification from the employer. The employer may initiate a civil action to recover the contested amount owed from the employee. For more information, click [here](#).
- Washington** - The Paid Family Leave Insurance (FLI) program, scheduled to be implemented on October 1, 2012, has been delayed and will instead take effect on October 1, 2015. For more information, click [here](#).

## ➤ Company Updates

We are pleased to announce Bill Corwin as the new Vice President, MasterTax, operating out of the Scottsdale, Arizona office.

Bill possesses extensive payroll software, service delivery, client relations, and implementation experience, and holds a B.S. in Management from the University of Illinois at Chicago. His skills and expertise add considerably to MasterTax's ability to address the challenges faced by our clients and identify new and exciting product and service options to support our clients' business success.

"I couldn't be more excited to join the MasterTax team," said Bill. "I look forward to leading the organization as we drive growth, invest in our next generation of insightful solutions, and continue to deliver an exceptional client experience."

Please join us in welcoming Bill to MasterTax.



### We Want Your Feedback!

Tell us what you want to see in *MasterNews*!

MasterTax gladly welcomes your comments and suggestions.

Click [here](#) to send us an e-mail!

### MasterNews

Published by: MasterTax, LLC

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