



YEAR END CLIENT NEWSLETTER DECEMBER 2008

Dear Client:

We would like thank you for allowing us the opportunity to serve you during this past year. We hope that you had a successful and prosperous year 2008, and we wish you all the best for the upcoming year.

Please review this notice and make note of any items pertaining to you. If you have any questions concerning any of this information, please let us know as soon as possible.

Contact Information:

Phone: (732) 254-2240
Fax: (732) 254-9460
General Email: info@digitpay.com

HOLIDAY HOURS

DIGIT PAYROLL CORPORATION will be closed Thursday, December 25th, and Thursday, January 1st. We will be closing at 12:00 noon on Wednesday, December 24th and Wednesday, December 31st. Arrangements will be made with all affected clients. If your holiday schedule differs from this and your payroll may be affected, please let us know as soon as possible.

YEAR END ADJUSTMENTS

- If you have received notification during the year of any disability benefits paid to your employees during 2008, please contact us immediately if you have not done so already. This information affects the preparation of the payroll tax returns and W-2.

We will be running the quarter end and year end payroll tax returns promptly on January 1st. Therefore, we must have all year end adjustments (including Third Party Sick Pay) done no later than December 23rd. Any adjustments made after this date may be subject to re-run surcharges.

-Please notify your employees to report missing or incorrect Social Security Numbers or addresses. Please provide us with corrected information no later than December 31st. The IRS and state department of labor can charge you a penalty for each employee with a missing or incorrect Social Security Number. We will notify you of any missing information we require in a separate mailing to you shortly.

- If you plan on running a separate bonus payroll, please give us *at least two days* notice.

- Any taxable cash or non-cash benefits provided to employees must be included on Form W-2. If you have any amounts to report, please let us know prior to transmitting your last payroll of the year.

- Please report the value of group-term life insurance in excess of \$50,000 before your last payroll of the year.

- If you are an S-Corporation and you paid health and accident insurance premiums on behalf of 2% shareholder / employees, please report the premium amounts to us before the last payroll of the year.

DEPOSIT FREQUENCY NOTICE

You may have recently received a notice from the IRS notifying you of your tax deposit frequency for 2009. This is **EXTREMELY IMPORTANT INFORMATION**. Please fax or send us a copy of this notice as soon as possible, especially if your status has changed for 2008. If you have payroll in a state outside of New Jersey and you receive a 2009 unemployment rate notice, please fax or mail a copy to us as soon as possible.

W-2 SERVICE

In January, we prepare all of your 2008 W-2 Forms in a confidential pressure sealed W-2. We will magnetically file employer federal W-2 and W-3 information with the Social Security Administration for all clients. State W-2's will also be filed with the appropriate state(s). We charge a nominal fee of \$20 plus \$.74 per W-2 for this service.

PENSION INFORMATION

On the Form W-2, the IRS requires that a box be checked if an employee is an active participant for any part of the year in a company-maintained retirement plan. Please let us know by December 21st of any employee who:

- 1) only had employer contributions made to their account,
- 2) was an active participant but did not have employee contributions withheld, or
- 3) participated in a collectively bargained plan.

Please contact your accountant if you are unsure of who would qualify under these circumstances.

DELIVERY DURING DECEMBER

Mail deliveries can be slow during the month of December, and we cannot assure timely delivery as can be expected other times during the year. If you prefer, we can provide courier delivery of your payroll for an additional charge. If you would like to take advantage of this service, please let us know. If you would like to pick up your payroll, please call to make arrangements.

HOUSEKEEPING ITEMS

- If you have a Simple Plan or 401k Plan in place, please forward to us a list of each participant's birth date (if you have not done so already). The deferral limits are higher for participants over the age of 50, and we can automatically consider that in the deferral calculation.
- If your electronic tax debit, direct deposit debit, or check payable to us is returned for insufficient funds, a \$50.00 charge will be imposed to your account.
- If you do not process payroll in a given month, a minimum inactive charge of \$15.75 will be billed to you.
- If you require a Digit Payroll Corporation binder to house your payroll records, they are available for \$10.00 plus delivery.
- If you have payroll in any state other than your home state, please send us any correspondence or coupon books you receive.
- If you are on our Electronic Tax Filing Service and receive any notices regarding payroll, please send them to us within 30 days. Failure to do so may result in a \$75/hr. rate to investigate the matter.

MAYBE YOU ARE INTERESTED IN SOME OF OUR ADDITIONAL SERVICES??

- **Electronic Tax Filing Service.** Eliminates the need to handle payroll tax deposits or payroll tax returns.
- **Online Remote Entry of Payroll.** Control the input of your payroll from your computer. Access reports online.
- **Direct Deposit Service.** Paperless way to pay employees.
- **Automatic Check Signing Service.** Eliminate the need to sign each paycheck.
- **Check Stuffing Service.** Used along with automatic check signature, offers a convenient, confidential way to distribute paychecks.
- **Pre-tax Employee Benefit Services.** Take advantage of payroll tax savings offered by the government to you and your employees. Have your employees contribute toward their medical, dental, disability, or life insurance premiums before taxes.
- **Group Medical Insurance.** Give us the opportunity to shop the market for the best program for your business. If your policy is coming up for renewal, give us a call!
- **Workers Compensation Pay-As-You-Go Service.** Ask us about getting Pay-As-You-Go Workers Compensation Insurance. No down payment, no checks to write, no additional billing fees, and no year end audit!