

## "You didn't withhold enough taxes!"

It probably seems like just yesterday when you heard, "You didn't withhold enough taxes!"

In order to prevent your employees from saying that to you next year when they are filing their personal income tax returns, make sure they check the number of exemptions they claimed on their W-4, Employee's Withholding Allowance Certificate. Changes that can significantly affect the employee's personal tax liability include:

- Marriage or divorce
- Addition or loss of a dependent
- Purchase or sale of a home
- Both spouses now employed

Reminding employees to check for changes that can impact their tax liability early in the year can minimize an unexpected and unpleasant surprise next year at tax time.

## "I don't understand how to report my HSA contribution."

The pre-tax treatment of employee contributions re-characterizes the contribution to that of an employer contribution for personal income tax reporting purposes. These plus the employer's actual contributions are added together on the employee's W2. This total is entered on line 9A of form 8889. They should not enter their pretax contributions on line two. That is for after tax contributions they may have made.

## Advanced Earned Income Credit (EIC)

Every employee who is eligible for the Federal EIC and has a qualifying child is entitled to receive an advance on their EIC payments with his or her pay during the year. The maximum advance for 2008 is \$1,750.00. You are required as an employer to advise employees of this option. If your employee received a W2 for 2007, your responsibility has been satisfied because EIC notification is on the back of the W2. The employee cannot

receive an advance on their EIC, however, unless they fill out a new W5 every year.

Every Indiana employee who qualifies for and receives an advance on their Federal Earned Income Credit is also eligible to receive an advance on their state earned income credit equal to six percent of their Federal advance. They must fill out a new WH5 every year for this state advance as well as the Federal allocation.

## State Unemployment Taxes

Please check the Payroll Reconciliation Summary that accompanies your payrolls to make sure we are calculating your state unemployment compensation tax using the correct rate. Most rate changes are effective the first of the year; and, as in recent years, rates for the most part are increasing. If the rate is incorrect, please contact your Customer Service Representative or the Tax Services Department (Janice Keen, Barb Bergen or Carol Sanders) so that your records can be updated. @



From Interlogic Outsourcing, Inc.  
A timely digest of information relevant to executives and consultants involved in financial operations and human resources.

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## Maximizing Technology Tools for Human Resources

Human Resources (HR) is a vital component for businesses of all sizes. A complex field with ever-changing regulations and compliance requirements, HR can be challenging. For small businesses, it is often included as one of the 'many hats' managers/owners wear, sometimes reluctantly. For larger organizations, it is typical to see multiple departments requiring the same data points and access to manage the employees work life. From recruiting to retirement there are many steps, and regardless of employee count, organizations are learning the significance and benefits of efficient HR processes.

Steps that include new hire record keeping, tracking compliance information (I-9s, EEO, Tax Filing status) and setting up proper pre- or post-tax deductions, the employer responsibilities quickly add up. The need for streamlining and establishing policies becomes a top priority.

**"I have heard horror stories about companies that did not have control of their processes ending up in court when a disgruntled former employee went to the labor board because the company did not understand overtime regulations."**

With all of these responsibilities and without proper tools, HR professionals are at risk of drowning in a sea of administrative paperwork. Fortunately, just in the nick of time, technology has thrown HR a life jacket in the form of an employee management system also known as a Human Resource Information System (HRIS).

Nadine Cummins, SPHR, has worked in the HR field for more than 20 years. As President and Consultant of HR Compass, LLC in Tempe, Arizona, she is an advocate of an all-inclusive payroll/HRIS system. "Efficiency is the basic starting point when I work with a new client. Often they have jumped into the business with a very entrepreneurial spirit and recognize the need to set in place a good structure for managing all things employee related," says Cummins.

HRIS, or HRMS (Human Resource Management System) are invaluable technology tools in the HR world. HRIS systems are designed to track, document, record and report on information related to the employee and their employment. HRIS data

included, but is not limited to benefits, recruiting, training, performance reviews and property assigned. Based on the system selected, the HR manager may also have the option for tailoring certain fields and tables to provide a more custom feel that matches the terminology in the organization. Additionally, many people find HRIS a valuable "one-stop shop" to access emergency contact information, important compliance or EEO data, and even a quick reference for birthday or anniversary lists.

One of the biggest advantages of HRIS is in streamlining day-to-day processes while reducing the amount of paperwork and manual record keeping, including sensitive data tracked in spreadsheets on an internal network that are susceptible to being "stumbled-upon" by another employee. When part of or integrated with the company Payroll and Employee Self-Service (ESS) systems, an entirely new level of efficiency can be realized. Employees have access to view/print pay stubs and verify or update their personal data like address or emergency contact and, with a click of the button, payroll/HR can automatically update information on their end. This lessens much of the administrative burden for the HR professional, or office manager, who often take on several roles.

Another consideration is the strategic component of HR information. HR professionals are called upon for formulating company policies, analyzing annual wage and performance metrics, streamlining the business process as well as partnering with the management team on the growth and vision of the organization. One of HR Compass' clients is a group of former corporate executives who left for a start-up venture and are insistent on having a strategy in place to support the growth. "With the *IOIPay* platform we have the advantage of selecting the services we need and

*continued pg. 2*



Nadine Cummins (center), SPHR, President and Consultant of HR Compass, LLC, speaks with Matt Likens (left), President and CEO of Ulthera and Administrative Assistant Carolyn McReynolds (right).



## Technology is a wonderful thing

Notes from the President

Dear Client:

The growth of technology never ceases to amaze me. It is truly remarkable. Technology is reshaping every minute of our lives. Just when you think the growth is going to slow down, it shifts into overdrive. Who could have imagined 15 years ago that today we would be carrying iPods and iPhones? However, technology is not just changing the way we listen to music; it is changing the way we work.

This is the reason I am pleased to call your attention to the article on Human Resource Information System (HRIS) in this issue of @ your Service. In order to make a Human Resource department more effective and efficient new technologies are always being developed and introduced. One of the latest HR technologies is HRIS. This system is a one-stop shop that is designed to track, document, record and report on information related to the employee and their employment. What will they think of next?

As always, we hope you can benefit from our tax and payroll tips and that you enjoy our latest issue of @ your Service.

Thank you so much for your time and interest. We hope your year has been a good one thus far, both personally and professionally. As always, we are at your service. We encourage you to call with any questions or comments. We are always learning from you, so we value your opinions.

Let me conclude by restating our commitment to you, our valued client, and by expressing our heartfelt gratitude for your continuing support.

Sincerely,

Najeeb A. Khan

President

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## Maximizing Technology Tools

can continue to grow using the same platform we are on now. This is crucial to prevent any disruption in business," said Cummins.

When she is seeking a platform that meets her clients' needs Cummins looks for the following: an easy-to-use intuitive system, centralized database for payroll and HR data, provider-managed conversion process, and flexible reporting capabilities. "I have heard horror stories about companies that did not have control of their processes ending up in court when a disgruntled former employee went to the labor board because the company did not understand overtime regulations," Cummins stated. She noted that labor laws are employer's responsibilities and with the proper tools in place they can be managed effectively.

As economic challenges present themselves, most business managers, executives and human resource professionals have felt the pressure to reduce costs and increase efficiencies where possible – HRIS is a system that can achieve both. @

Editor's Note: IOIPay offers both HRIS and ESS systems. For more information contact your IOI representative today.

## IOI Out and About

April 20-23  
NALM Conference  
Orlando, FL



May 6-7  
Indiana Chamber HR  
Indianapolis, IN



May 8  
Fort Wayne Business Expo  
Fort Wayne, IN



May 13-17  
APA Congress  
Austin, TX



May 28-30  
DISC Conference  
San Antonio, TX

## q&a

**Q:** I know that IOI has an HRIS system, but do you have any sample HR forms/templates I can use?

**A:** IOI offers HR Essentials, a powerful on-line HR library full of industry related subject matter, tools and templates. A low monthly fee provides you with a great deal of valuable information.

**Q:** I terminated an employee a while back and cannot find him in my drop down.

**A:** On the search screen menu under Employee Maintenance or Hours and Dollars, type in the employee's last name and click GO. All employees should show including those terminated. The setting to show employees, even those who have been terminated, is found under Company Maintenance: Preferences. You can set the flag to show or hide this information.

**Q:** If I re-hire a past employee do I have to enter them again as a new hire?

**A:** A quick system setting change will give you access to view your terminated employees. Once you locate the employee, simply change their employee status from terminated to active and enter their re-hire date. @

## IOI Pay® Tips & Tools

### Look Up Tables

Looking for ways to tailor information in IOIPay? Perhaps you would like to customize Locations, Departments, Supervisors or even Termination Reasons. Now you can build your own drop-downs – making it easy to ensure consistent reporting and field entries. Check out the Look-up Tables sub menus under Company Maintenance. Then call our support team and start customizing your options today!

### HRIS – Property Tracking

Track the building keys, laptops, cell phones and other company property assigned to each employee. Should the employee transfer or leave the organization, a quick check of this screen will confirm all of the property that needs to be turned in.

### Employee Self Service (ESS)

Employees can access, view and even print their pay stubs from ESS. Employees also have the option to not receive a paper pay stub. To activate this go to: Employee Maintenance: Compliance, then select the drop down under Check Print and click Do Not Print. If you want more control over log-ins you must designate an ESS Administrator. A payroll/HR team member can manage the approval and log-ins for your employees. Download a User Access approval form from <http://www.ioipay.com/clients.php>. After you have completed the form, fax it to 574-206-0072. We will set up and train the administrator.

### Time to Purge

Email [payroll.support@ioipay.com](mailto:payroll.support@ioipay.com) with your division number and the period to purge.

### Protecting your employee's Social Security number

IOI provides the options of eliminating or just showing the last four digits of an employee's SSN on their pay stub. Call Customer Service to make the change.

### Reduce Paper

Let us show you where you can access current and past payroll reports online, and let us know which reports you no longer need printed. This will save storage space and delivery costs.

### Reporting Options

For restaurant payrolls, we have automated reports for tips reporting and entry, along with electronic interfaces to many POS systems. A few of our other reporting options are Employee Benefits and Hours and Earnings Reports. @

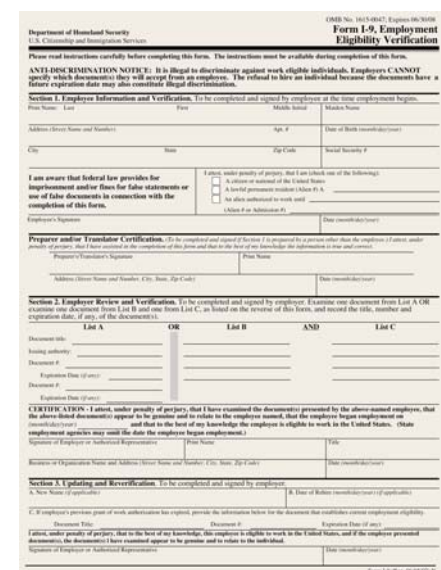
## News You Can Use

Form I-9 and the Handbook for Employers, M-274, which apply to every employee hired in the United States, was revised last November. The revisions include:

- Five documents have been removed from List A of the List of Acceptable Documents:
  - Certificate of U.S. Citizenship (Form N-560 or N-561)
  - Certificate of Naturalization (Form N-550 or N-570)
  - Alien Registration Receipt Card (Card (I151)
  - Unexpired Reentry Permit (Form I-327)
  - Unexpired Refugee Travel Document (Form I-571)
- One document was added to List A of the List of Acceptable Documents:
  - Unexpired Employment Authorization Document (I-766)

- All Employment Authorization Documents with photographs have been consolidated as one item on List A:
  - I-688, I-688A, I-688B, I-766
- Instructions regarding Section One of the Form I-9 now indicate that the employee is not obliged to provide his or her social security number in Section One of the Form I-9, unless he or she is employed by an employer who participates in E-Verify.
- Employers may now sign and retain Forms I-9 electronically.

All United States employers are responsible for completion and retention of Form I-9 for each individual they hire for employment in the U.S. This includes citizens and non-citizens. On the form, the employer must verify the employment eligibility and identify documents presented by the employee and record the document information on the Form I-9.



There is no associated filing fee for completing the Form I-9. This form is not filed with USCIS or any government agency. The Form I-9 must be retained by the employer and made available for inspection by U.S. Government officials (e.g., Department of Homeland Security, Department of Labor, Office of Special Counsel). @