



PAY MATTERS

May 2015

The Newsletter of the CenTex Chapter of the American Payroll Association

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President's Letter

May Meeting

Thursday, May 14, 2015

11:30 a.m. – 1:30 p.m.

Iron Cactus Mexican Grill & Margarita Bar

10001 Stonelake Blvd.

Austin, TX 78759

Members: Please RSVP via the E-vite system

Non-Members: Please RSVP via e-mail to centex_apa@yahoo.com

Also, Please register for meeting using new website meeting feature – www.centexchapterapa.org

Reservations must be made by 5:00 p.m., Tuesday, May 5th to ensure a seat

June Meeting

Thursday, June 11, 2015

11:30 a.m. – 1:30 p.m.

Norris Conference Center

2525 West Anderson Lane

Austin, TX 78757

President's Letter

Jaynette Odegaard

April 15 has come and gone so I hope you didn't have too many employees asking for a copy of their W-2s. Gotta love the late filers! ☺ Our April meeting was a fabulous one on Identity Theft and one of our own members was hit by a phony IRS refund scam where someone used her husband's Social Security number to try and file a refund claim. She is getting things cleared up but the April's topic was especially beneficial to her and the other members in attendance.

Our May meeting should be just as beneficial where we hear from Susan Vance on the topic of escheatment. The location has changed to the restaurant Iron Cactus, 1001 Stonelake Blvd, Austin, TX 78759 instead of the Norris Conference Center. Come hungry as we will have a fajita bar with all the fixings! Registration will begin at the normal time of 11:30 am and the presentation will begin after everyone gets their food.

The board members are working on getting a brand-new website up and

running but it will probably be another few weeks before it's ready to go. We appreciate your patience and understanding with this transition process. If you know of any job postings or have any questions, please feel free to contact any of the board members or send an email to the chapter email address: centex_apa@yahoo.com. That email address is monitored regularly and we do respond to any emails that are sent. Once the new website is up and running, there will be separate sections for members only to bring even more value to your chapter membership.

Remember to submit your application for the 2015 Texas Payroll Conference scholarship that will be held in Galveston, TX Sep 23-26. The CenTex chapter is offering a scholarship for one member to attend the conference. The hotel and travel costs will be the responsibility of the winner but the chapter will cover all registration costs for the conference. Any active member is encouraged to apply, especially if you have never had a chance to go to the Texas Payroll Conference. It is an exciting 4-day session packed with lots of opportunities for learning and networking. If you've ever wanted to see hundreds of payroll professionals in the same place, this conference is your chance! ☺ Last year, we didn't have anyone apply for the scholarship even though there were several people who had wanted to attend. The deadline to submit the application will be May 31 and the winner will be announced at the June meeting. We'll have the application forms available at the May meeting but we can always send you an application beforehand – just contact one of the board members or the chapter email address.

I hope your May will be smooth. Several companies are hiring seasonal employees now so that potentially means extra work for you. I just set up an employee with the birth year of 2000 and I really felt old! Thankfully, our chapter welcomes everyone, young and old and everywhere in between! As long as people are working, there will be a need for payroll professionals to continue learning and the CenTex chapter will strive to offer those educational opportunities. Please let a board member know if there is a particular topic you would like to hear or if you know of someone who is able to present a topic. I look forward to seeing you in May at the new location!

Jaynette Odegaard
President, CenTex Chapter

Speaker

Guest Speaker - May 14th

Susan Vance

Topic:

Unclaimed Property

Membership

Centex Chapter Membership

You can now pay your monthly luncheon dues and/or your annual membership using a credit card. At this time, this can only be done in person at the monthly luncheon meetings.

2015 Annual Membership Fees (Jan 1-Dec 31)

\$45.00 — National APA Member

\$55.00 — Non-APA Member

Forms available at the [Centex Chapter Website](#)

2015 Monthly Luncheon Dues

\$25.00 — Pre-Registered Centex Chapter Members

\$35.00 — Walk-Ins and Non-Chapter Members

Chapter members will receive an Evite to the monthly meetings. Please use this opportunity to pre-register; chapter members who pre-register and do not show will be billed \$25.00.

Important Dates

IMPORTANT DATES for 2015

MONTHLY MEETINGS 2015

JAN-OPEN

FEB 12TH

MAR 12TH

APR 9TH

MAY 14TH

JUN 11TH

JUL 9TH

AUG 13TH

SEP 10TH

OCT 8TH

NOV 12TH

DEC 10TH

American Payroll Association

33rd Annual Congress

May 5th-9th, 2015

MGM Grand, Las Vegas NV

www.americanpayroll.org

National Payroll Week (NPW)

September 7th -11th, 2015

www.nationalpayrollweek.com

26th Annual Texas Payroll Conference (TPC)

www.txpayrollconference.org

September 23rd -26th, 2015

Galveston, TX

Secrets of the IRS Payroll Audit Program Revealed & New SSN Numbering System May Cause Unintended Ripples

Sheila Courtright

Secrets of the IRS Payroll Audit Program Revealed

The IRS is in the middle of intensive, line-by-line audits of payroll returns conducted under the auspices of the IRS' National Research Program (NRP). The two-year-old NRP audits program randomly targeted 2,000 employers in 2014.

We know more than you think we know. NRP audits focus on worker classification, fringe benefits, officer compensation and Form 1099-MISC. Auditors aren't coming into your business blind. For example, if the source return is Form 1120S, prior and subsequent 1120S forms, W-2 forms, 1099- MISC forms and CP2100 notices will be included in auditors' files. Auditors will also have learned about your business by surfing your website.

Keep cool under pressure. The IRS kicks off each NRP audit with a 3851-B letter. While your Forms 941 and 1120 may be in order, it's not what's on those forms that most interests the auditors. The IRS is keen to determine items that could be fringe benefits that *aren't* on those returns.

With that in mind, here are four tips for handling the NRP process:

- 1. Assess your liability for hidden fringes** by examining every payment rank-and-file employees receive. If the tax code doesn't specifically exclude a payment from income, it's taxable. Hidden fringes can lurk in employer-provided meals, tax-free fringes that exceed their ceiling (e.g., \$5,000 a year for dependent care) and reimbursed expenses that aren't paid under an accountable plan.
- 2. Go through the same process for executive compensation**, but also include executive compensation agreements, loan agreements and nonqualified deferred compensation plans. Additional hidden fringes may lurk in executive dining rooms, country club dues, sky boxes and chauffeur services.
- 3. To determine the status of independent contractors, apply the safe harbor factors** of Section 530 of the Revenue Act of 1978: You treat all independent contractors consistently by filing Forms 1099-MISC, if necessary; you treat all similar independent contractors similarly; and you have a reasonable basis for your actions.
- 4. Forms 1099-MISC must be provided** to noncorporate service providers to whom you pay \$600 or more a year. Service providers' Taxpayer Identification Numbers (TINs) must be reported on the form. Auditors will look through your accounts payable books to assess compliance. *Warning:* If you don't have service providers' TINs prior to payment, you must backup withhold at the 28% rate.

New SSN Numbering System May Cause Unintended Ripples

As a result of demographic shifts and the rise of identity theft, the Social Security Administration (SSA) abandoned its tidy Social Security number (SSN) assignment methodology.

Instead, it has begun assigning SSNs randomly, said Chuck Liptz, the SSA's director of Electronic Services Support. Randomization will also allow the SSA to issue SSNs that begin with a 7 or an 8.

Randomization, however, may also cause trouble for some payroll systems.

Decoding SSNs.

The familiar appearance of an SSN—123-45-6789—has a method behind it. The first three digits are the area number, the middle two digits are the group number, and the last four digits are the serial number.

Area numbers vary depending on when SSNs were issued. Before 1972, they reflected the state where the application for the SSN was made. Beginning in 1972, they reflected the ZIP code of the application's mailing address. Randomization will remove the geographic significance of the area numbers.

How payroll should respond.

The SSA's change won't affect current employees, since their SSNs were assigned under the old methodology. It will affect new citizens and resident aliens who apply for Social Security cards. Nevertheless, there are a few steps you can take now:

- Randomization can throw a monkey wrench into software programs that perform edits and checks of SSNs. This is especially true if programs reject SSNs that begin with a 7 or an 8, and if programs run edits and checks against the SSA's high-group list, which will be frozen once randomization begins. **To do:** Alert your IT department and third-party providers (e.g., outside 401(k) plan administrators) to the change.
- State tax and unemployment agencies run their own SSN checks. **To do:** To avoid unwelcome scrutiny from them, register with the SSA to use its Social Security Number Verification Service (SSNVS) for each new hire. SSNVS provides real-time confirmation that an employee's name and SSN match. Go to www.ssa.gov/employer/ssnv.htm.

Source: Business Management Daily – Payroll Legal Alert – May 2015 Special Edition

CenTex Chapter CPP Study Group

An email will be sent out soon with the information for the CPP Study Class the chapter is trying to hold and announcement will be posted on our [website](#). Please look over the information and decide if this is for you. You can study with the class preparing to take the exam in the fall of 2015 or spring of 2016. Maybe you would like to study with the class to receive RCH hours for your recertification. Your attendance and knowledge would help those in the class preparing for the exam.

Please note that if we do not have 10 in attendance the first meeting on June 3rd the class will not form for this summer. Please forward this information to all your friends and coworkers to spread the news.

Thank you for your consideration.

Class Location: Foundation Community, 3036 South First St, Austin, Texas 78704

Location Contact: Irene Vera-Koonce 512-447-2026

www.foundcom.org

Class Date and Time: Wednesdays (bi-weekly) 6:00 PM – 9:00 PM
9 biweekly classes
First class starting 6/3/15 and ending 9/16/15

Class Materials needed: 2015 APA Payroll Source
(you must provide your own book)

Registration Fees: \$ 200 Member of CenTex Chapter
\$ 255 Non-Member of CenTex Chapter
(will include CenTex membership)

Course includes instructional information for each section, handouts, practice tests, and flash cards

APA approved course class (earn up to 21 for entire class)

RCH credits: up to 3 per class

New CenTex Chapter Website

New Website:

Due to a change in webhost, our website

<http://www.centexchapterapa.org/> has been improved for less cost. Soon, we will convert a lot of administrative functions thru the website such as :

- filling out on-line membership form to join
- registering for meetings in advance (no more Evite invitations)
- see job postings
- printing badges for meeting
- receiving email receipts instead of paper ticket receipts for payments
- invoicing no-show attendees
- sending announcements
- creating and sending newsletters
- plus much more as the board gets trained in all the functions of our new webhost STARCHAPTER. (However, we won't be using the on-line credit card payment function of website – payments can be checks sent by mail or paid in person at meetings by cash, check or credit card)

If you are a current member or a former member in the past 2 years, you should have received a Welcome To New Website email asking you to log in and create your password. If you didn't get this email, first check your JUNK or SPAM folders, then send a message to

Texas Payroll Conference Education Scholarship

Maggie.fowler@capstonemanagement.com for the email to be resent to you. Certain areas of the website will be restricted to members only such as Member Directory and Job Postings. Non-members and guest of members can view such items as newsletters and meetings information. For persons who aren't current members and didn't receive a Welcome Email with website username and password link, they can register for meetings as a guest (just need name, company and email address) which will add them to the non-member group.

CPP certifications – If your CPP designation is not showing up as a suffix on your name on your website profile/emails, please send a message to Maggie.fowler@capstonemanagement.com so that your profile can be edited. There are times when certain emails/announcements may be sent to only those with CPP certifications.

Texas Payroll Conference Education Scholarship

The CenTex Chapter awards an education scholarship to the Texas Payroll Conference being held September 23-26 in Galveston, Texas.

The recipient is entitled to conference registration for classes, luncheons, and the Friday night entertainment event. Transportation, hotel and parking charges not included in scholarship.

Candidate Requirements:

- active 2015 CenTex Chapter member
- recipients of scholarship in the previous 2 years are not eligible to apply (2013, 2014)

To apply: qualified applicants should submit a completed application form. Although it is not required, you may include a letter of recommendation or an essay/outline documenting your involvement in the Chapter activities and/or involvement in special projects with your company or organization.

Application Deadline – May 29, 2015

Information and application form can be found on the [website](#) under TPC Scholarship page. Information about the conference details can be found using Quick Link for Texas Payroll Conference on our website or going to www.txpayrollconference.org

2015 Centex APA Board Members

Meeting Time and Location

April meeting door prize winners

Contact Us

- By e-mail
centex_apa@yahoo.com
- On the web
www.centexchapterapa.org
- By mail
Centex Chapter
American Payroll Assn
P O Box 143433
Austin TX 78714-3433

2015 CenTex APA Chapter Board Members

Jaynette Odegaard, President	jaynetteo@pflugervilletx.gov
Yolanda Davis, President-Elect	yolanda.davis@tceq.texas.gov
Veronica Alderete, Secretary	veronica_alderete@dell.com
Maggie Fowler, Treasurer	maggie.fowler@capstonemanagement.com
Alaina Scaglione, Membership Coordinator	ascaglione@newgistics.com
Sheila Courtright, Government Liaison	sheila_courtright@dell.com

Chapter Meeting Time & Location

CenTex Chapter luncheons are held on the second Thursday of each month except January. We *typically* meet at the Norris Conference Center at 2525 West Anderson Lane, Austin, TX from 11:30 p.m. to 1:30 p.m.

April meeting door prize winners

Jane Coffman - \$10 gift card to Chick-Fil-A

Maria Gonzalez - \$10 gift card to Subway

Beverly Hollander – Free May meeting

Sue Park - \$50 cash

CenTex is an independent and autonomous chapter of the American Payroll Association.

