

Tax Factors for 2010

The tax factors for federal withholding will change effective January 1, 2010. After you close payroll for December, and before you prepare the first payroll for 2010, you should enter the new tax factors in the Payroll program.

Do NOT enter the new tax factors until after you close December payroll!

Following are instructions for entering the new Tax Factors.

Social Security/Medicare

The Social Security and Medicare factors have not changed. It would be good to verify though that you have the correct factors entered.

From the Payroll Menu, select option **4 – Specifications, 9 – Tax Factors, 1 – Social Security/Medicare factors**. Verify the following tax factors and then click **[Cancel]**.

Social Security / Medicare Factors	
Social Security	
Maximum wages subject to tax:	106,800.00
Employee withholding percent:	6.2
Employer contribution percent:	6.2
Medicare	
Maximum wages subject to tax:	9,999,999.00
Employee withholding percent:	1.45
Employer contribution percent:	1.45

Federal

The new federal tax factors can be found in the Circular E from the IRS. The personal exemption amount is 3,650.00. For the tax brackets and rates, use the tax factors included in this newsletter. This information comes from Table 7 'Tables for Percentage Method of Withholding' in the Circular E.

From the Payroll Menu, select option **4 – Specifications, 9 – Tax Factors, 2 – Work on federal tax factors**. In the Tax Status List, select "Single" by clicking it with the mouse. Then, click the button **[Work on Factors]**.

The program will display the current tax factors and allow you to change them. Use the tax factors in this newsletter and compare them to those displayed on each of the four tabs. Match the factors by line number. Change the tax factors on the screen so that they match the ones in the newsletter.

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End of Payroll Year

This is the end of the payroll year for all JOBPOWER users. Select option **9 - W2 and end of year information** from the Payroll Menu. Print this out and read it over.

You **must** close December in Payroll before you can print W2s. You may prepare January payrolls prior to printing W2s. You have the entire month of January to print W2s but do print them early. **Note: Closing Accounting is separate from closing Payroll.**

If checks for the last payroll of the year will actually be dated in January 2010, prepare the payroll in the month of January – not December! If desired, you can accrue the payroll costs in December accounting. Look in JP Help topic **[Index: Accrue payroll entries]** for information on accruing payroll. ❖

Version for 2009 W2s and 1099s

The formats of the W2s and 1099s **have not** changed for 2009. See page 2 for information on ordering W2 and 1099 forms that are compatible with JOBPOWER. ❖

Update for Non Support Subscribers

The latest version available for non-subscribers to purchase is 6.72x. Information on this update was sent earlier in December. If you did not receive the information, or want another copy, or want to order the update, complete the response form included in this newsletter and return it to us. ❖

W2 File in EFW2 Format

If you have 250 employees or more for the year 2009, you will need to generate an electronic W2 file to submit to the SSA. The government format is now EFW2 format. The JOBPOWER versions for printed W2s are also compliant with EFW2 format. ❖

State Tax Factors

If your state withholding changed for 2010, you may be able to figure out the changes that must be made to your tax factors. Use JOBPOWER to print the existing tax factors for the state. Then review the state booklet looking for a page for 'computer formula'.

If you need help figuring out the new factors, use the response form included to let us know what states you need. ❖

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Tax Factors for 2010

On **Tab 4 – Tax Brackets**, click the **[Revise]** button, and change the dollar amounts and percents using the enclosed tax factors.

Note: The percents have changed and there are additional lines in the new federal factors.

Tip: To replace the value, press the **<F2>** key; the current value will be highlighted. When you type, the old value will be erased and replaced with the value that you type.

Factor	Up to Dollar Amount	Percent
19)	6,050.00	0
20)	10,425.00	10
21)	36,050.00	15
22)	67,700.00	25
23)	84,450.00	27
24)	87,700.00	30

Factors Control
20,868,769.00

Compare to the Factors Control on the JOBPOWER Tax Factors printout.

Single factors for the year 2010.

After you have revised all of the tax factors for Single, compare the Factors Control number shown on the screen to that on the enclosed Tax Factors. These numbers should agree. If the Factors Control does not match, it means that you have entered a factor incorrectly and you need to make corrections. When the Factors Control number on the screen matches the enclosed factors, click **[OK]**. Repeat this procedure for "Married". Then click **[Save and Print]**; the program will print and save the factors as revised.

If you have already prepared a few payrolls in 2010 without changing the tax factors, it is okay. It won't have a significant effect on the withholding. Just enter the new factors now. ❖

Filing Alabama W2s Electronically

For 2009, if you have 50 or more employees, you must file your Alabama W2s electronically. We have an update available that is compliant with the new requirements for 2009. Please complete the enclosed response form to receive that update. ❖

End of Fiscal Year

For many businesses, December is also the end of their fiscal year. If your Accounting year ends in December, print out the JP Help topic **[Index: Close Accounting Year]** and read it over. You may also want to send it to your CPA.

Some users are hesitant to close their Accounting fiscal year until after their accountant has reviewed their books. Since most CPAs are very busy at this time of year, you probably need to go ahead and close December if they can't get to you by the end of January. After they review your books, you will use the option 'Make adjustments to the prior year' in Accounting. Read JP Help topic **[Index: Adjust Prior Year Balances]**.

Be sure to follow the Year End Checklist.

The most common error made in closing the fiscal year is in choosing the correct 'job accounting method'. When you close the year, the program will ask if you want to "Zero out the job ledger accounts in the G/L?"

You will need to answer Yes or No to this question. If you answer "Yes", the program closes the year on an 'All job basis'. If you answer "No", the program closes the year on a 'Completed job basis'.

Most contractors keep their books on an 'All job basis' during the year, even though the accountant may convert the books to a 'Completed job basis' at the end of the year for tax purposes. If during the year you want your Income Statement to show year-to-date job income and cost, select the option for 'All job basis'.

You should make a backup of your Accounting files at the end of your fiscal year. Label the backup "Accounting - End of 2009" and save it indefinitely. ❖

2009 W2s and 1099s Forms

The November newsletter contained information about ordering W2s and 1099s from Dynamic Systems. Their website for JOBPOWER compatible forms is www.jobpowerforms.com. For W2s and 1099s, click on the link 'Year End Tax Forms' or call Dynamic Systems at 1-800-782-2946. If you need a copy of the November newsletter, go to www.jobpow.com/support.htm and you can print the newsletter in PDF format.

Also, we recommend you print W2s and 1099s early in January. That way if you happen to run into a snag, you will have plenty of time to get it resolved before the end of January. ❖

JOBPOWER Tips

Bank Reconciliation

Did you know you can sort by any of the columns in the bank rec grid? The checks below are sorted by Amount. You can also sort by Cleared, Date, or by Payee/Description. This can be helpful in looking for a particular amount or a certain check number or to see what has not been marked as cleared. To sort a column, just click once on the column heading.

JOBPOWER Accounting - [Bank Statement Reconciliation]

Practice Company AAAAA September, 2009 Reports Print Screen Help Version: 6.725

Bank Statement Reconciliation

Bank Account

Bank of America Checking

Ending Bank Statement Balance:

Checks and Deductions

Cleared	Reference	Date	Payee/Description	Amount
<input type="checkbox"/>	8745	9/5/09	US Postal Service	39.65
<input type="checkbox"/>	8748	9/15/09	Able Blueprints	49.00
<input type="checkbox"/>	8744	9/5/09	UPS	65.29
<input checked="" type="checkbox"/>	8741	9/5/09	AAA East Tennessee	78.99
<input checked="" type="checkbox"/>	NC09001	9/6/09	Home Depot	128.58
<input type="checkbox"/>	8747	9/15/09	Arrow Tools & Rentals	236.91
<input checked="" type="checkbox"/>	8742	9/5/09	Sherwin Williams	258.96
<input checked="" type="checkbox"/>	NC09002	9/9/09	KUB	369.45
<input checked="" type="checkbox"/>	8743	9/5/09	Dept. of Revenue - State c	458.98
<input checked="" type="checkbox"/>	8746	9/15/09	Internal Revenue Service	1,258.98

Deposits and Additions

Cleared	Reference	Date	Payee/Description	Amount
<input checked="" type="checkbox"/>	09003001	9/6/09	Deposit 1	291.87
<input checked="" type="checkbox"/>	09003002	9/9/09	Deposit 2	482.80

Instructions
You cannot change this field.

Items you have marked cleared:		Beginning G/L Account Balance	20,000.00
6 Checks & Deductions	2,553.94	Ending Bank Statement Balance	18,256.25
2 Deposits & Additions	774.67	Difference to Balance	35.52

**Latest from JOBPOWER
Federal Tax Factors for 2010**

Federal

Tax status: **Single**

Factors used to adjust wages before considering tax status

1)	Percent of wages taxable:	0.00 %
2)	Percent of federal WH to deduct:	0.00 %
3)	Percent of wages to deduct:	0.00 %
4)	Minimum to deduct:	0.00
5)	Maximum to deduct:	0.00
6)	Fixed amount to deduct:	0.00

Factors used to adjust wages for first allowance

7)	Percentage of wages to deduct:	0.00 %
8)	Minimum to deduct:	0.00
9)	Maximum to deduct:	0.00
10)	Fixed amount to deduct:	3,650.00
11)	Tax credit:	0.00

Factors used to adjust wages for other allowances

17)	Deduction for other allowances:	3,650.00
18)	Tax credit for other allowances:	0.00

19)	Up to	6,050.00 use	0.000 %
20)	Up to	10,425.00 use	10.000 %
21)	Up to	36,050.00 use	15.000 %
22)	Up to	67,700.00 use	25.000 %
23)	Up to	84,450.00 use	27.000 %
24)	Up to	87,700.00 use	30.000 %
25)	Up to	173,900.00 use	28.000 %
26)	Up to	375,700.00 use	33.000 %
27)	Up to	0.00 use	35.000 %
28)	Up to	0.00 use	0.000 %
29)	Up to	0.00 use	0.000 %
30)	Up to	0.00 use	0.000 %
31)	Up to	0.00 use	0.000 %
32)	Up to	0.00 use	0.000 %

Factors control: 20,868,769.00

**Latest from JOBPOWER
Federal Tax Factors for 2010**

Federal

Tax status: **Married**

Factors used to adjust wages before considering tax status

1)	Percent of wages taxable:	0.00 %
2)	Percent of federal WH to deduct:	0.00 %
3)	Percent of wages to deduct:	0.00 %
4)	Minimum to deduct:	0.00
5)	Maximum to deduct:	0.00
6)	Fixed amount to deduct:	0.00

Factors used to adjust wages for first allowance

7)	Percentage of wages to deduct:	0.00 %
8)	Minimum to deduct:	0.00
9)	Maximum to deduct:	0.00
10)	Fixed amount to deduct:	3,650.00
11)	Tax credit:	0.00

Factors used to adjust wages for second allowance

12)	Percentage of wages to deduct:	0.00 %
13)	Minimum to deduct:	0.00
14)	Maximum to deduct:	0.00
15)	Fixed amount to deduct:	3,650.00
16)	Tax credit:	0.00

Factors used to adjust wages for other allowances

17)	Deduction for other allowances:	3,650.00
18)	Tax credit for other allowances:	0.00

19)	Up to	13,750.00 use	0.000 %
20)	Up to	24,500.00 use	10.000 %
21)	Up to	75,750.00 use	15.000 %
22)	Up to	94,050.00 use	25.000 %
23)	Up to	124,050.00 use	27.000 %
24)	Up to	145,050.00 use	25.000 %
25)	Up to	217,000.00 use	28.000 %
26)	Up to	381,400.00 use	33.000 %
27)	Up to	0.00 use	35.000 %
28)	Up to	0.00 use	0.000 %
29)	Up to	0.00 use	0.000 %
30)	Up to	0.00 use	0.000 %
31)	Up to	0.00 use	0.000 %
32)	Up to	0.00 use	0.000 %

Factors control: 26,248,899.00

JOBPOWER Response Form

Your Name: _____ Date: _____

Company Name: _____

Street Address: _____

City/State/Zip: _____

Phone: _____ Fax: _____

Here is my Email Address: _____

Please check if any contact information has changed. Your company website: _____

Version 6.72x Update for Non Support Subscribers

I am not a Support Subscriber but am interested in getting information on the Version 6.72x update.

___ Please send us an order form for the 6.72x update.

State Tax Factors

___ I am a JOBPOWER Support Subscriber and need the following state tax factors:

___ I am not a JOBPOWER Support Subscriber but need updated state tax factors. Please fax me the form to order updated state tax factors.

Filing Alabama W2s Electronically

___ We have more than 50 employees and need the update that is compliant with the new requirements for 2009.

Any other comments or help you need:

Return this form to:

Applied Computer Systems, Inc.
302 Westfield Road
Knoxville, TN 37919

Or fax to: 865-588-5379