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## BUSINESS MANAGER WAS AN EXEMPT WORKER, COURT RULES

A United Parcel Service supervisor and business manager "was clearly and unmistakably an executive employee" who was properly classified as exempt from overtime pay, the California Court of Appeal found. UPS satisfied all six requirements set out in the state Industrial Welfare Commission's Wage Order No. 9-2001 (Wage Order 9) governing workers employed in the transportation industry, the court noted.

The court found that the company demonstrated that the employee, who had held three positions at UPS, had duties and responsibilities that involved management of a "customarily recognized department or subdivision," customarily and regularly directed the work of two or more employees, had the authority to hire or terminate employees, customarily and regularly exercised discretion and independent judgment, was primarily engaged in duties that met the test of the exemption, and had a monthly salary of no less than twice the state minimum wage for full-time employment.

**(Remember that just putting someone on salary does not exempt them from overtime. It is the work an employee does and the authority they have that determines whether they are an exempt employee, not how they are paid.)**

## Obama Announces Deal To Trim Employees' Social Security Payroll Tax

Obama, after meeting with Republican leaders, said his goal was to ensure that taxes do not rise on middle-class households Jan. 1 and that the plan he has sketched out with Senate Republicans would do that, while also providing additional stimulus to the economy through extensions of key tax breaks from the American Recovery and Reinvestment

Along with **cutting employees' share of the Social Security payroll tax to 4.2 percent from 6.2 percent**, the tentative agreement would extend unemployment insurance benefits for the long-term unemployed for an additional 13 months, and extend the improvements to the earned income tax credit and the child tax credit. The employer's share of the Social Security payroll tax would remain 6.2 percent. The Social Security Old-Age, Survivors, and Disability Insurance taxable wage base remains \$106,800 for 2011

**PAYDAY PAYROLL HAS MODIFIED ALL TAX TABLES TO CONFORM WITH NEW LEGISLATION EFFECTIVE JANUARY 1, 2011. IF YOU RAN A 2011 PAYROLL PRIOR TO DECEMBER 20<sup>th</sup>, 2010, THE SYSTEM WILL AUTO-CORRECT ON THE NEXT PAYROLL.**

## MOST WAGE BASE LIMITS MORE OF THE SAME

### Social Security Wage Base History

#### 2011 Pension Plan Limits

Wonder how much the Social Security payroll tax limits have changed over the last five years? Here are the Social Security taxable wage base limits since 2007:

2007 wage base: \$97,500  
2008 wage base: \$102,000  
2009 wage base: \$106,800  
2010 wage base: \$106,800  
2011 wage base: **\$106,800**

The Federal government sets dollar limits as to how much an employee can contribute to their company's qualified retirement plan each tax year. These limits are based on the cost-of-living index. If an employee reaches the age of 50 during the current tax year, they will qualify for the catch-up provision... only if it is an established provision of the company's 401(k) plan.

The Internal Revenue Service (IRS) announced last week that the 2011 limits pertaining to 401(k) and other defined contribution plans will either remain unchanged or the inflation adjustments will be small. Here are some of the 2011 highlights:

The 2011 contribution limit for employees who participate in section 401(k), 403(b) or 457(b) plans, and the Federal government's Thrift Savings Plan remains unchanged at **\$16,500**.

The catch-up contribution limit under those plans, for those aged 50 and over, remains unchanged at **\$5,500**.

The limitation regarding SIMPLE retirement accounts remains unchanged at **\$11,500**.

## FROM THE PRESIDENT

### A View from the Top

We recently found ourselves on a trip to Israel that had been pushed aside for a long time. On a couple of occasions, our planned trip was cancelled due to various political occurrences at the time.

What a country! Israel is now a \$200 Billion dollar economy working out of a piece of land the size of Rhode Island. Its unemployment rate is half of ours. They hold more technology and innovation patents the last few years than the next five countries combined. We visited a city, Modi'in, on the west bank, that did not exist 14 years ago. In just that time, a city of 75,000 people, living in modern homes and apartments, was developed. They have schools, malls, and train stations that provide 12 minute service to the airport and 15 minutes to Tel Aviv. From nothing to 75,000 in 14 years. That is the genius of these "can-do" people. And notice that 15 minutes to Tel Aviv and 12 minutes to the airport is located in what is known as "disputed" west bank territory. That is how small the country is. You can be 15 minutes from a major city and airport, but be considered "out of your area, over the line" by your neighbors.



When we went to the Golan Heights, (see photo) we were overlooking either Syria or Lebanon, directly below us, depending on what part of the hills we were standing. There is no way Israel can ever give up this strategic position again to countries that don't want to accept their right to exist. I didn't need to be General Patton to figure that out. You can see in the photo that we were only some 35 miles from Damascus and another 500 plus to Bagdad from where we were standing on Mt. Bental.

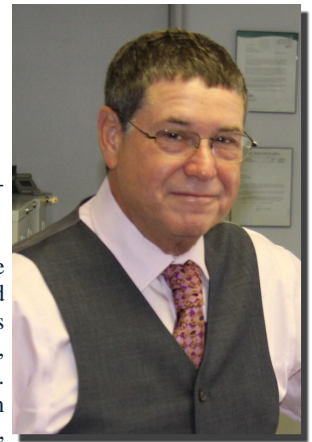
With all those brilliant innovative technology centers, they apparently have not had enough time as a young nation to think the whole "customer service" thing through yet. If anyone is looking for an overseas career, it would be as a customer service consultant to the entire hospitality industry in Israel. No hotel employee would close an elevator door in a guest's face, fail to bring a package to a room, or ignore people at the front desk on

my watch. They have a bit of work to do. As brilliant as they are at security, they are as bad at customer service.

Every tour guide in Israel will love to tell you the entire history of their country, every battle, every hero, wherever you may go. They are so proud of what they have built and what they had to overcome to do it. Imagine if *two hours* after signing our Declaration of Independence, we were attacked by 5 countries 100 times our size. That is exactly what happened to Israel, and yet here they are today, world leaders in security and medical innovation, and lousy waiters and front desk clerks. Oh well, compromise. They will learn.

Thanks for listening.

Andy



Andy Kline—President

## SECURITY AND ID THEFT

We work very hard with our server site providers to ensure that all of our websites are thoroughly secure and encrypted. In the next couple of years, we are going to see state laws, each different, regulating internet provider's responsibilities for identity theft and data security. Massachusetts has already passed a very stringent law and more are following.

In order to remain compliant in every state in the future, we will be announcing very soon the enhancements we will be adding for better securing data through emails and the payroll process. Putting in additional security functionality was the easy part, doing it in such a way that you retain ease of use and quick access was the tricky part. We feel that you will agree with what we have devised and will make further announcements in the next couple of months.

## PAYDAY PAYROLL SERVICES OFFERED

### We have more than just accurate payroll processing for you:

We try to let you know of all the services we offer other than just delivering your payroll. Call us if you have a need for any of these and aren't taking advantage of them. These are all on our website.

**NETCLOCK- WEB-BASED TIMEKEEPING** - Our timekeeping in the clouds is a system you don't have to buy, and employees can punch in using a clock, computer, phone or handheld. Interfaces fully with **PAYENTRY**.

**NATIONAL CRIME SEARCH – BACKGROUND SEARCHES** – easy access from our website gives you a variety of background searches, reasonably prices from \$16.95 to \$24.95 on average.

**EMPLOYEE SELF SERVE** – Web based customer service area for your employees. They can view and print all check stubs, W-2's, see their accruals and pay history. No charge to clients.

**WORKERS CHOICE USA**- a fair loan program for your employees at no cost to you. Employees can apply for loans on our website and if they have been employed 6 months, and earn \$20,000 a year, they can have up to a half months pay deposited for them the next day with 5 months to pay it back. No liability for the employer. Only available for clients with 25 employees or more.

**COBRA ADMINISTRATION** – Payday can handle the complex task of employee notification, premium collection, and more. Mostly used by clients with over 25 employees.

**PAY AS YOU GO WORKERS COMP** – an easy payment plan method to calculate your workers comp with each payroll and pay as you go. The accuracy avoids the necessity of large down payments or complex audits. Only available with certain carriers. Call for availability.

**401(k) FILE TRANSMITTAL** – each week, Payday transmits 100's of 401(k) files to an assortment of providers, some 27 and counting. This eliminates you having to key in online or pay for sending paper reports. We can create the file when the payroll is processed and upload for you. A very nominal fee of \$8 to \$10 dollars can save you time.

**ACCOUNTANT REPORTS** – your accountants sometimes need different information than you. They need discrimination testing data, census and qualification data. All client accountants are welcome to receive custom reports from us with your approval.

**PAYCARDS**- a low fee VISA brand debit card for your employees that don't have bank accounts for direct deposit. No cost to the employer, easy to apply on Payday website. Card gets reloaded every payday.



Kasam Hamza, IT Director, receives his 5 year award

## MILESTONES



Marty Mandelberg, CFO, receives his 5 year award



Valerie McKenzie, Client Support Rep, receives the 10 year "big blue egg" award.



"Rookie of the Year" – IT Jacob Linzy



"Most Valuable Player" – Customer Service Rep Danielle Funaro, our most prolific payroll processor

## COMMUNITY

**PAYDAY PAYROLL** thanks all of our clients for helping us achieve our commitment to our communities once again in 2010. We have been so fortunate and consider giving back to our community a critical component of our mission. Here is who we supported in 2010:

- \*Children's Hospital Kings Daughters
- \*Rose of Sharon Baptist Church
- \*VA Center for Inclusive Communities
- \*Ohef Sholom Men's Club
- \*College Park Elementary School
- \*Broward Partnership for the Homeless
- \*Rotary Club of Coral Springs
- \*First Lutheran Church
- \*Lighthouse of Broward Co
- \*The Noblemen
- \*Orphan Network
- \*YWCA of Hampton Roads
- \*Air Compassion for Veterans
- \*Virginia Symphony
- \*Virginia Beach Crime Solvers
- \*United Jewish Federation
- \*Strelitz Diabetes Center
- \*Old Dominion University
- \*Ohef Sholom Temple
- \*EVMS Foundation
- \*Michelle Pickens Memorial Fund
- \*Virginia Living Museum
- \*Foodbank of Southeastern VA
- \*Ohef Sholom Temple Sisterhood
- \*Beth Sholom Village
- \* Monarch Charities Foundation
- \*Foodbank of the Peninsula
- \*Physicians for Peace
- \*Hebrew Academy of Tidewater
- \*Children's Care Fund
- \*Hampton Roads Community Foundation
- \*Hurrah Players
- \*Southern Poverty Law Center
- \*Norfolk SPCA

**We are proud to announce that we provided these organizations with over \$57,000 of support in 2010 thanks to your choosing to keep the business in your community by using your local payroll service bureau.**

## WANT TO GET RICH ON THE INTERNET??

### 6 of the stupidest website ideas that have struck gold!

#### **Doggles**

Create goggles for dogs and sell them online? Boy, this IS the dumbest idea for a business. How in the world did they manage to become millionaires and have shops all over the world with that one? Beyond me.

#### **LaserMonks**

LaserMonks.com is a for-profit subsidiary of the Cistercian Abbey of Our Lady of Spring Bank, an eight-monk monastery in the hills of Monroe County, 90 miles northwest of Madison. Yeah, real monks refilling your cartridges. Hallelujah! Their annual sales were \$2.5 million! Praise the Lord.

#### **FitDeck**

Create a deck of cards featuring exercise routines, and sell it online for \$18.95. Sounds like a disaster idea to me. But former Navy SEAL and fitness instructor Phil Black reported last year sales of \$4.7 million. Surely beats what military pays.

#### **Positivesdating.com**

How would you like to go on a date with an HIV positive person? Paul Graves and Brandon Koechlin thought that someone would, so they created a dating site for HIV positive folks last year. The two hope to have 50,000 members by their two-year mark.

#### **SantaMail**

Ok, how's that for a brilliant idea. Get a postal address at North Pole, Alaska, pretend you are Santa Claus and charge parents 10 bucks for every letter you send to their kids? Well, Byron Reese sent over 200000 letters since the start of the business in 2001, which makes him a couple million dollars richer.

#### **Lucky Wishbone Company**

Fake wishbones. Now, this stupid idea is just destined to flop. Who in the world needs FAKE PLASTIC wishbones? A lot of people, it turns out. Now producing 30,000 wishbones daily (they retail for 3 bucks a pop) Ken Ahroni, the company founder, expects sales to reach \$1 million.

EVERYBODY LOVES PAYDAY