

Alamo Chapter of the APA Newsletter

1st Quarter

February 2005

Member Spotlight

This quarter the newsletter puts the spotlight on Sandra (Sandy) Schlinger.

Sandy has worked for Jefferson Bank for 10 years and is currently a Human Resources Assistant-Payroll/Retirement. She processes the semi-monthly payroll for 215 employees as well as any bonus or out of cycle payrolls. Sandy also handles enrollments, distributions, and associate questions concerning 401K and defined benefit plans.

Sandy has been a member of the Alamo Chapter of the American Payroll Association for three years. She is one of the smiling faces that we all see at the registration table when arriving at the monthly luncheons.

Sandy enjoys the outdoors, various craft projects, gambling in Las Vegas, cruises, and reading.



Chapter Reminders

April 2–30, 2005 – testing window for FPC and CPP certification.

For more information:

<http://www.americanpayroll.org/certi.html>

April 27, 2005 - The Alamo Chapter Wage and Hour Boot Camp, San Antonio, TX.

May 1-5, 2005 - APA Congress, San Diego, CA. Access the APA Website for details and registration.

<http://www.americanpayroll.org/congress.html>

Various dates – Implementing Payroll Best Practices at the APA learning center, San Antonio, TX or Las Vegas, NV. For more information on this and many other courses access the APA website: <http://www.americanpayroll.org/certi.html>

If you are attending Congress, please stop by and see our Chapter Pictorial.

Chapter Activities

The Alamo Chapter of the APA is putting together a team for the Susan G. Komen Race for the Cure, Saturday, April 2, 8:00 a.m. Listen for announcements at the meetings for more details.

The chapter is working with the Adopt-a-Highway program to adopt a stretch of highway around the San Antonio area. Look for more information coming soon and be ready to help keep Texas clean.

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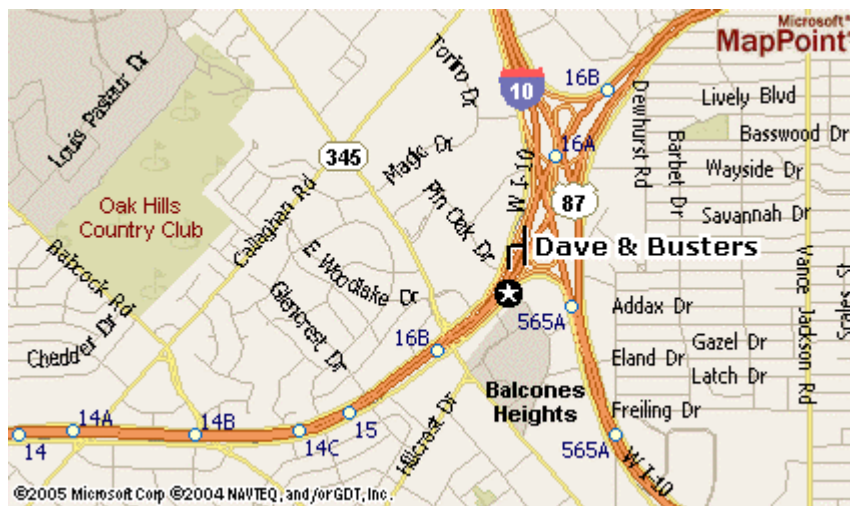
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The Alamo Chapter moves To a New Location

Effective January, the Alamo Chapter began meeting at Dave & Buster's located at 440 Crossroads Blvd. in San Antonio. This move will allow us to grow the number of meeting attendees due to more space in the room. Also the meeting facilities come with all of the necessary audio/visual equipment needs as well as better lighting for the visual presentations.

We look forward to a great year at Dave & Busters and hope that our members enjoy the benefits of the new meeting facility.

As always we welcome your comments at each meeting regarding our speaker and the facility.



Arkansas changes taxability on Health Savings Accounts

On February 11, 2005, the state of Arkansas passed HB1064/Act 94 adopting the Internal Revenue Code (IRC) of 1986, as in effect on January 1, 2005, regarding deductions from income for amounts deposited to Health Savings Accounts (HSA). The Arkansas resolution is retroactive to January 1, 2004. This means that employer paid HSA and/or cafeteria 125 plan benefits for HSA contributions, which were taxable on the 2004 Arkansas W-2 forms, are now exempt.

The state has indicated that employees determined to be affected by this taxability change in 2004 should be issued revised State W-2 forms (or W-2C forms). As a result, a rerun of 2004 Annual W-2 forms (for affected employees), paper or magnetic media for state filing, and quarterly wage and tax register may be necessary.

ADP Statutory Research

Pittsburgh Enacts New Payroll Tax

Pittsburgh, Pennsylvania has enacted a new payroll tax to be paid by employers. The 0.55% tax will be applied to gross wages earned by employees working in the city. Employers will be required to remit the tax payment on a quarterly basis. The first payment is due on 2/28/2005 and is for wages paid from 10/1/2004 to 12/31/2004. Subsequent payments are due on 5/31/2005, 8/31/2005 and 11/30/2005, for the quarterly wages paid prior to those dates. The agency requires an annual reconciliation that must be received by February 28 each year.

ADP Statutory Research

Reimbursement Rates For 2005

The I.R.S. has announced the year 2005 standard mileage rate of \$0.405 per mile for business travel, compared to \$0.375 per mile in year 2004. This is the largest-ever year-to-year mileage rate increase. The standard mileage rate is based on annual studies by the I.R.S. of the fixed and variable costs of operating an automobile (maintenance, insurance, repairs, gas and oil, etc.). The main reason behind the 2005 increase, according to the I.R.S., is the rise in prices for vehicles and fuel in the study period, which ended on June 30, 2004.

Importantly, to reduce record keeping, the I.R.S. allows taxpayers who use no more than four vehicles at the same time for business purposes, to use the standard mileage rate, instead of leaving them to track the actual expenses for each vehicle. Any of the standard automobile mileage rates are a "short-cut" authorized by the I.R.S. for substantiating the cost of automobile usage. The flat mileage rate does not cover parking or tolls. The I.R.S. considers that the substantiation and adequate accounting requirements for employer-reimbursed business expenses, for example, are satisfied by employers and employees who merely use the \$0.405 a mile rate (in year 2005). It is not necessary to provide sales receipts or other documentation, as long as the time, place, and business purpose of the expense, and the number of miles traveled, are evident.

ADP Statutory Research

New York Will Increase Minimum Wage Rate

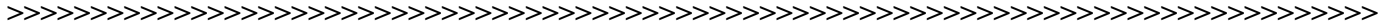
Beginning January 1, 2005, New York State will take the first of three steps to increase its minimum wage rate, as follows:

	Effective Before 1/1/2005	Effective 1/1/2005	Effective 1/1/2006	Effective 1/1/2007
<u>Minimum Wage:</u>	\$5.15	\$6.00	\$6.75	\$7.15
<u>Minimum Cash Wage:</u>	\$3.30	\$3.85	\$4.35	\$4.60
		(tipped food service worker only)		
<u>Maximum Tip Credit:</u>	\$1.85	\$2.15	\$2.40	\$2.55
		(tipped food service worker only)		

ADP Statutory Research

Upcoming Meetings

Mark your calendars for the upcoming chapter meetings.



March 16, 2005	Diane Owens (Social Security Administration) Social Security W-2 Filing Update & other payroll pointers
April 20, 2005	TBA
May 18, 2005	Rick Thomas, CFM (Merrill Lynch) Retirement Planning
June 15, 2005	TBA
July 20, 2005	Dan Stern (Cox & Smith) TBA
August 17, 2005	Sharon McGee 10 Worst Things A Leader Can Do
September 21, 2005	TBA
October 19, 2005	TBA
November 16, 2005	TBA
December 14, 2005	Jim Medlock (American Payroll Association)

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