

# Paychex Explains How Government Shutdown Could Impact America's Small Businesses

ROCHESTER, N.Y.--(BUSINESS WIRE)-- As the possibility of a shutdown of the federal government looms, [Paychex, Inc.](#), a leading provider of payroll, human resource, insurance, and benefits outsourcing for small- to medium-sized businesses, is sharing its insight on what the event could mean for small businesses nationwide.

"While we don't yet know the outcome of the debate, it's important for small business owners to understand what they can expect if the government does shut down," said Martin Mucci, Paychex president and CEO. "By working closely with the IRS and other government agencies, our compliance team at Paychex actively monitors these types of issues, and we're here to help."

Here are some examples of what a government shutdown could mean for small businesses across the country:

## Taxes

- While it's anticipated the IRS would still be able to accept tax payments during a shutdown, there could be procedural changes to the submission process. Small business owners should keep good records of their tax liabilities and be ready to react to possible temporary changes.
- Other filings may also fall by the wayside such as tax returns like the Forms 941 and 1099. In addition, the ability to negotiate tax abatements and other issues with the IRS would likely be delayed.
- For those small businesses just getting off the ground, they would potentially not be able to apply for an Employer Identification Number (EIN) for the purposes of paying taxes.

## Employment Law

- While small businesses should continue to be aware of the recent increased enforcement activity from federal government agencies, they may see a temporary slowdown in regulatory scrutiny.
- Visa approval processes could also trickle to a stop, delaying the process of hiring employees outside of the country to work in the U.S.

## General Implications

- Loans and other functions of the Small Business Administration intended to help spur

small business growth could end for the duration of the shutdown.

- For small businesses that rely on revenue from federal government contracts, it may be time to do some belt tightening. Payments from federal contracts are likely to stop.
- Small businesses owners and employees who need to travel abroad on business may end up staying stateside as passport services will potentially come to a halt.
- Small businesses that cater to federal employees, especially in metro Washington D.C. and other areas with high populations of federal workers, could see a dramatic decrease in sales as the majority of federal workers will be home throughout the shutdown.

For more on the latest regulatory issues impacting small businesses, visit [www.paychex.com/resources/business/regulations.aspx](http://www.paychex.com/resources/business/regulations.aspx).

## **About Paychex**

Paychex, Inc. (NASDAQ:PAYX) is a leading provider of payroll, human resource, insurance, and benefits outsourcing solutions for small- to medium-sized businesses. The company offers comprehensive payroll services, including payroll processing, payroll tax administration, and employee pay services, including direct deposit, check signing, and Readychex®. Human resource services include 401(k) plan recordkeeping, section 125 plans, a professional employer organization, time and attendance solutions, and other administrative services for business. A variety of business insurance products, including group health and workers' compensation, are made available through Paychex Insurance Agency, Inc. Paychex was founded in 1971. With headquarters in Rochester, New York, the company has more than 100 offices serving approximately 570,000 payroll clients as of May 31, 2013. For more information about Paychex and our products, visit [www.paychex.com](http://www.paychex.com).

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