

Financial Hangover Can Hit Small Businesses in the New Year

Paychex Experts Give Tips on Complying with Payroll-Tax Requirements for 2010

ROCHESTER, N.Y.--(BUSINESS WIRE)-- After just having closed their company books at the end of 2009, small and medium-sized businesses could experience a series of tax deadlines and potential pitfalls that can seem like a major hangover in the new year if they aren't handled correctly.

Experts at Paychex--one of the nation's largest payroll processors--say that accurate reporting is the key to success. The company produced more than 11 million W-2 forms last year--enough to stretch in a straight line from IRS Headquarters in Washington to the Golden Gate Bridge in San Francisco--and serves hundreds of thousands of businesses nationwide.

"Small-business owners who run into a conflict with the IRS rarely forget the experience," said Len Redon, vice president of area west operations for Paychex. "That's why it's very important for them to pay attention to the fine points of accurately reporting payroll and benefits data for employees."

Mr. Redon said that both business owners and the IRS will be happier if business owners pay careful attention to these details:

- With the IRS, spelling counts. Double-check the correct spelling of employee names and addresses, and especially Social Security numbers. Do the same for 1099 payees.
- Identify your business. Make sure you have the right identification numbers for state and local agencies on each return.
- Account for the fringes. Don't neglect to report employee pension information, group term life adjustments, taxable fringe benefits, third-party sick pay benefits, and educational assistance reimbursements.

The deadline for supplying W-2s to employees is January 31, while the federal W-2 paper filing deadline is February 28, and March 31 for electronic filing. State deadlines vary, falling between January 31 and February 28.

Something else to be aware of: the hundreds of federal, state, and local tax changes that have taken effect this year. Business owners should consult with a qualified tax professional to ensure compliance.

About Paychex

Paychex, Inc. (NASDAQ:[PAYX](#)) is a leading provider of payroll, human resource, 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^(R). Human resource services include 401(k) plan recordkeeping, health insurance, workers' compensation administration, section 125 plans, a professional employer organization, time and attendance solutions, and other administrative services for business. Paychex was founded in 1971. With headquarters in Rochester, New York, the company has more than 100 offices serving approximately 554,000 payroll clients nationwide as of May 31, 2009. For more information about Paychex and our products, visit www.paychex.com.

Source: Paychex, Inc.