Celebrating 30 Years of Service

When IOI first opened its doors in 1987 as ISI, there were about 10 employees sharing a small office space in downtown Elkhart, Indiana. At the time, payroll technology consisted of key-to-disk systems. Each day, someone had to drive over an hour away to process client transactions. Through it all, the dedication of our small staff was clearly evident.

Today, IOI is among the nation’s leading Human Capital Management providers with 10 locations nationally, servicing employees in all 50 states. For the last 30 years, IOI’s award winning customer service team has followed our philosophy of “exceeding client expectations.” Receiving awards from TopTenREVIEWS as a top payroll provider; HR Tech Outlook as a Top Ten Workforce Management Solution; and The Silicon Review as a Top 50 Best Workplace, we appreciate the external recognition of our dedication to our clients and employees.

While many things have changed at IOI over the past 30 years, such as the name and technology, our commitment to customers has not wavered. When our business first opened, every customer who called spoke to a live person, and that core part of our culture rings as true today as it did in 1987.

As we look toward the future, we are eager to continue to bring innovative solutions to our customers and provide live support through our customer service team. In 2016, we released IOIPay® 2.0 providing an advanced Benefits Management platform and an innovative new Single Sign-On Dashboard, giving users a simple way to access IOI’s platform. Additional enhancements, including a new Employee Self-Service portal along with new product offerings are some exciting technology updates to expect in 2017. Look at how IOIPay® has evolved over the last 30 years!

Anniversary Message from the President

This year, IOI is excited to celebrate 30 years of service and innovation. We have come a long way from manually processing payroll off-site to the development of our award winning cloud-based system we use today. While we have grown and innovated as a company, our customer service driven culture has remained unchanged.

In this issue, you will find information on our current and future technology advances, training updates, and compliance & tax alerts. Please use the training corner to learn features within IOIPay® to make your payroll processing more efficient.

We are proud that our IOIPay® system has received the Bronze Award from TopTenREVIEWS for 2017, a service that has rated IOI a top ten payroll company since 2013. As we continue to innovate, we look forward to announcing new products later this year, including ESS 2.0.

In closing, thank you for entrusting us with your payroll and HR needs. We appreciate your continuing support and wish you a wonderful summer as we remain @ your service.

Sincerely,
Najeeb A. Khan, President & CEO
**Coming Soon!**

**Notice Board**

There is a new Notice Board for both IOIPay® and the new ESS 2.0 application, offering increased ease of use and functionality. As always, this is a place for employers to receive information from IOI. It also provides employers a means of communicating to their employees where they can confirm messages as read.

**New Functionality in IOIPay**

**The Aging Report**

The new Aging Report is accessible in the Reports section and is available for all users. This report will display all employees who have not been paid in 90 days. Each of the column headers can be selected to provide flexibility when viewing your results. This report is an enhancement because it is built upon a new, single page framework – the Aging Report being the first. Watch for more new screens to be released in this architecture!

**Attendance on Demand Time-Keeping System**

IOI has implemented a new time import functionality by creating a new Custom Action area for clients doing a time import with the Attendance On Demand timekeeping system. This provides direct input of hours into IOIPay through an interface between the two applications and eliminates the need for spreadsheet imports. Additionally, it opens the doors to work with other time vendors when, and if, needed.

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**Paycheck Options**

The paycheck option screen, under **Hours & Dollars**, allows clients to perform one-time overrides on multiple paycheck items. The change is made for one payroll and reverts to the original setup the next time the payroll is opened.

**Salary Override:** Salaried employees automatically get paid in IOIPay. This feature allows the client to either do a “Do Not Pay” or “Salary Override” for an employee.

**Cycle Override:** This feature comes in handy when a client is issuing a second check for an employee, such as a bonus. The cycle can be changed for tax purposes.

**Tax Override:** This feature allows the client to override an employee’s state or federal taxes for one paycheck. The preview check feature at the top of the screen allows clients to manipulate this area and obtain their desired result.

**Deduction Override:** The bottom half of this screen makes one time deduction changes a breeze. The client can either override all of the employees’ deductions or individual deductions.

**Direct Deposit Override:** This sections allows a one-time override for all direct deposits or individual direct deposits. Overriding the direct deposits will allow the client to create a cashable check for one payroll. If an employee has multiple direct deposits, this screen allows a simple override.

**Set-it & Forget-it Features**

**Pay Rates:** Allows you to set up future salary or hourly rates in advance. The system will drive this rate push based on the check date entered.

**Voluntary Deduction:** Allows you to set up future amounts or percentages for deduction changes. You can also set up future deductions with the system, making the deduction based on the check date entered.

**Indiana Next County of Residence:** This applies to any clients with Indiana employees. The field allows you to set up the next county of residence if the employee moves to another county in the middle of the year. The system will then make the county tax change at the start of the next calendar year.

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For more info or a demo on our latest technology upgrades, please call (888) 697-0021 or email Marketing@ioipay.com.
Compliance & Tax Alerts

The material on this page is provided for informational purposes and not intended to provide legal or business advice. Readers should consult with their own legal or business advisors to determine requirements and how to comply.

A Bill to Replace the ACA
A bill to replace the Affordable Care Act (ACA) was passed on May 4 by the House. The measure now moves to the Senate. Under the American Health Care Act of 2017 (H.R. 1628), employers would no longer need to calculate whether they have at least 50 full-time equivalent employees in a year, which under the ACA causes them to be applicable large employers for the next year.

Penalties for applicable large employers that do not offer affordable health coverage to full-time employees and dependents would be eliminated, retroactive to January 1, 2016.

Under the measure, for 2018, the limit for HSA self-only coverage would increase to $6,550, up from $3,400 for 2017, and the limit for family coverage would increase to $13,100, up from $6,750 for 2017. Applicability of an excise tax of 40 percent on employer-sponsored benefits from certain high-cost health plans, also known as the “Cadillac” tax, would be delayed to January 1, 2025, from the current effective date of January 1, 2020.

IRS W-2 Verification Program
For the second year in a row, the IRS has successfully completed a pilot W-2 Verification Program designed to fight fraud and identity theft.

Under this program, a 16-character alphanumeric code is populated in Box 9 of Form W-2. This code is used to verify W-2 data that appears on Form 1040, U.S. Individual Income Tax Return. Employees and tax preparers are to enter the verification code on the 1040 when using tax preparation programs. Missing or incorrectly entered verification codes do not delay the processing of returns or the issuance of refunds.

At the same time, the verification codes allow the IRS to validate certain elements of W-2 data and, in some instances, release an individual income tax return from being selected for further fraud inspection.

IOI has applied for participation in the IRS W-2 Verification Program. We may be reaching out to some of our clients later this year with an offer to voluntarily participate in this IRS pilot initiative.

Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)
QSEHRA was introduced by the 21st Century Cures Act as of January 1, 2017, enabling qualified small employers to offer a new health arrangement for their employees’ health care expenses, including individual insurance premiums. If used QSEHRA, an employer should meet certain criteria, including, but not limited to:

- Employing, on average, no more than 50 full-time and full-time equivalent employees,
- Not offering a group health plan to any of its employees,
- Funding QSEHRA only by the employer’s employer contributions are not allowed), and
- Limiting employer’s 2017 contributions to $4,950 for single coverage or $10,000 for family coverage per 12-month plan year.

Employer contributions to QSEHRA should be reported in Box 12 of Form W-2 with code “FF”.

Payroll Tax Credit for Increasing Research Activities
Small businesses with gross receipts of less than $5 million a year may benefit from a payroll tax credit for increasing research activities. A qualified small business may elect to claim up to $250,000 of its credit for increasing research activities as a payroll tax credit against the employer’s share of social security tax. The portion of the credit used against the employer’s share of social security tax is allowed in the first calendar quarter beginning after the date that the qualified small business filed its income tax return. IOI will be glad to assist you in reporting your payroll research credit on Form 941.

Work Opportunity Tax Credit (WOTC)
WOTC is a federal tax credit that is available to employers who hired/hire individuals from eligible target groups with significant barriers to employment (e.g., veterans, food stamp recipients, ex-felons, long-term unemployment recipients etc.). WOTC for veterans is available to tax exempt employers who otherwise cannot claim WOTC due to their tax exempt status. IOI’s IOIHire® can assist with the certification and reporting process. Send your WOTC request to marketing@ioipay.com to learn how your company can benefit from this credit.

Latest on New Overtime Rule
A federal court in Texas halted the new Overtime Rule on November 22, 2016, nine days before it would have taken effect, arguing that the Labor Department exceeded its regulatory authority. The Justice Department under President Obama appealed that decision, and the Texas union organization – Texas AFL-CIO – filed a motion to intervene in the event the next administration reversed course. The AFL-CIO’s motion is still pending. The Justice Department has until June 30, 2017 to file a brief stating its position on the appeal.

Don’t forget...
IOI is on social media!
Look for IOI® on Facebook, LinkedIn, YouTube, and @ioi_pay on Twitter today, to keep up on current payroll and HR happenings.

Questions...
About our products & services?
For more information, contact an IOI sales representative today!
Call 888.697.0021, e-mail salesinfo@ioipay.com or visit us at www.ioipay.com.

For the branch location nearest you, visit: http://www.ioipay.com/index.php/about-us/locations/.
**IOI** Featured Ancillary Product

**IOIHire®**

Manage your hiring process from beginning to end!

**IOIHire** is a dynamic tool that streamlines the entire hiring process, and keeps track of all your applicants in one, central location. With **IOIHire**, you can pre-screen candidates using video and voice, automatically schedule interviews and even search the video resumes of job seekers in your area.

**Applicant Tracking**
- Candidate job posting with matching algorithm
- Candidates sourced from leading job boards
- Candidate filtering with use of:
  - Pre-qualifying questions
  - Letters of recommendation
  - Interview scheduling

**Onboarding**
- Review and sign documentation capability:
  - I-9
  - W-4
  - Proof of Citizenship
  - Custom onboarding documentation
- Bank and payroll information
- Automated data import into payroll

For more information or to request a demo, contact an IOI sales representative today! Call 888.697.0021, email salesinfo@ioipay.com or visit us at ioipay.com.