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DEADLINES

- Second quarter reporting deadline is Monday, June 30, 2008 at 4:00 p.m. CST.
- Please be aware, a \$250 processing charge will be assessed for any information reported after June 30, 2008.

message from steve sarowitz

We continue to expand the base of our clients that are using Paylocity WebPay each month. Over 70% of our clients now use WebPay and we anticipate that number to keep rising. As many of you know, we have been conducting comprehensive surveys to our clients to help improve client satisfaction. We are using a common methodology called a Net Promoter Score (NPS) to rate our performance. NPS measures customer loyalty by concentrating on our client's willingness to refer Paylocity to a friend or business associate. Net Promoter scores can range from -50 to +50 with few exceeding +50 status. Paylocity's latest Net promoter scores for WebPay have averaged 63, comparable to companies known for exceptional service such as Apple Computer and Nordstrom. Although our scores are good, we will continue to make additional performance and functional enhancements to WebPay. In March, we put out a release which has markedly improved WebPay's performance by an average of 30%. Later this year, we will be making several improvements to our report writer functionality based on the user feedback we have been receiving. I would like to take

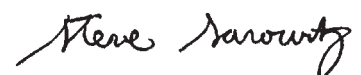


this opportunity to thank those client's that have already shared their comments and I encourage others to do the same. Your feedback is extremely important to us as we continue to strive for excellence.

In February, we added Paylocity Web Time, an advanced web-based time and labor system to our time and labor portfolio. Web Time allows users to clock in on their own PC, or with a card swipe or biometric clock. Web Time allows users to automate the tracking of time, labor allocations, job costing and scheduling of their workforce. We now have over 50 clients using Web Time and we are currently rolling it out across the country. We plan to enhance the integration of Web Time with WebPay later this Fall.

The reception in the marketplace for Paylocity WebPay has been exceptional, as evidenced by our sales team

consistently exceeding its goals each month. We have added salespeople in Minneapolis, Kansas City, and Atlanta and will continue our geographic expansion into new markets. To help us handle our increased sales, I am pleased to announce that David LaForce has joined Paylocity as our Director of Implementation Services! David's past experience with payroll and Human Resources Management Systems is vast as he has worked as a consultant with Accenture, managed a division of GE's payroll and HRIS and most recently was with ADP. David started in a sales role with ADP, acting as liaison between Sales and Implementation. From there, David moved into a Project Manager position where he was responsible for large, multi-service implementations. Most recently, David managed a group of 30 individuals responsible for analysis, configuration and testing of payroll, HR and G/L solutions. David brings a wealth of payroll industry knowledge with him, along with project management experience and we look forward to having him take our Implementation department to the next level!





Q&A

ask the expert

Submitted by Kristen Kiser

Q: how do i unlock/reset a webpay user in self-service?

- A:**
- 1) The company administrator will log-in to WebPay at www.paylocity.com.
 - 2) Once logged in, click on the “User Accounts” link under “Company.” (Located on the blue bar at the left side of the screen.)
 - 3) Search for the locked-out employee using any of the criteria seen below:

User Accounts		Saved Searches: Enabled	
Last Name	<input type="text"/>	Security Group	-- All --
First Name	<input type="text"/>	User Name	<input type="text"/>
Employee Id	<input type="text"/>	Enabled	True
Supervisor Id	<input type="text"/>	Non-Employee Account	-- All --
Status	-- All --	Locked Out	-- All --

Search: Show All Search Name: Save Search

Note: To search for all employees currently locked out, change the “Locked Out” field to “True.”

- 4) Once the employee is located, click on the ID # which is a link into this account.
- 5) If the employee is locked-out, there will be a “Reset Lockout” button on the bottom of the screen. Click this button to reset the account.
- 6) If the employee forgot their password, check the “Change Password” check box under the employee’s username. Doing so will automatically check the “Force Password Change” check box.
- 7) Type a generic password in the password field and confirm.
- 8) Click on “Save and Return” when completed.
- 9) You will now be returned to the original “User Accounts” screen. Click the “Update Access Rights” button to complete the process. If “Update Access Rights” is not clicked, the employee will still be unable to access their account.
- 10) The employee will now be able to log-in using the generic password. (Note: Upon log-in they will be asked to select a new password.)

irs warns of new scams

The IRS is cautioning taxpayers to be on the lookout for scams involving proposed advanced payment checks. The goal of the scams is to trick people into revealing personal and financial information such as social security, bank account or credit card numbers, which the scammers can use to commit identity theft.

REBATE PHONE CALL

At least one scam using the word “rebate” as part of the lure has been identified. In the scam, consumers receive a call from someone identifying himself as an IRS employee. The caller tells the targeted victim that he is eligible for a sizable rebate. The caller then states that he needs the target’s bank account information for the direct deposit of the rebate. Beware...this phone call is a scam.

REFUND E-MAIL

Several variations of a refund-related bogus e-mail have been reported in which falsely claims to come from the IRS, telling the recipient he is eligible for a tax refund for a specific amount. The e-mail then instructs the recipient to click on a link in the e-mail to access a refund claim form. The form asks the recipient to enter personal information that the scamster can then use to access the email recipient’s bank or credit card account.

This e-mail is phony. The IRS does not send unsolicited e-mail about tax account matters to individual, business, tax-exempt or other taxpayers.

Those who have received a questionable e-mail claiming to come from the IRS may forward it to a mailbox the IRS has established to receive such emails; phishing@irs.gov. The same address may be used to report any questionable telephone call.

client spotlight: minerallac

Family owned and operated since 1894, Minerallac is known for inventions that electrified an industry. Born out of a need to solve an overheating problem associated with early 1900 electrical transformers, their founder, Mr. Louis Ferguson, invented a cooling agent made from mineral oil and lacquer — thus the name “Minerallac” was born.

As the originator of such products as the conduit hanger and one-hole strap in the early 1900’s, the name “Minerallac” is well-known and trusted by electrical contractors throughout the world. Today, Minerallac Company is the premier source for over 5,500 different fasteners, supports, staples and a wide variety of needed electricians’ accessories, thanks in part to having purchased Cully Enterprises back in 2003.

A Paylocity client since July of 2002, Minerallac Executive Administrator,

Sonia McDonald explains why she changed payroll service companies. “The prior payroll company was too expensive. They seemed to charge us for every little thing we wanted, she says. I still remember my salesman’s name at Paylocity; Tom Quinlan. He demonstrated Millennium for us and it became a no brainer to make the switch.”

Having recently replaced Millennium with Paylocity WebPay has helped to speed up payroll processing, according to Delia Arboleda, HR Assistant and payroll administrator at Minerallac. “I like it a lot!” she says. Adds Sonia, “Personally, I love Paylocity. I don’t ever encounter any problems when I call to ask for help with something, and the follow-up there is great! Everyone is helpful



Pictured left to right: Delia Arboleda and Sonia McDonald.

and very friendly, kudos to Paylocity.”

We appreciate the kudos, but the credit belongs to clients like Minerallac who are willing to help sing our praises. Thanks Minerallac!

For more information on Minerallac, please visit their website at www.minerallac.com.

Want to spotlight your company in *Paylocity News*? Contact Cheri Eccles at ceccles@paylocity.com

employee spotlight: bill shannon



“It feels like home again.” That’s how Bill Shannon, Quality Assurance Engineer at Paylocity, describes working here.

With 40 years experience in the industry, Bill knows a thing or two about payroll. He began his career as a mainframe computer operator at Robert F. White in 1968. Twenty three years later, he had worked his way up to Assistant VP of Client Services. It was then that ADP purchased Robert F. White and he remained on staff another 7 years helping to convert all of the clients.

Bill left ADP in 1998 and went to work as Director of Tax Operations for an employee leasing company before finding his way to Paylocity in April, 2004. “Hopefully everyone gets to find the one job they love in life, one that feels like home to them. That’s how working at Robert F. White felt for me. I hated leaving and honestly thought I’d never find another place to work that felt like that for me. I’m very fortunate to have found home again at Paylocity,” says Bill.

It appears that Paylocity is just as fortunate. Bill began his Paylocity career as a Product Manager and now enjoys his niche as QA Engineer. Laura Crawford, QA Manager, expresses her thoughts

about working with Bill: “Bill is one of those rare individuals who combine unrivaled subject matter expertise with an indomitable spirit and incredible work ethic. He is very passionate and unrelenting in his desire to provide our clients with the absolute best payroll & HR product.”

When asked about his favorite thing about working here, it didn’t take long for Bill to answer. “There are actually two things. First, it’s the work-at-home flexibility since I live in Oak Forest and drive 50 miles one way. The second is probably a better answer. Getting to watch Paylocity as it grows has really been fun. I think I was the 76th employee hired here and now we’re at nearly 200!”

recruiting tips for tough economic times

As businesses consider tightening their belts with economic uncertainty, now is the time to be even more vigilant about the new talent you bring into your organization. Estimates consistently state that a poor hire can cost \$4,000-\$8,000 (or more) in recruiting, training, lost productivity, etc. The course of bringing a new employee onboard should begin with the phone screening process and continue throughout the first 90 days of employment.

There are a number of tools you can use to ensure the interview process provides your organization with the new hire they are looking for. Listed below are a few tools we feel are helpful.

Applications – This is the foundation of adding any team member. An application should always be provided, even if a resume is given. Your application form should have a legal paragraph in which you receive acceptance specifically on company policies. Look for gaps in employment, a match to the resume and a steady history of salary increases.

Interviewing – The interview should consist of questions specifically driving at how an employee performed in situations similar to those of the open position you are trying to fill. Asking questions of how they would handle a situation in the future will only reveal that they know the right answer. Always conduct a second interview to ensure the behavior and answers to questions remain consistent.

Reference and Background Checks – All information on the resume or application should be verified because nearly 40% of all job applicants state inflated or completely false facts. All references should be of a professional nature. For applicants

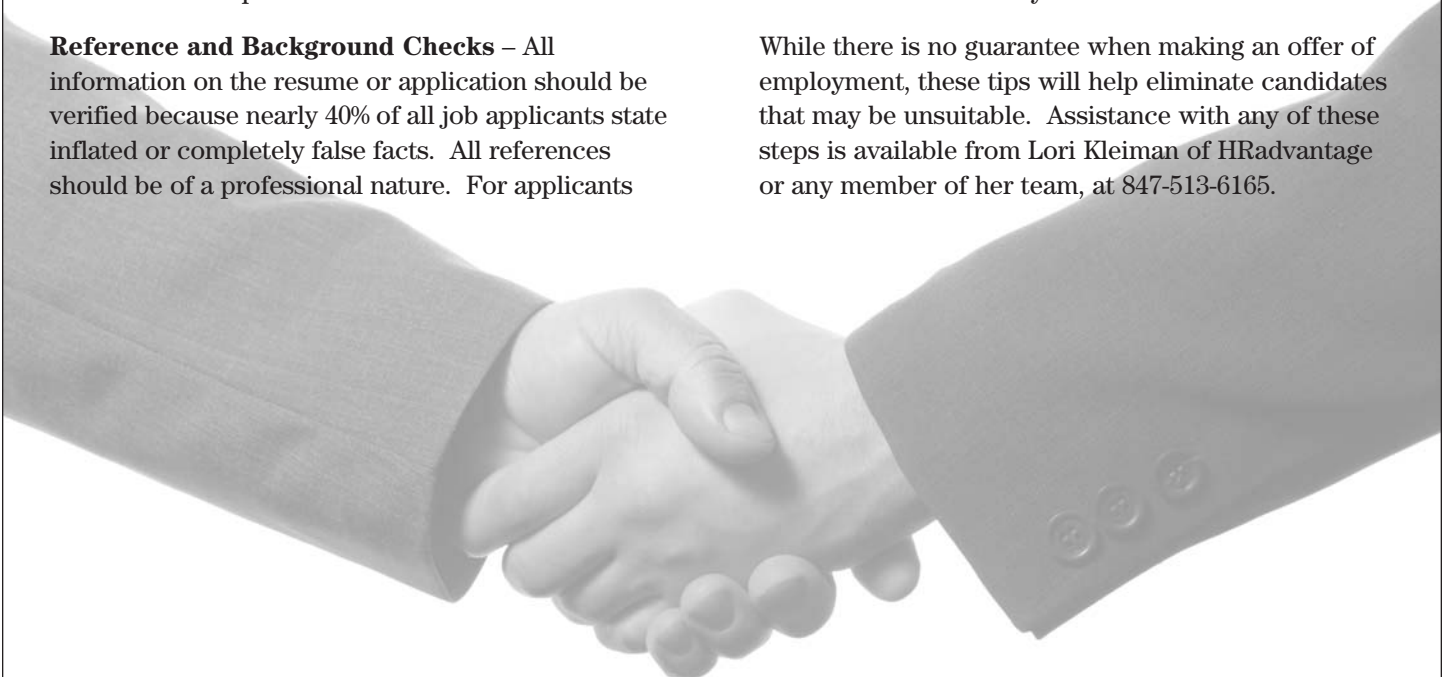
new to the workforce, contact teachers regarding work ethic performance and/or those that the candidate may have volunteered with. Criminal and credit checks may also be performed (should you find it appropriate) in the case of job sensitivity or if there are gaps in their employment history.

Drug Testing – This may be optional if it is a concern in your workforce. Drug use is illegal and can identify people that may be under the influence while at work. It is important to remember however, some drugs stay in the system for as long as 30 days, so recreational users may have positive results, but never use drugs while on the job.

Pre-employment Behavioral Testing – Today there are many tests available claiming to distinguish those that are honest, hard working, skilled in a particular area, etc. Before administering such tests, be prepared to demonstrate job-relatedness, non-discrimination and statistical validity to avoid any potential legality issues.

Understand Employment Classification and Set a Salary – When it comes to both classifying a new employee and setting salary, federal laws provide clear guidelines. Minimum wage in the United States currently stands at \$5.85 per hour and in the State of IL is \$7.50 per hour. Whether or not an employee is exempt from overtime is a legal consideration and one that must be strictly adhered to.

While there is no guarantee when making an offer of employment, these tips will help eliminate candidates that may be unsuitable. Assistance with any of these steps is available from Lori Kleiman of HRadvantage or any member of her team, at 847-513-6165.



paylocity green team efforts pay off

Being environmentally friendly (“green”) may be the new buzz term for businesses across the country, but for Paylocity it’s nothing new.

Paylocity’s green team has been in existence for over one year and they have established several different in-house programs since its existence. Many programs have been successful, but few have been *as* successful as their electronic recycling program.

The electronic recycling program began March 1, 2008 whereby Paylocity employees were asked to bring in old electronic recyclables within a 30-day timeframe. The green team would then collect these items and send them collectively to MCRI for recycling.

MCRI is a specialist in the recycling of retired, obsolete or excess computer and electronic components commonly found in industrial use. Toxins such as barium, cadmium, lead, mercury, phosphorus, polybrominated bi- and di-phenols are commonly found in



CRTs, circuit boards, switches and other electronic waste. If disposed of improperly, these toxins pose a real risk to the environment. MCRI will dispose of these materials in a manner that meets or exceeds all current environmental regulations and states that none of these materials will ever be sent to a landfill.

“We were hoping for a successful program, but given the fact that human behavior is not easily changed, our expectations were low, says Marlo Burch, green team Captain. It’s easier to take something to the end of your driveway than it is to pack it in your car and bring it to the office.”

That may be true, but perhaps due to the green team’s efforts at making people environmentally aware, employees began bringing their items in droves. “We ended up with over 20 monitors, 15 PC’s, miscellaneous stereo equipment, cell phones, batteries, keyboards, mice, VCR’s, DVD players, old laptops and more, says Marlo. There was so much stuff we completely filled the company van!”

For more information on how you can start a successful electronic recycling program at your place of business, please contact Midwest Computer Recycling in Lake Bluff, IL at 847.833.3110.



dream vacation winner

Kris Roberts of Johnson & Dugan is the lucky winner in Paylocity’s “Win a Dream Vacation” referral contest. Congratulations Kris!

paylocity's "on the go!" program considered a success



Our latest efforts in providing a healthier work environment include a wellness program entitled "On the Go!"

The 8 week voluntary program was designed to help find quick and easy ways to incorporate healthier

lifestyle behaviors into daily routines. Measured weekly, the end results appear encouraging.


"Each week participants turned-in a physical activity/nutritional log. For each nutritional and physical activity goal reached, the participant received a point. Points were then tallied at the end of each week and each week's winner received a \$5 Jamba Juice gift card, says MaryAnn Ferrara, HR representative and program creator. For the most part, participants did reach their goals: eating healthier, being more active, losing a few pounds and most importantly feeling more productive throughout the day."

She goes on to say, "I consider the program a success because 19 participants learned more about their health and fitness levels, in addition to learning exactly what it takes to commit to better health. Hopefully they will continue with what they have learned and not quit

just because the program has ended."

As a participant myself, I can safely say I do plan to continue on with what I've learned. Using my lunch hour as a gym break has helped to increase my fitness level and provide me with much needed energy towards the end of the work day.

Says MaryAnn, "I'd like to take this opportunity to thank each and every participant. Cheers to your health."



FeedBACK

Newsletter comments or suggestions?

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