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Mary Girsch-Bock • Apr. 25, 2017

Once upon a time, there was a very distinct line drawn in the sand that indicated the separation between employees and contractors. Years ago, employers rarely used contractors with any regularity, choosing instead to add to their staff by hiring an employee.

Fast forward to 2017, where contractors are frequently being used – not in addition to, but in place of – permanent employees. There are a number of reasons why this is so; an increase in the cost of employee benefits such as health insurance and workers compensation insurance have made hiring contractors a better economic decision for employers. The number of contractors has also increased as more professionals, bogged down with punching a clock choose to create a schedule and a list of clients with whom they wish to work.

What this means for business owners is that while they will always process W-2s for their employees, it's likely that they will continue to see a significant increase in the number of contractors with whom they do business. And with an increase in contractors comes an increase in the number of 1099s that need to be processed each year.

What many business owners fail to understand is that processing 1099s is a year-long job, not one to start at year end. One company I worked for years ago had five staff accountants that had to dedicate eight hours a day for an entire week to process all of the 1099s, including obtaining Tax ID numbers or social security numbers from vendors at the very last minute.

The time to obtain this information is when the contractor starts work. No

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business, whatever their choice, it must be one that ensures timely processing of all year-end forms.

Users also need to keep in mind that it isn't just 1099-MISC that may need to be filed. Other forms, such as 1099-DIV, 1099-INT, and 1099-C are also filed with some frequency. The Affordable Care Act has also created additional reporting requirements.

It's also important to keep in mind that when researching these products, they are typically updated at the end of the year and offered sometime in December, so users will always want to make sure that they have access to the most current version of the product that is available. As an added convenience, many of these products have downloadable demos available, so users can take their time and try out the products to see which one suits their needs the best.

In this review, we looked at a variety of products; some part of a suite of applications, others designed to be used as a stand-alone application. Some offer convenient online access, while others are designed to be installed on a desktop or network system. The products that are reviewed in this include:

- [AccountantsWorld After-the-Fact Payroll](#)
- [AMS Software – 1099-Etc](#)
- [Wolters Kluwer – W2/1099](#)
- [Spokane Computer – MAG-FILER](#)
- [Tenenz LaserLink](#)
- [Tenenz EagleView](#)
- [Real Business Solutions – W2 Mate](#)
- [American Riviera Magtax](#)
- [Track 1099](#)

If you're looking for a particular feature or features, we've also included a handy

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While there are sure to be other features that you might be looking for, these provide you with something of a head start when trying to determine which products you should take a closer look at.

So whether you're in the market for a product for in-house use, or to offer services to your clients, there's a product available that is sure to suit your needs.

Payroll

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