Do I need more licenses?

This depends. Timeless Time & Expense allows you to inactivate users who no longer need access TT&E. This means you can re-use licenses for employees who have left your company.Any administrator can use the Tools | Users menu item to activate or inactivate users. You can also see the total number of active and registered users. When the number of active users exceeds the number of registered users, you will need to purchase more licenses before adding users.

MAG Softwrx Knowledge Base
http://kb.magsoftwrx.com/KnowledgebaseArticle10020.aspx