



# Sage 300 U.S. Payroll

## Q4 2017 Release Notes

December 2017

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# Product Update Release Notes

**Important!** All customers who update, maintain, and use Sage 300 U.S. Payroll should read these release notes to obtain valuable information about changes to the software program and payroll legislative database.

## Product Update Information

**Product:** Sage 300 U.S. Payroll

**Version:** Product Update Q4 2017

If we receive additional payroll tax changes for this period and/or this year, a new update will be made available.

## Software Requirements

To use this update for Sage 300 U.S. Payroll, you must have:

- The most current product update for your version of Sage 300.  
To check that you have the most current product update, see [Knowledgebase article 45415](#).
- The correct version of Sage 300 U.S. Payroll for your version of Sage 300:
  - Sage 300 U.S. Payroll 7.3 is supported in Sage 300 2018 and 2017.
  - Sage 300 U.S. Payroll 7.2 is supported in Sage 300 2016.

## Support and Resources

Sage strives to provide you with the best help and support in the industry. If you have a question, we're here to help!

- **Help and documentation:** Many answers to common questions can be found in the help and documentation included with Sage 300.
- **Sage University:** Learn pro tips for year-end processing in online or classroom courses. Visit <http://SageU.com> and log on or create an account to register for training.

- **Sage City Year-End Center:** Visit <http://sagecity.na.sage.com/p/yearend> for help, guidance, documents, and downloads specific to Sage 300 Payroll and Year End 2017.
- **Customer Support:** For additional articles and resources, visit the Sage Knowledgebase at <https://support.na.sage.com> or contact Customer Support at 800-253-1372 (U.S. and Canada). Please have your Sage Customer Number handy when contacting Support.
- **Tax forms:** Because all printed forms have variations, Sage 300 Payroll only supports forms printed by Sage Checks and Forms. Call Sage Checks and Forms at 800-617-3224 or order online at [www.SageChecks.com](http://www.SageChecks.com).

**Tip:** For information about ordering W-2 forms, see Knowledgebase article 40172: [Which forms should I order for year-end?](#)

# Payroll Tax Updates

The following federal, state, and local tax changes are included in this update.

## Federal Legislative Updates

This section lists federal legislative updates available with this release.

**Note:** The U.S. federal government has not finalized federal income tax rates for 2018. More information from the IRS is available here: <https://www.irs.gov/newsroom/irs-statement-withholding-for-2018>.

When the rates are finalized, we will provide a new update, which may also include additional state tax changes.

## Social Security Wage Base Changes for 2018

The Social Security Administration released the Social Security taxable wage base for 2018. Based on the increase in average wages, the maximum amount of earnings subject to the Social Security tax (taxable maximum) increases to \$128,400.

## State and Local Legislative Updates

This section lists state and local legislative updates available with this release. If a state or locality is not listed in this section, there are currently no tax updates or product modifications for that state or locality.

**Note:** Sage 300 U.S. Payroll includes some system-supported State Disability Insurance (SDI) codes, which are updated automatically (for example, with rate changes) when you install product updates. To use these codes, your SDI codes must match the system-supported codes.

If you use custom tax codes to capture SDI taxes, note the following:

- If your codes match the system-supported tax codes, you should review the tax code setup before processing payroll.
- If your codes do not match the system-supported tax codes, you can switch to using the system-supported codes. To do this, you must deactivate your custom tax codes, and then set up the system-supported tax codes.

- Regardless of whether or not your codes match the system-supported tax codes, you must follow your existing procedures for reporting and filing SDI taxes as custom taxes.

Information about changes to specific system-supported SDI codes is included in the sections for the related states.

## Alabama

The following local tax has been added in the supported tax tables:

Code	Description	Rate	Effective Date
AL0033	Hobson City CT Regular IT	2%	7/1/2017

## California

- California withholding tables and instructions have been updated for 2018. Refer to the state publication for more details.
- State disability insurance tax (CASDI) information is updated for 2018. Effective for wages paid on or after January 1, 2018:
  - The withholding rate is 1%.
  - The taxable wage limit is \$114,967 for each employee per calendar year.
- The following local tax has an updated rate in the supported tax tables:

Code	Description	Rate	Effective Date
CA0001	San Francisco CT Payroll Expense Tax	0.711%	1/1/2017

## Hawaii

- The Unemployment Insurance wage base limit changes to \$45,900 for 2018.
- State disability insurance tax information is updated for 2018. Effective for wages paid on or after January 1, 2018:
  - The maximum weekly wage base is \$1068.62.
  - The maximum weekly deduction from employee wages is \$5.34.



## Idaho

The Unemployment Insurance wage base limit changes to \$38,200 for 2018.

## Indiana

The following local taxes have updated rates in the supported tax tables:

Code	Description	Rate	Effective Date
IN0011	Vermillion 83 CO Regular (NR) IT	1.5%	10/1/2017
IN0017	Sullivan 77 CO Regular (NR) IT	0.6%	10/1/2017
IN0044	Marion 49 CO Regular (NR) IT	2.02%	10/1/2017
IN0049	LaGrange 44 CO Regular (NR) IT	1.65%	10/1/2017
IN0070	Fountain 23 CO Regular (NR) IT	2.1%	10/1/2017
IN0081	Clinton 12 CO Regular (NR) IT	2.25%	10/1/2017
IN0091	Allen 02 CO Regular (NR) IT	1.48%	10/1/2017
IN0102	Vermillion 83 CO Regular IT	1.5%	10/1/2017
IN0108	Sullivan 77 CO Regular IT	0.6%	10/1/2017
IN0136	Marion 49 CO Regular IT	2.02%	10/1/2017
IN0141	LaGrange 44 CO Regular IT	1.65%	10/1/2017
IN0162	Fountain 23 CO Regular IT	2.1%	10/1/2017
IN0173	Clinton 12 CO Regular IT	2.25%	10/1/2017
IN0183	Allen 02 CO Regular IT	1.48%	10/1/2017

## Kentucky

- The following local taxes have either been added or have updated rates in the supported tax tables:

Code	Description	Rate	Effective Date
KY0015	Mayfield CT Regular IT	1.9%	1/1/2018
KY0173	Garrard CO Regular IT	2%	10/1/2017
KY0242	Olive Hill CT Regular IT	1.5%	10/1/2017
KY0258	Murray CT Regular IT	1%	1/1/2018
KY0259	Lancaster CT Regular IT	0.5%	8/1/2017

- Wage base limits have been updated for the following local taxes:

Code	Description	Wage Base Limit	Effective Date
KY0002	Simpson CO Regular IT	\$128,400	1/1/2018
KY0013	Newport CT Regular IT	\$128,400	1/1/2018
KY0020	Florence CT Regular IT	\$128,400	1/1/2018
KY0022	Crestview Hills CT Regular IT	\$128,400	1/1/2018
KY0023	Covington CT Regular IT	\$128,400	1/1/2018
KY0024	Cold Spring CT Regular IT	\$128,400	1/1/2018
KY0027	Boone CO Regular IT	\$60,236	1/1/2018
KY0029	Alexandria CT Regular IT	\$128,400	1/1/2018
KY0033	Clinton CT Regular IT	\$40,000	1/1/2017
KY0093	Wilder CT Regular IT	\$128,400	1/1/2018
KY0161	Jackson CT Regular IT	\$128,400	1/1/2018
KY0178	Fort Wright CT Regular IT	\$128,400	1/1/2018
KY0188	Edmonton CT Regular IT	\$128,400	1/1/2018

## Maine

Maine withholding tables and instructions have been updated for 2018. Refer to the state publication for more details.

## Minnesota

Minnesota withholding tables and instructions have been updated for 2018. Refer to the state publication

for more details.

## New Jersey

State disability insurance tax (NJSDI) information is updated for 2018. Effective for wages paid on or after January 1, 2018:

- The Disability Insurance rate for both employers and employees is .19%.
- The taxable wage limit is \$33,700 for each employee per calendar year.

## New York

- New York withholding tables and instructions have been updated for 2018. Refer to the state publication for more details.
- New York City Income Tax (NYCIT) has been updated for 2018. Refer to the state publication for more details.
- City of Yonkers Income Tax (NYCIT) has been updated for 2018. Refer to the state publication for more details.
- On the **Local and Other Custom Taxes** window, you can set up custom tax codes for:
  - **New York Paid Family Leave tax.** For more information, see [Knowledgebase article 88150](#).
  - **New York State Disability Insurance for 2018.** For more information, see [Knowledgebase article 88151](#).

## Ohio

- The following local taxes have either been added or have updated rates in the supported tax tables:

Code	Description	Rate	Effective Date
OH0194	Munroe Falls CT Regular IT	2.25%	1/1/2018
OH0197	Lakemore VI Regular IT	2.25%	1/1/2018
OH0204	Akron CT Regular IT	2.5%	1/1/2018
OH0205	Wilmot VI Regular IT	1.75%	1/1/2018
OH0318	Brunswick CT Regular IT	2%	1/1/2018
OH0348	Heath CT Regular IT	2%	1/1/2018

Code	Description	Rate	Effective Date
OH0366	Mt Vernon CT Regular IT	2%	1/1/2018
OH0452	Swanton VI Regular IT	1.5%	1/1/2018
OH0506	Wellsville VI Regular IT	1.5%	1/1/2018
OH0521	South Charleston VI Regular IT	1.25%	1/1/2018
OH0539	Wapakoneta CT Regular IT	1.5%	1/1/2018
OH0546	Orwell VI Regular IT	1.5%	1/1/2018
OH0565	Monroe CT Regular IT	2%	1/1/2018
OH0645	Evergreen 2602 SD Regular IT	1.75%	1/1/2018
OH0774	Bedford CT Regular IT	3%	1/1/2018
OH0935	Toledo Express Airport JEDD CT Regular IT	1.5%	1/1/2018
OH0958	Hamilton-Fairfield JEDD-III CT Regular IT	2%	1/1/2018
OH0959	Gateway District RS CT Regular IT	2.5%	1/1/2018
OH0960	IX Center RS CT Regular IT	2.5%	1/1/2018
OH0961	Emerald Park RS CT Regular IT	2.5%	1/1/2018
OH0962	Shaker Square RS CT Regular IT	2.5%	1/1/2018
OH0963	Lodi VI Regular IT	1%	1/1/2018
OH0964	Stoutsville VI Regular IT	1%	1/1/2018
OH0965	Barnesville JEDD I CT Regular IT	1%	12/8/2008
OH0966	Barnesville JEDD II CT Regular IT	1%	6/18/2012

- Effective January 1, 2018, wage base limits have been updated for the following local taxes:

Code	Description	Wage Base Limit
OH0891	Green TP JEDD II CT Regular IT	\$106,762
OH0892	Green TP Western Ridge JEDD CT Regular IT	\$112,708
OH0948	Harrison Greene JEDD IV CT Regular IT	\$103,733

- Effective January 1, 2018, the following local taxes have been expired:

Code	Description
OH0086	Zanesfield CT Regular IT
OH0850	Valleyview VI Regular IT

## Oregon

The following local taxes have updated rates in the supported tax tables:

Code	Description	Rate	Effective Date
OR0005	Tri-Met Transit District Excise Tax	0.7537%	1/1/2018
OR0006	Lane County Transit District Excise Tax	0.73%	1/1/2018

## Rhode Island

- The Unemployment Insurance wage base limit increases to \$23,000 for 2018.
- Rhode Island withholding tables and instructions have been updated for 2018. Refer to the state publication for more details.
- State disability insurance tax (RISDI) information is updated for 2018. Effective for wages paid on or after January 1, 2018:
  - The withholding rate is 1.1%.
  - The taxable wage limit is \$69,300 for each employee per calendar year.

## South Carolina

South Carolina withholding tables and instructions have been updated for 2018. Refer to the state publication for more details.

## Utah

The Unemployment Insurance wage base limit increases to \$34,300 for 2018.

# Product Updates

The following product updates are included with this release.

## Payroll Product Updates

The following new features and improvements to payroll are included with this update.

### Payroll Earnings and Deductions W2 Reporting Types

On the **Payroll Earnings and Deductions** window, you can now create codes for permitted benefits under a qualified small employer health reimbursement arrangement. (Select Permitted Benefits Under a QSEHRA in the **W2 Reporting** field on the **Employer** tab.)

## My Workforce Forms Updates

The following new features and improvements are included with this update to My Workforce Forms.

### Updates to Form 1094-C for 2017

Form 1094-C (Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns ) was updated by the IRS for 2017 so we updated the form in My Workforce Forms. The changes include:

- Line 22 box C is now designated as Reserved”
- Part III, column (e) is designated “Reserved”
- The entry rows in Part III, column (e) are shaded.

### Form 1095-C for 2017

There were no changes to the Form 1095-C for 2017 other than the year. The form year is updated in Sage Payroll Tax Forms and eFiling by Aatrix.

# Sage Payroll Tax Forms and eFiling by Aatrix

Sage Payroll Tax Forms and eFiling by Aatrix is a feature included with Sage 300. This functionality provides updated reports and forms at no cost and enables you to fill out and file tax forms electronically for a fee.

To begin using tax forms with Sage Payroll Tax Forms and eFiling by Aatrix, open one of the tax forms available in **Payroll > Government Reports > Federal Tax Filing** or **State Tax Filing**. You will be prompted to register your organization with Sage Payroll Tax Forms and eFiling by Aatrix. After registering, you have the option to enroll your company (or companies) in the eFiling service.

**Note:** You must register your organization with Sage Payroll Tax Forms and eFiling by Aatrix each year.

For a detailed overview and a price structure of the Sage Payroll Tax Forms and eFiling by Aatrix options, visit our website here:

<https://partner.aatrix.com/partners/sage300>

## Supported W-2 Forms

For information about ordering W-2 forms, see the article [Which forms should I order for year-end?](#) on the Sage Support website.

# Quarterly Wage on Disk(ette)

If you use Sage 300 U.S. Payroll, note that tax filing for Puerto Rico is not currently supported by Sage Payroll Tax Forms and eFiling by Aatrix. To produce State Unemployment Tax (SUTA) quarterly wage reports for Puerto Rico, use the Quarterly Wage on Disk(ette) feature.

For more information, see the following Knowledgebase articles at <https://support.na.sage.com>:

- [Knowledgebase article 32877](#) - Producing Quarterly Wage Reports on Disk(ette) or Hard Disk
- [Knowledgebase article 32876](#) - State-Specific Information for Quarterly Wage on Disk(ette)
- [Knowledgebase article 32880](#) - Entering Employee Supplemental Information



# Preparing for Year-End Processing

Before you start processing your 2018 payroll, visit the Sage City Year-End Center, where you can get fast answers from Sage support, peers, and product experts at the busiest time of year. You'll find helpful articles, discussion forums, and other links and resources to help your year-end processing go smoothly.

To get started, visit <http://sagecity.na.sage.com/p/yearend> and select Sage 300.

The Year-End Center provides you with information on the following topics:

- Printing and filing W-2s
- Entering employee supplemental information
- Frequently asked questions for year-end processes
- Information about processing year-end 2017 reports and forms with Sage Payroll Tax Forms and eFiling by Aatrix
- Preparing for your first payroll of 2018

# Product Update Installation Instructions

Follow the instructions in this section to install, apply, and verify this Product Update.

## Before you start:

- Back up your data.
- Make sure all users have exited the program.
- Verify your service pack or product update level. To verify what service pack or product update you have installed, click the **System Information** option on the **Help** menu in Sage 300.

## Installing the Product Update

### To install the Product Update:

1. Right-click the Product Update file to Run as Administrator (or make sure you have administrator rights to run the installation) and launch the installation program.
2. On the Welcome window, click **Next** to continue to the Software License Agreement window.
3. Select the features to install. Click **Next**, then **Install**.
4. On the Setup Complete window, click **Finish** to finish the installation.

## Activating the Tax Update

### To activate the Tax Update:

1. Start Sage 300.
2. In the **Administrative Services** folder, select **Data Activation**.
3. Select the current tax update, and then click **Activate**.
4. If you are prompted to convert a previous payroll tax update to the current version, click **Proceed**.

After you complete installation and activation, and after you have made any adjustments described in this document, you can resume processing payroll.

## Verifying the Product Update

After the update is complete, you can confirm that the update was installed successfully by selecting **Help > System Information**. The tax update version will be listed with a product update number.

## Updating the Local Tax Repository and Rates

This section applies only if you use local tax codes in U.S. Payroll.

### To update the local tax repository and rates:

1. After the Product Update is complete, log in to Sage 300.
2. On the Local and Other Custom Taxes window, click the **Install Repository** button to update all of the local tax rates in the system.
3. When you receive the prompt "Install Repository completed. Do you want to continue updating company level local tax records with information from the local repository?":
  - Click **Yes** to automatically update the company rates for all local taxes, or
  - Click **No** if you prefer to select each local tax individually and click the Update button for each one in order to apply the rate changes. This gives you the opportunity to validate rates before and after the changes.

**Note:** If you click **No**, you will be required to manually update each employee-level tax. This can be done for all employees at once by tax from **U.S. Payroll > Update Taxes**, or by individual employee from **Employee Payroll > Taxes**.

4. If you click **Yes**, after the process completes a message displays: "Updating company level local tax records completed. Do you want to continue updating employee local tax records from the local tax repository?".
  - Click **Yes** to automatically update the employee-level rates for all local taxes, or
  - Click **No** if you want to select each employee or use the Update Taxes tax, then update each tax or employee individually.

**Important!** This process requires security permissions in Sage 300 to access all employees. Otherwise you may not receive the prompts as described above and employee rates will not be updated.