



Sage 300 U.S. Payroll

Q1 2021 Release Notes

March 2021

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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, including steps related to COVID-19 (see [page 10](#)) that must be done **before** activating the Q1 2021 update.

Product update information

Product: Sage 300 U.S. Payroll

Version: Product Update Q1 2021

Software requirements

To use this product update, you must have Sage 300 U.S. Payroll 7.3, which is supported in Sage 300 2021, 2020, and 2019.

Note: Sage 300 2018 is no longer supported. If you use Sage 300 2018 or earlier, we encourage you to contact your Sage business partner to upgrade to a supported version of the software.

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. Visit the [Sage 300 Product Documents website](#) for access to more documents.
- **Sage City:** Visit <https://sagecity.na.sage.com> for blogs, tips, and guidance specific to Sage 300.
- **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.

Payroll Tax Updates

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

Federal Legislative Updates

There are no federal legislative updates with this release.

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.

Colorado

Colorado withholding tables and instructions have been updated, effective January 1, 2021. Refer to the state publication for more details.

Kentucky

- The following local tax was added in the supported tax tables:

Code	Description	Rate	Effective Date
KY0267	Walton Industrial Park TIF TD Regular IT	1.2%	1/12/2017

- The following local tax has an updated rate in the supported tax tables:

Code	Description	Rate	Effective Date
KY0230	Raceland CT Regular IT	1%	2/5/2021

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

Code	Description	Wage Base Limit	Effective Date
KY0007	McLean CO Regular IT	\$75,000	1/1/2021
KY0223	Hickman CO Regular IT	\$75,000	1/1/2021

Maryland

Maryland withholding tables and instructions have been updated, effective January 1, 2021. Refer to the state publication for more details.

Michigan

The Unemployment Insurance wage base limit changes to \$9,500 for 2021.

Ohio

- Effective February 1, 2021, the following local tax has been expired:

Code	Description
OH0954	Newtonsville VI Regular IT

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

Code	Description	Rate	Effective Date
OH0208	Minerva VI (Sta) Regular IT	1.5%	1/1/2021
OH0509	Minerva VI (Col) Regular IT	1.5%	1/1/2021
OH0529	Minerva VI (Car) Regular IT	1.5%	1/1/2021
OH1025	Sylvania JEDD CT Regular IT	1.5%	1/1/2021
OH1026	Latty VI Regular IT	1%	1/1/2021
OH1027	Norton Barberton JEDZ CT Regular IT	2%	1/1/2015

Oregon

The following local taxes have been added in the supported tax tables.

These taxes have variable rates based on income level. You can see details on the Brackets tab of the Local and Other Custom Taxes window.

Code	Description	Rate	Effective Date
OR0016	Metro RD Supportive Housing Services (NR) IT (Filing single)	variable	1/1/2021
OR0017	Metro RD Supportive Housing Services IT (Filing single)	variable	1/1/2021
OR0018	Metro RD Supportive Housing Services (Filing jointly)	variable	1/1/2021
OR0019	Metro RD Supportive Housing Services (NR) (Filing jointly)	variable	1/1/2021

Pennsylvania

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

Code	Description	Rate	Effective Date
PA0901	Beaver TP, Keystone SD (NR) LST	\$52	1/1/2021
PA1317	Washington TP, Montgomery SD (NR) LST	0	1/1/2021
PA1356	Brady TP, Montgomery SD (NR) LST	0	1/1/2021
PA2649	Penndel BO, Neshaminy SD (NR) Regular IT	1%	1/1/2021
PA2650	Penndel BO, Neshaminy SD Regular IT	1%	1/1/2021
PA3062	Warren CT, Warren SD Regular IT	2.8%	1/1/2021
PA4440	Wheatland BO, Farrell SD Regular IT	1.5%	1/1/2021
PA4565	New Castle CT, New Castle SD (NR) Regular IT	1.975%	1/1/2021
PA4566	New Castle CT, New Castle SD Regular IT	2.075%	1/1/2021
PA4825	Prospect Park BO, Interboro SD (NR) Regular IT	1%	1/1/2021
PA4826	Prospect Park BO, Interboro SD Regular IT	1%	1/1/2021
PA4866	Chester CT, Chester-Upland SD Regular IT	3.75%	1/1/2021
PA6021	Aliquippa CT, Aliquippa SD (NR) Regular IT	1.3%	1/1/2021
PA6022	Aliquippa CT, Aliquippa SD Regular IT	1.3%	1/1/2021
PA6194	Lower Frederick TP, Perkiomen Vly SD Regular IT	1.45%	1/1/2021
PA6220	Cheltenham TP, Cheltenham SD Regular IT	1.5%	1/1/2021
PA7237	London Grove TP, Avon Grove SD (NR) Regular IT	0.625%	1/1/2021
PA7847	Milford BO, Delaware Valley SD (NR) LST	\$52	1/1/2021

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.

Changes for California Pay Data Reporting

You can now enter employee ethnicity information for California Pay Data Reporting.

On the **Other** tab of the **Payroll Employees** window, a new **Ethnicity (California)** field is available. The Ethnicity field that previously existed was renamed **Ethnicity (Federal)**.

To generate the California Pay Data Report, select **Payroll Government Reports**, and then **Federal Tax Filing**. In the **Federal Tax Filing** window, select the **CA Pay Data Report**.

Changes for taxes, earnings, and deductions related to COVID-19

There were a few changes to Payroll resulting from the American Rescue Plan Act (ARPA):

- Effective April 1, 2021, employers are no longer exempt from paying Social Security tax for Emergency Paid Sick Leave, Emergency Paid Sick Leave for Others, and Emergency Paid Family Leave. If you use local tax codes related to COVID-19, follow the steps in [Knowledgebase article 104109](#) **before** activating the Q1 2021 update to ensure the local tax codes were set up correctly. The activation process changes the Employer Calculation Method from **None** to **Percentage of Base** for these taxes. For more information, including details about updating the employer tax rates, see in [Knowledgebase article 109997](#).
- The ARPA expanded and extended provisions found in the Families First Coronavirus Relief Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act. For more information, see [Knowledgebase article 109997](#).

Fix for Federal Income Tax

The calculation of federal income tax to withhold for an employee now includes deductions specified in Step 4(b) on the employee's form W4.

Fix for City of Yonkers Income Tax

The NYYCIT tax is now correctly calculated for non-resident employees working in the City of Yonkers, New York.

My Workforce Analyzer updates

Additional codes

The **Offer of Coverage** code drop-down lists now include two new codes (1T and 1U) that the IRS added for Form 1095-C line 14. These codes can be used if your company offers an Individual Coverage Health Reimbursement Arrangement (HRA).

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.

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>

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

Product update installation instructions

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

Important!

If you use local tax codes related to COVID-19, follow the steps in [Knowledgebase article 104109](#) **before** activating the Q1 2021 update. Verify that:

- Qualified Family Leave is using local tax code COVIDSF
- Qualified Social Security Sick Leave is using local tax code COVIDSS
- Qualified Social Security Sick Leave is using local tax code COVIDSO

After activating the update, follow the steps in [Knowledgebase article 109997](#) to set up the employer portion of the Social Security tax, which is effective April 1, 2021.

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.