Sage 300 U.S. Payroll

Q4 SR1 2020 Release Notes

January 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.

Product update information

Product: Sage 300 U.S. Payroll

Version: Product Update Q4 SR1 2020

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 product update, you must have Sage 300 U.S. Payroll 7.3, which is supported in Sage 300 2021, 2020, 2019, and 2018.

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 2020.

- **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.

> **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

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.

Arkansas

Arkansas withholding tables and instructions have been further updated (since the previous Q4 update) for 2021. Refer to the state publication for more details.

California

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

Code	Description
CA0001	San Francisco CT Payroll Expense Tax

Illinois

Illinois withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.

Indiana

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

Code	Description	Rate	Effective Date
IN0013	Union 81 CO Regular (NR) IT	2%	1/1/2021
IN0016	Switzerland 78 CO Regular (NR) IT	1.25%	1/1/2021
IN0022	Shelby 73 CO Regular (NR) IT	1.6%	1/1/2021
IN0026	Randolph 68 CO Regular (NR) IT	2.5%	1/1/2021
IN0034	Owen 60 CO Regular (NR) IT	1.6%	1/1/2021
IN0042	Martin 51 CO Regular (NR) IT	2.5%	1/1/2021
IN0104	Union 81 CO Regular IT	2%	1/1/2021
IN0107	Switzerland 78 CO Regular IT	1.25%	1/1/2021
IN0113	Shelby 73 CO Regular IT	1.6%	1/1/2021
IN0117	Randolph 68 CO Regular IT	2.5%	1/1/2021
IN0125	Owen 60 CO Regular IT	1.6%	1/1/2021
IN0134	Martin 51 CO Regular IT	2.5%	1/1/2021

Kentucky

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

Code	Description	Rate	Wage Base Limit	Effective Date
KY0028	Augusta CT Regular IT	1.3%	the previous limit has been removed, so there is no longer a limit	1/1/2021
KY0040	Tompkinsville CT Regular IT	1.75%	no change	1/1/2021

- A wage base limit has been added for the following local tax:

Code	Description	Wage Base Limit
KY0096	Warsaw CT Regular IT	$142,800

Michigan

Michigan withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.

Minnesota

Minnesota withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.

Mississippi

Mississippi withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.

New Mexico

New Mexico withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.

North Dakota

- The Unemployment Insurance wage base limit changes to $38,500 for 2021.

- North Dakota withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.

Ohio

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

Code	Description
OH0975	Amelia 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
OH0820	Waynesville VI Regular IT	0.75%	1/1/2021
OH0848	Tri-Way 8509 SD Regular IT	1%	1/1/2021
OH1024	Ridgedale 5104 SD Regular IT	1%	1/1/2021

Oregon

- Oregon withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.

- 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
OR0011	Multnomah CO Regular (NR) IT (Filing single)	variable	1/1/2021
OR0012	Multnomah CO Regular IT (Filing single)	variable	1/1/2021
OR0013	Multnomah CO Regular (NR) IT (Filing jointly)	variable	1/1/2021
OR0014	Multnomah CO Regular IT (Filing jointly)	variable	1/1/2021

Pennsylvania

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

Code	Description	Rate	Effective Date
PA0863	Glen Hope BO, Moshannon Valley SD (NR) LST	$52	1/1/2021
PA1412	Delaware TP, Juniata SD (NR) LST	$52	1/1/2021
PA1556	Kennett TP, Kennett SD (NR) LST	$52	1/1/2021
PA4506	Greenville BO, Greenville SD Regular IT	1.5%	1/1/2021
PA5483	Franklin BO, Conemaugh Valley SD (NR) Regular IT	1.1%	1/1/2021
PA5484	Franklin BO, Conemaugh Valley SD Regular IT	1.2%	1/1/2021
PA5931	Rochester BO, Rochester SD (NR) Regular IT	1%	1/1/2021
PA5932	Rochester BO, Rochester SD Regular IT	1.5%	1/1/2021
PA7054	Rankin BO, Woodland Hills SD Regular IT	1%	1/1/2021
PA7611	Braddock BO, Woodland Hills SD (NR) Regular IT	1.2%	1/1/2021

Rhode Island

- The Unemployment Insurance wage base limit changes to $24,600 for 2021.
- Rhode Island withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.
- State disability insurance tax (RISDI) information is updated for 2021. Effective for wages paid on or after January 1, 2021:
  - The withholding rate is 1.3%.
  - The taxable wage limit is $74,000 for each employee per calendar year.

Vermont

Vermont withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.

Washington

Effective January 1, 2021, a new payroll expense tax applies to businesses that operate in Seattle. For more information, see Sage Knowledgebase article 108679.

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.

Specify corporate officers for businesses in Wyoming

For employees who are subject to Wyoming taxes, quarterly payroll reports indicate if the employees are corporate officers. On the Payroll Employee Supplemental Information window, if the Report Authority ID is for Wyoming:

- On the Employee tab, you can specify whether individual employees are corporate officers.
- On the Defaults tab, you can select the **Corporate Officer** option to specify that employees are corporate officers be default. The only exceptions will be employees who you've specified on the Employee tab are not corporate officers.

Report work location Zip codes for employees who work in Indiana

For employees who are subject to Indiana taxes, quarterly payroll reports include a work location Zip code if one is specified in either of the following places:

- For the employee on the Work Location tab of the Payroll Employees window.
- On the Company Profile window.

Benefits related to COVID-19 are extended until June 30

The CARES (Coronavirus Aid, Relief, and Economic Security) Act and FFCRA (Families First Coronavirus Response Act), which provide earnings/deductions/benefits related to COVID-19, have been extended until June 30, 2021. For more information, see Sage Knowledgebase article 104109.

My Workforce Forms updates

The following enhancements are included with this update to My Workforce Forms.

- To accommodate the changes that the IRS made to Part II of the 1095-C form for 2020:

    - On the **1095-C Defaults – Step 3** page, the **Offer of Coverage** code drop-down list now includes the new codes (1L, 1M, 1N, 1O, 1P, and 1Q) to use if your company offers an Individual Coverage Health Reimbursement Arrangement (HRA).

    - The top of the **Part II** tab of the **1095-C** page now contains the new item for **Employee's Age on January 1**.

    - The table on the **Part II** tab of the **1095-C** page now contains a row for Line 17 zip codes for each month. If one of the new coverage codes was selected for a month, the appropriate zip code (for the residence or work location) is displayed.

    - The import template and sample were updated to include the zip code fields.

- The employee table on the **Employee ACA Settings** tab now contains a check box at the top of the **Variable Hour** column that you can use to select or clear all the variable hours check boxes in that column.

- The desktop version of My Workforce Forms (not the Analysis web component) now uses the updated Sage branding colors and styles.

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

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 2021 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-2 forms
- Entering employee supplemental information
- Frequently asked questions for year-end processes
- Information about processing year-end 2020 reports and forms with Sage Payroll Tax Forms and eFiling by Aatrix
- Preparing for your first payroll of 2021

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.