Sage HRMS 2017

U.S. Payroll
Q4 2017 Release Notes

January 2018

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Product Update Release Notes

> **Important!** All customers who update, maintain, and use Sage HRMS 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 HRMS 2017 U.S. Payroll and Sage Employee Self Service version 2017

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.

About Product Updates for Sage HRMS

Sage HRMS Payroll product updates are cumulative. This means that supported taxes, rates, and forms, all previous updates for this product and version, and any hot fixes or patches previously released are incorporated into this update.

Sage Employee Self Service product updates include the full product build.

Important Information Regarding Future Updates

The following chart outlines the Sage HRMS product versions supported with Product Updates or Quarterly Tax Updates for each period this year.

Release	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Sage HRMS 2017	Yes	Yes	Yes	Yes

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 HRMS. Visit http://cdn.na.sage.com/docs/en/customer/hrms/documentation.htm for more.

- **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 HRMS 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 800-829-0170 (U.S. and Canada). Please have your Sage Customer Number handy when contacting Support.

- **Tax forms:** Because all printed forms have variations, Sage HRMS 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 40182: 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 HRMS 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 (NYYCIT) has been updated for 2018. Refer to the state publication for more details.
- On the **Local/Other Tax Codes** 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.)

HR Product Updates

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

Updated MSXML Version

With this release, we updated the version of MSXML in the program and as referenced during the Sage HRMS installation process.

Sage Employee Self Service Product Updates

The following new features and improvements are included with this update to Sage Employee Self Service.

Archive Messages Feature

Previously, some customers received a System Out of Memory error message when they tried to log in to Sage Employee Self Service if there were more than 10,000 notifications in the system. We resolved the problem by adding a new **Archive Messages** feature. You can archive messages and notifications using the following processes:

- In the Message Center section of the **System Setup** page, you can select to display notifications from a specific date, archive messages, and delete archived messages prior to a specific date.

- If you select to archive messages, when a Manager or Administrator is in the **Message Center**, they have the option to **Archive** (instead of delete) their notifications.

- You can view archived messages from the **Message Center** > **Related Links** panel > **Archived Messages** link.

Form W-2 for 2017

With this release, we updated the Form W-2 for 2017 in Sage Employee Self Service. The only change was to update the year as it displays on the form.

Sage 100 Payroll Link Updates

The following new features and improvements to Sage 100 Payroll Link are included with this update:

Employee Phone Numbers of the Same Type

For employees that have already been transferred using Sage 100 Payroll Link, we updated how multiple numbers of the same type transfer from Sage 100 to Sage HRMS. For example, in Sage 100 you can set two Home phone numbers, however there is only one placeholder in Sage HRMS for a Home phone number. In this case, only the **Primary** phone number with a type of "Home" transfers to Sage HRMS.

Sage Payroll Tax Forms and eFiling by Aatrix

Sage Payroll Tax Forms and eFiling by Aatrix is a feature included with Sage HRMS. 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/sagehrms

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.

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 HRMS.

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

- Printing and filing W-2s
- Entering employee supplemental information
- 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 download, install, apply, and verify this Product Update.

Before you start:

- Back up your data.
- Make sure all users have exited the program.

Downloading the Product Update

To download the update:

1. Visit the Sage Knowledgebase at https://support.na.sage.com, click <u>Log on</u>, and then log on to the site.
2. In the Support by product section, click **Select your product**, and then click **more products**.
3. Under Sage HRMS, click your product and version.
4. In the Latest updates section, click an update to download.
5. In the article, click **Download Now** to launch the Sage Download Manager, or click the **direct download** link to download the executable file.

Installing the Product Update

To install the Product Update:

> **Note:** You should launch the product update on the server where Sage HRMS is installed.

1. To launch the installation program, right-click the Product Update file and run as administrator, or as the current user with administrator rights.

   - If applicable, make sure the **Protect my computer and data from unauthorized program activity** check box is *not* selected.
   - If there is no option to run as administrator, log on as an administrator, and then double-click the Product Update file.

> **Tip:** Depending on your security system, you may need to right-click on the installation file and select Unblock.

2. After the InstallShield Wizard determines requirements, click **Next** to resume installing the Product Update.

3. Click **Finish** to finish the installation.

4. Click **Update**.

5. Click **Yes**. The system starts the installation.

6. Follow the instructions on the windows that follow, and then click **Finish**.

7. Open the Sage HRMS Client. A message prompts you to continue.

Updating Sage HRMS Client Files

To update Sage HRMS Client files:

1. Right-click on the Sage HRMS Client program and select **Run as administrator** to initiate the file update process.

2. Click **OK** to proceed and update your files.

   A message displays that Sage HRMS could not detect the current version of one or more Payroll modules.

   - If you have administrator privileges, click **Yes** to install the Payroll modules now.

   - If you do *not* have administrator privileges, click **No**, and then contact your system administrator to proceed with the installation.

When installation of the Payroll modules is complete, you may be prompted to restart Sage HRMS.

Verifying the Product Update

After the update is complete, you can confirm that the update was installed successfully by selecting **Help** > **About Sage HRMS** and verifying that the version number corresponds with the version of the update .exe file.

You can also verify the latest tax update is applied to your system by selecting **Payroll** > **Process Payroll** > **Calculate Payroll** and the **Tax Version** listed on the window should display the date: January 1, 2018.

> **Tip:** Now is a good time to update your Sage HRMS Payroll sample data. After installing the Product Update, the next time you log in to your Sample Data, you will be prompted to update files again. Click **OK** to proceed and update your sample data files.

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 HRMS.

2. On the Local/Other Tax Codes 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 HRMS to access all employees. Otherwise you may not receive the prompts as described above and employee rates will not be updated.

Sage Employee Self Service Update Installation Instructions

After you have downloaded the Sage Employee Self Service update from the Sage Knowledgebase, follow these instructions to install the update and to resume your payroll processing.

Before you start:

- Verify that Sage HRMS has been installed and is working correctly.

- Verify that you have Administrator access (Local Administrator access is preferred) and permissions to log on as a service, launch processes, and access Sage HRMS data.

- If you are using Sage Employee Self Service and/or Open Enrollment, make sure all enrollment periods are closed, and that all users have exited and logged off from Sage HRMS and Sage Employee Self Service.

- When the update is complete, you will be prompted to restart your system. Before you begin installing the update, make any necessary preparations for this required restart.

Downloading the Update

1. Visit the Sage Knowledgebase at https://support.na.sage.com, click <u>Log on</u>, and then log on to the site.

2. In the Support by product section, click **Select your product**, and then click **more products**.

3. Under Sage HRMS, click your product and version.

4. In the Latest updates section, click an update to download.

5. In the article, click **Download Now** to launch the Sage Download Manager, or click the **direct download** link to download the executable file.

> **Important!** During this installation process you must enter your Sage Employee Self Service username, organization name, serial number, and install code. You can find this information in System Maintenance under **Start** > **All Programs** > **Sage Employee Self Service** > **System Maintenance**.
>
> Once you start the installation, your customer information clears from System Maintenance, so please copy or save a screen shot of your company's product information to reference when prompted. Best practice is to collect this information before you start the update.

Installing the Sage Employee Self Service Update

1. **Using your external backup procedures, back up the Sage HRMS and Sage Employee Self Service databases to a media device that is external to your product servers:**

   a. Log on to the Sage Employee Self Service server and select **Programs** > **Employee Self Service** > **System Maintenance** to open the Sage Employee Self Service System Maintenance window.

   b. On the Configuration and Settings tab, in the Employee Self Service section, select the **Locked** check box, and then click **Save**.

   c. On the SQL Maintenance tab, verify the Backup File Path is correct, and then click **Backup**.

   d. Prepare to update Sage Employee Self Service by closing all Windows applications.

   e. Run the setup.exe file provided with the installation package with Administrative privileges (right-click the file and select **Run as Administrator**).

   > **Tip:** Depending on your security system, you may need to right-click on the installation file and select Unblock.

2. The installation program detects that a previous version of Sage Employee Self Service has been installed. Click **Next**, and then follow the prompts on the InstallShield Wizard.

3. On the Ready to Install the Program window, click **Install** to proceed with the installation.

4. The system displays Installation windows indicating the progress of the installation. When the InstallShield Wizard Completed window appears, click **Finish**.

> **Note:** One installation window prompts you to enter your customer information (username, organization name, product serial number, and install code). After you start the update process, your customer information clears from System Maintenance. Best practice is to collect this information before you start the update.

5. When the update is complete, click **Yes** to restart your system.

6. After your Sage Employee Self Service server restarts, from the **Start** menu, select **All Programs** > **Sage Employee Self Service** > **System Maintenance** to open the System Maintenance page. Verify that all the information is correct.

7. On the **Configuration and Settings** tab, clear the **Locked** check box.

8. Exit System Maintenance.

9. Log on to Sage Employee Self Service as the MASTER user to complete the process.

The update is now complete and you are ready to start using Sage Employee Self Service.