

This fax has a total of 5 pages.

End of Year Processing and 2018 Payroll Changes

Please distribute this fax to those employees responsible for PAYROLL year-end processing.

A separate document will be sent with year end information for all modules. If you do not receive that document, please let us know and we will send a copy.

The following information came from Notice 1036 from IRS.gov - Early Release Copies of the 2018 Percentage Method Tables for Income Tax Withholding.

PAYROLL YEAR-END

TAX RATE CHANGE OVERVIEW:		
FUTA Rate (employer)	.006	(no information)
SSEC Rate (employee)	6.2	(not changed)
Maximum taxable	\$128400	CHANGED
ERSSEC Rate (employer)	6.2	(not changed)
Maximum taxable	\$128400	CHANGED
MEDI Rate (employee)	1.45	(not changed)
Maximum taxable	none	(not changed)
ERMEDI Rate (employer)	1.45	(not changed)
Maximum taxable	none	(not changed)
Withholding Allowance	\$4150	(CHANGED)

Income over \$200000 MEDI .9% Employee only Additional Medicare

Please inform Petro-Data if you have employees who go over the \$200000 for information on how to handle the deduction.

PAYROLL - Quarter and Year End

1. Closing the YEAR in Payroll - (see Quarter and Year End Checklists)

****Do not print any payroll checks dated January until the year is closed.**

Before you close the Year in PR, be sure to check and balance the QTD and YTD totals. Use the Employee Wage and Tax Report **with YTD option and your four quarterly reports**. Any corrections must be made **BEFORE** the year is closed in the Payroll module.

DO NOT CLOSE PAYROLL TWICE! There is only ONE closing at year end. Print reports for the quarter, then print reports for the year and balance. Then 'Close Quarter and Year'. If you aren't sure it closed or to verify, exit to the desktop, go back into payroll and make sure Payroll shows Quarter 1.

2. After Payroll Closing

Miscellaneous payroll deductions for loans, etc. WILL need to be maintained before running the first payroll in January. YTD figures are cleared during closing. This could cause you to over-deduct loans. Also remove fringe benefit totals if any were entered.

3. Tax Changes

****Social Security Maximum.** Maximum Taxable Gross for Social Security for 2018 IS changed. To change, select *Files* and then *Taxes*.

**Tax code "SSEC" Change Maximum gross to \$128400.00 <SAVE>
and

**Tax Code "ERSSEC" Change Maximum gross to \$128400.00 <SAVE>

Be sure to click <SAVE> .

****Verify Employee Social Security Rate:**

"SSEC" rate is **6.2** Employee rate

"ERSSEC" rate is **6.2** Employer rate

****The Federal Withholding Rate for ONE Allowance is the same as last year.**

The 2018 rate is **4150.00**.

Select *System* and then *Change Setup Information*.

Press <enter> to get to 'Fed withholding allowance' and verify that it is 4150.00.

Save the change when prompted.

Continue to press <enter> leaving the rest of the options as they were.

Change Suta Tax Rate. When you receive your State Unemployment Tax rate for the new year, go to menu item *Files* and then *Taxes*. Enter code "SUTAxX" (where xx is your state ID. Ex: SUTATX, SUTAMS, SUTAFL, etc). Enter the new rate.

2018 State Income Tax Rate Changes. If you run payroll for States that have State Withholding and those rates or calculations will change in 2018, PLEASE inform Customer Support as soon as possible.

6. NEW FEDERAL WITHHOLDING TABLES for 2018

Tax File Maintenance

Quarter 1 Petro-Data Demo 01/11/18

Tax Code ==> FWT, Fed PIT Withhld			Marital Status ==> S	
Seq	Lower Income Limit	Tax on Base Amount	Tax Rate over Limit	
1	3700.00	0.00	0.100	
2	13225.00	952.50	0.120	
3	42400.00	4453.50	0.220	
4	86200.00	14089.50	0.240	
5	161200.00	32089.50	0.320	
6	203700.00	45689.50	0.350	
7	503700.00	150689.50	0.370	

Add Change Delete Quit

SINGLE TABLE (and HEAD OF HOUSEHOLD)

Here are the instructions to change the tables:

In Payroll, go to menu item: *Files* and then *Taxes* .
 Enter "FWT" and select '*Update Table*' .
Enter Marital Status: 'S' for the Single Table

Select '*Change*'

Enter Sequence Number (Seq) beginning with '1' and change the amounts. Repeat until all lines are correct.

Quit and then Enter Marital Status: 'M' for the Married Table. Repeat *Change* steps.

Tax File Maintenance

Quarter 1

Petro-Data Demo

01/11/18

Tax Code →	FWT, Fed PIT	Withhld	Marital Status →	M
Seq	Lower Income Limit	Tax on Base Amount	Tax Rate over Limit	
1	11550.00	0.00	0.100	
2	30600.00	1905.00	0.120	
3	88950.00	8907.00	0.220	
4	176550.00	28179.00	0.240	
5	326550.00	64179.00	0.320	
6	411550.00	91379.00	0.350	
7	611550.00	161379.00	0.370	

MARRIED TABLE

Select 'Change'

Enter Sequence Number (Seq) beginning with '1' and change the amounts. Repeat until all lines are correct.

Quit and enter Marital Status: 'H' for Head of Household. Use the single rates. Repeat steps.

7. W2s.

Do not wait until the last minute to test print your W-2s!

They can be printed more than once. We highly recommend that you print them on plain paper first. Trace your W2s onto the paper and make sure the alignment is OK. Look at the totals to make sure they are right.

W2 Forms. The format that Petro-Data prints is the TWO PER PAGE format. You can get them from Genesis Printing or from most office supply stores.

W3 can be printed on the form in the PRREPS section of Petro-Data's Utility menu under the W2 option.

W-2s are printed **after the option 'Close Quarter and Year' is run** in the payroll module. You may print January checks before W2s are printed. If you print them before closing, check them carefully to make sure you get the 2017 totals. We recommend closing and then printing them later.

There are alignment adjustments in the Laser W2 programs, so alignment should not be difficult. Make sure to print more than one form when testing the alignment. If you are not able to align them on one printer, try another printer.

Note: If anyone has Roth Contributions going to a section 401 or 403. There are fields in the W2 Browse where you will need to enter these contributions.

Note 2: If you have ANY deductions that require special handling on the W2, check the W2s from the plain paper copy. Make sure they print properly BEFORE printing them on the actual forms.

Note 3: If you have withheld the .9% additional MEDI using the 'Additional Federal Withholding' field, call Petro-Data for instruction on moving that amount to the MEDI field so that W2's will print correctly.

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