

End of Year Processing and 2026 Payroll Changes

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

A separate document will be sent with year end information for all modules and will be posted to our Web Site on: <http://www.petrodatainc.com/Docs.html>

The following information came from ‘Publication 15-T Federal Income Tax Withholding Methods’ for use in 2026 from IRS.gov. Page 12, ‘2026 Percentage Method Tables for Automated Payroll Systems...’. ‘STANDARD WITHHOLDING RATE SCHEDULE’ are the tables we used. The complete document is posted on our website.

PAYROLL YEAR-END

TAX RATE CHANGE OVERVIEW:

FUTA Rate (employer)	.006	(not changed)
SSEC Rate (employee)	6.2	(not changed)
Maximum taxable	\$184500	CHANGED
ERSSEC Rate (employer)	6.2	(not changed)
Maximum taxable	\$184500	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	\$4300	(not changed)

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

2026 This is still in effect in 2026. Please let Petro-Data know if you have employees who go over the \$200000(Single, Head of Household), \$250000(Married), or \$125000(Married filing Separately) 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, verify by exiting to the desktop, going back into payroll and making 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 including deductions 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 2026
IS changed. To change, select *Files* and then *Taxes*. Don't forget to ****SAVE****.

****Tax code "SSEC" Change Maximum gross to \$ 184500.00 **<SAVE>****
and
****Tax Code "ERSSEC" Change Maximum gross to \$ 184500.00 **<SAVE>****

***** **BE SURE TO CHANGE BOTH SSEC and ERSSEC** *****

****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:**

Select *System* and then *Change Setup Information*.
Press <enter> to get to 'Fed withholding allowance' and verify that it is 4300.00.
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 “SUTAx” (where xx is your state ID. Ex: SUTATX, SUTAMS, SUTAFL, etc). Enter the new rate. SUTA is not deducted from the employee so it may be recalculated anytime during the first quarter.

***** **2026 State Withholding Tax Rate Changes.** *If* you run payroll for employees in States that have State Withholding and those rates or calculations will change in 2026, PLEASE inform Customer Support as soon as possible.*****

TEXAS DOES NOT HAVE STATE WITHHOLDING TAX.

IMPORTANT 2021, 2022, and AFTER, PAYROLL INFORMATION AND DISCLAIMER

1. New employees beginning after 2019 fill out a new W4 form. However, according to available information, you do not have to get a new W4 from employees who have already provided one prior to 2020 unless they claim ‘exempt’.
2. Petro-Data supports the standard SINGLE, MARRIED, and HEAD OF HOUSEHOLD tables. The tables this year according to the IRS will work with all W4 forms. Anyone who requires more withholding because of multiple family incomes putting them in a higher tax bracket, may have additional FWT deducted.

PR, Files, Employees, enter employee number or select from lookup.

<Hist> <Withholdings> <Edit>

Enter amount under ‘Supplemental’ ‘Taxes’ in whole numbers (\$100 even in the example).

Employee History							
AJA1	Anderson, Jack A			Exempt (Y/N)		Exempt (Y/N)	
	QTD Wages	YTD Wages		Sick SSEC	N	Sick SDI	N
Hours	0.00	0.00		Sick MEDI	N	Sick SUTA	N
Gross	10000.00	10000.00		Sick FUTA	N		
Tips	0.00	0.00					
Net	9135.00	9135.00					
Employee Withholdings				Exempt (Y/N)		Supplemental	
	QTD Wages	YTD Wages	QTD Taxes	YTD Taxes		Wages	Taxes
FWT	10000.00	10000.00	100.00	100.00	N		100

3. Anyone who needs LESS FWT deducted can try increasing the number of exemptions in their Employee file in the Petro-Data PR program. With the current tables we are not sure if this will make a difference.

4. FEDERAL WITHHOLDING TABLES for 2026

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

SINGLE TABLE

Tax File Maintenance			
Quarter 1		Petro-Data Demo	12/12/25
Tax Code ==> FWT, Fed PIT Withhld		Marital Status ==> S	
Seq	Lower Income Limit	Tax on Base Amount	Tax Rate over Limit
==	=====	=====	=====
1	7500.00	0.00	0.100
2	19900.00	1240.00	0.120
3	57900.00	5800.00	0.220
4	113200.00	17966.00	0.240
5	209275.00	41024.00	0.320
6	263725.00	58488.00	0.350
7	648100.00	192979.25	0.370
<div><input type="button" value="Add"/> <input type="button" value="Change"/> <input type="button" value="Delete"/> <input type="button" value="Quit"/></div>			

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.

MARRIED TABLE

Quarter 1 Petro-Data Demo 12/12/25

Tax Code ==> FWT, Fed PIT Withhld			Marital Status ==> M
Seq	Lower Income Limit	Tax on Base Amount	Tax Rate over Limit
1	19300.00	0.00	0.100
2	44100.00	2480.00	0.120
3	120100.00	11600.00	0.220
4	230700.00	35932.00	0.240
5	422850.00	82048.00	0.320
6	531750.00	116896.00	0.350
7	788000.00	206583.50	0.370

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.

HEAD OF HOUSEHOLD TABLE

Tax Code ==> FWT, Fed PIT Withhld			Marital Status ==> H
Seq	Lower Income Limit	Tax on Base Amount	Tax Rate over Limit
1	15550.00	0.00	0.100
2	33250.00	1770.00	0.120
3	83000.00	7740.00	0.220
4	121250.00	16155.00	0.240
5	217300.00	39207.00	0.320
6	271750.00	56631.00	0.350
7	656150.00	191171.00	0.370

Select 'Change'

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

5. 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 most office supply stores.

****W3**** can be printed on the form that came with your W2's using the program in the PRREPS section of Petro-Data's Utility menu under the W2 option. It is formatted to print on the form.

W-2s are usually 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 W2s before closing, check them carefully to make sure you get the 2025 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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