

Sage 300 U.S. Payroll

Q4 2020 Release Notes

December 2020

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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 changes related to COVID-19 (described in the Product Updates section).

Product update information

Product: Sage 300 U.S. Payroll

Version: Product Update Q4 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

Federal Withholding Tax Changes for 2021

The IRS released new withholding and allowance amount tables for wages paid on or after January 1, 2021.

Social Security Wage Base Changes for 2021

For 2021, the maximum amount of earnings subject to the Social Security tax (taxable maximum) is \$142,800.

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.

Alaska

The Unemployment Insurance wage base limit changes to \$43,600 for 2021.

Arkansas

- The Unemployment Insurance wage base limit changes to \$10,000 for 2021.
- Arkansas withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.

California

- California withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.
- State disability insurance tax (CASDI) information is updated for 2021. Effective for wages paid on or after January 1, 2021:
 - The withholding rate is 1.2%.
 - The taxable wage limit is \$128,298 for each employee per calendar year.

Connecticut

A new Connecticut Paid Family and Medical Leave plan will be effective January 1, 2021.

For more information, including details about setting up deduction codes, see Sage Knowledgebase article [108247](#).

Hawaii

The Unemployment Insurance wage base limit changes to \$47,400 for 2021.

Idaho

The Unemployment Insurance wage base limit changes to \$43,000 for 2021.

Illinois

The Unemployment Insurance wage base limit changes to \$12,960 for 2021.

Indiana

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

Code	Description	Rate	Effective Date
IN0005	Wayne 89 CO Regular (NR) IT	1.25%	10/1/2020
IN0028	Pulaski 66 CO Regular (NR) IT	2.85%	10/1/2020
IN0096	Wayne 89 CO Regular IT	1.25%	10/1/2020
IN0119	Pulaski 66 CO Regular IT	2.85%	10/1/2020

Iowa

- The Unemployment Insurance wage base limit changes to \$32,400 for 2021.
- Iowa withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.

Kentucky

- The Unemployment Insurance wage base limit changes to \$11,100 for 2021.
- Kentucky withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.
- Wage base limits have been updated for the following local taxes:

Code	Description	Wage Base Limit	Effective Date
KY0009	Highland Heights CT Regular IT	\$142,800	1/1/2021
KY0013	Newport CT Regular IT	\$142,800	1/1/2021
KY0020	Florence CT Regular IT	\$142,800	1/1/2021
KY0022	Crestview Hills CT Regular IT	\$142,800	1/1/2021
KY0023	Covington CT Regular IT	\$142,800	1/1/2021
KY0024	Cold Spring CT Regular IT	\$142,800	1/1/2021
KY0027	Boone CO Regular IT	\$63,758	1/1/2021
KY0029	Alexandria CT Regular IT	\$142,800	1/1/2021

Code	Description	Wage Base Limit	Effective Date
KY0093	Wilder CT Regular IT	\$142,800	1/1/2021
KY0161	Jackson CT Regular IT	\$142,800	1/1/2021
KY0178	Fort Wright CT Regular IT	\$142,800	1/1/2021
KY0188	Edmonton CT Regular IT	\$142,800	1/1/2021

Maine

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

Massachusetts

For the Massachusetts Paid Family and Medical Leave plan, the wage base limit changes to \$142,800 for 2021.

For more information, including details about setting up deduction codes, see Sage Knowledgebase article [95277](#).

Missouri

- The Unemployment Insurance wage base limit changes to \$11,000 for 2021.
- Missouri withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.

Montana

The Unemployment Insurance wage base limit changes to \$35,300 for 2021.

Nevada

The Unemployment Insurance wage base limit changes to \$33,400 for 2021.

New Jersey

- The Unemployment Insurance wage base limit changes to \$36,200 for 2021.
- New Jersey withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.
- State disability insurance tax information is updated for 2021. Effective for wages paid on or after January 1, 2021:
 - For employees:
 - The Disability Insurance rate is 0.47%.
 - The Family Leave Insurance rate is 0.28%.
 - The taxable wage limit is \$138,200 for each employee per calendar year.
 - For employers:
 - The Disability Insurance rate is set by the state for each employer individually.
 - The taxable wage limit is \$36,200 for each employee per calendar year.

For more information about setting up state disability and family leave insurance taxes for 2021, see Sage Knowledgebase articles [102273](#) and [108199](#).

New Mexico

The Unemployment Insurance wage base limit changes to \$27,000 for 2021.

New York

- The Unemployment Insurance wage base limit changes to \$11,800 for 2021.
- New York withholding tables and instructions have been updated for 2021. Refer to the state publication for more details.
- City of Yonkers Income Tax and instructions have been updated for 2021. Refer to the state publication for more details.
- There are deduction changes for New York Paid Family Leave for 2021. Because of these changes, after the last payroll for 2020 you must:
 - Update the Annual Compensation Limit amount to \$75,408.84 on the deduction
 - For each employee, update the deduction maximum rate to 0.511%

For more information, see Sage Knowledgebase article [88150](#).

North Carolina

The Unemployment Insurance wage base limit changes to \$26,000 for 2021.

Ohio

- Effective October 30, 2020, the following local tax has been expired:

Code	Description
OH0955	Smithfield 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
OH0126	Edon VI Regular IT	1.75%	1/1/2021
OH0355	Timberlake VI Regular IT	2%	1/1/2021
OH0445	Fairborn CT Regular IT	2%	1/1/2021
OH0479	Lancaster CT Regular IT	2.2%	1/1/2021
OH0566	Middletown CT Regular IT	2%	1/1/2021
OH0604	Valley View 5713 SD Regular IT	1.75%	1/1/2021
OH0698	Cincinnati CT Regular IT	1.8%	1/1/2021
OH0710	Toledo CT Regular IT	2.5%	1/1/2021
OH0777	Clyde Green Springs 7201 SD Regular IT	1.5%	1/1/2021
OH0977	Jackson CT Regular IT	1.5%	1/1/2021
OH1018	East Palestine 1505 SD Regular IT	0.5%	1/1/2021
OH1019	Delphos 0204 SD Regular IT	0.5%	1/1/2021
OH1020	Van Buren 3207 SD Regular IT	1%	1/1/2021
OH1021	Washington Court House 2402 SD Regular	1%	1/1/2021
OH1022	North Baltimore-Henry TP JEDD CT Regular IT	1%	7/27/2020
OH1023	Helena VI Regular IT	1%	1/1/2021

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

Code	Description	Wage Base Limit	Effective Date
OH0891	Green TP JEDD II CT Regular IT	\$112,630	1/1/2021
OH0892	Green TP Western Ridge JEDD CT Regular	\$118,092	1/1/2021
OH0948	Harrison Greene JEDD IV CT Regular IT	\$109,434	1/1/2021
OH0971	UDF-North Bend JEDD V CT Regular IT	\$105,496	1/1/2021
OH1007	McAlisters JEDD VI CT Regular IT	\$103,124	1/1/2021

Oklahoma

The Unemployment Insurance wage base limit changes to \$24,000 for 2021.

Oregon

- The Unemployment Insurance wage base limit changes to \$43,800 for 2021.
- The following local taxes have updated rates in the supported tax tables:

Code	Description	Rate	Effective Date
OR0005	Tri-Met Transit District Excise Tax	0.7837%	1/1/2021
OR0006	Lane County Transit District Excise Tax	0.76%	1/1/2021

South Carolina

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

Utah

The Unemployment Insurance wage base limit changes to \$38,900 for 2021.

Vermont

The Unemployment Insurance wage base limit changes to \$14,100 for 2021.

Washington

- The Unemployment Insurance wage base limit changes to \$56,500 for 2021.
- For the Washington Paid Family and Medical Leave plan, the wage base limit changes to \$142,800 for 2021.

For more information, including details about setting up deduction codes, see Sage Knowledgebase article [95277](#).

Wyoming

The Unemployment Insurance wage base limit changes to \$27,300 for 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.

Earnings and deductions related to COVID-19

On the Earnings and Deductions window, new options are available in the **Report as** field:

- **Form 941 - Emergency Paid Sick Leave for Others.** Select this for earnings to be reported on forms 941 and W-2.
- **Form 941 - Qualified Health Plan Expense Sick Leave for Others.** Select this for deductions and benefits to be reported on forms 941 and W-2.

To report earnings/deductions/benefits related to COVID-19, including the above, you must have applicable earning/deduction and tax codes set up, and you must make adjustments for the employees. For detailed instructions, see [Sage Knowledgebase article 104109](#).

Important note about deferring U.S. Social Security tax withholding

Companies have the option to defer social security tax withholding for the period from September 1 - December 31, 2020. For more information, including details about setting up the deferral in Sage 300 Payroll, see [Sage Knowledgebase article 106660](#).

My Workforce Forms updates

This update does not include any new features or improvements to My Workforce Forms.

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.