

HOW TO PROCESS MID YEAR TAX RATE CHANGES

Question

PLEASE REFER TO THE STEPS BELOW:

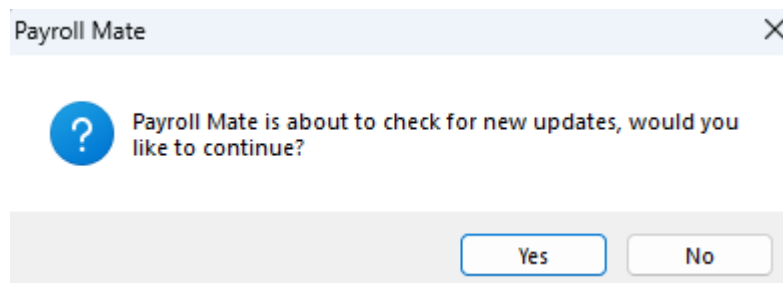
Answer

It is best practice to ensure that you are always using the most current tax tables. We recommend that you always allow Payroll Mate to check for updates. We recommend selecting Yes, each time you use the software.

Payroll Mate will update Federal Tax tables and social security, please be sure to stay up to date.

For other taxes you will have to manually update the tax rates.

When opening the Payroll Mate software, select **Yes** to update

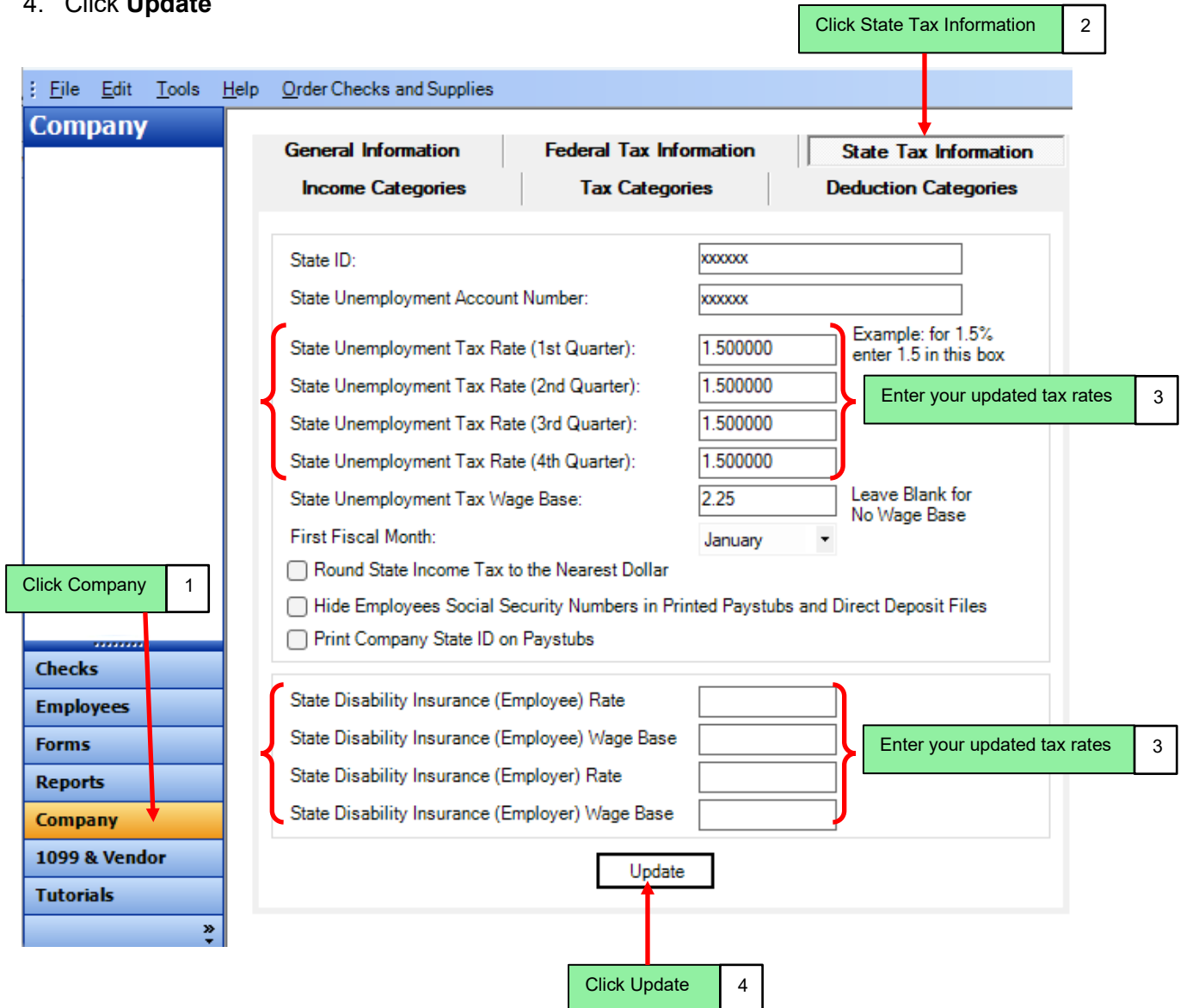


If your State Unemployment and/or State Disability Tax Rates change, see the directions below for how you can make the change in Payroll Mate.

Your State Unemployment and/or State Disability tax rates changed: How to update them

Make sure you are in the correct company.

1. Click **Company**
2. Click **State Tax Information**
3. **Enter your updated tax rates**
4. Click **Update**



The screenshot shows the Payroll Mate software interface. On the left is a sidebar menu with options: Checks, Employees, Forms, Reports, **Company** (highlighted), 1099 & Vendor, and Tutorials. A green callout box labeled "Click Company" with a "1" in a box points to the "Company" menu item.

The main window has a menu bar (File, Edit, Tools, Help, Order Checks and Supplies) and a tabbed interface. The "State Tax Information" tab is selected. A green callout box labeled "Click State Tax Information" with a "2" in a box points to this tab.

Under the "State Tax Information" tab, there are sub-tabs: "Income Categories", "Tax Categories", and "Deduction Categories". The "Tax Categories" sub-tab is active. It contains several input fields:

- State ID: (text box with "xxxxxx")
- State Unemployment Account Number: (text box with "xxxxxx")
- State Unemployment Tax Rate (1st Quarter): (text box with "1.500000")
- State Unemployment Tax Rate (2nd Quarter): (text box with "1.500000")
- State Unemployment Tax Rate (3rd Quarter): (text box with "1.500000")
- State Unemployment Tax Rate (4th Quarter): (text box with "1.500000")
- State Unemployment Tax Wage Base: (text box with "2.25")
- First Fiscal Month: (dropdown menu showing "January")
- Three checkboxes: "Round State Income Tax to the Nearest Dollar", "Hide Employees Social Security Numbers in Printed Paystubs and Direct Deposit Files", and "Print Company State ID on Paystubs".

 A green callout box labeled "Enter your updated tax rates" with a "3" in a box points to the four quarterly tax rate input fields. A note next to it says "Example: for 1.5% enter 1.5 in this box". Another note next to the wage base field says "Leave Blank for No Wage Base".

Below these fields are four more input fields for State Disability Insurance:

- State Disability Insurance (Employee) Rate
- State Disability Insurance (Employee) Wage Base
- State Disability Insurance (Employer) Rate
- State Disability Insurance (Employer) Wage Base

 A green callout box labeled "Enter your updated tax rates" with a "3" in a box points to these four fields.

At the bottom of the main window is an "Update" button. A green callout box labeled "Click Update" with a "4" in a box points to this button.

For user defined tax categories

1. Click **Tax Categories**
2. **Select the tax category** that you need to edit (Example: My own tax category)
3. Click **Edit**

Click Tax Categories 1

File Edit Tools Help Order Checks and Supplies

Company

General Information
Federal Tax Information
State Tax Information

Income Categories
Tax Categories
Deduction Categories

	Title	Calculation
	Federal Income Tax	
	Social Security (Employee)	
	Social Security (Employer)	
	Medicare (Employee)	
	Medicare (Employer)	
	Fed Unemployment (Employer)	
	State Income Tax	
	State Unemployment (Employer)	
	Local Income Tax	
	State Disability Insurance (Employee)	
	State Disability Insurance (Employer)	
	New York City Tax	
	Test	Percentage
▶	My own tax category	Percentage
	Personal Expense	Fixed

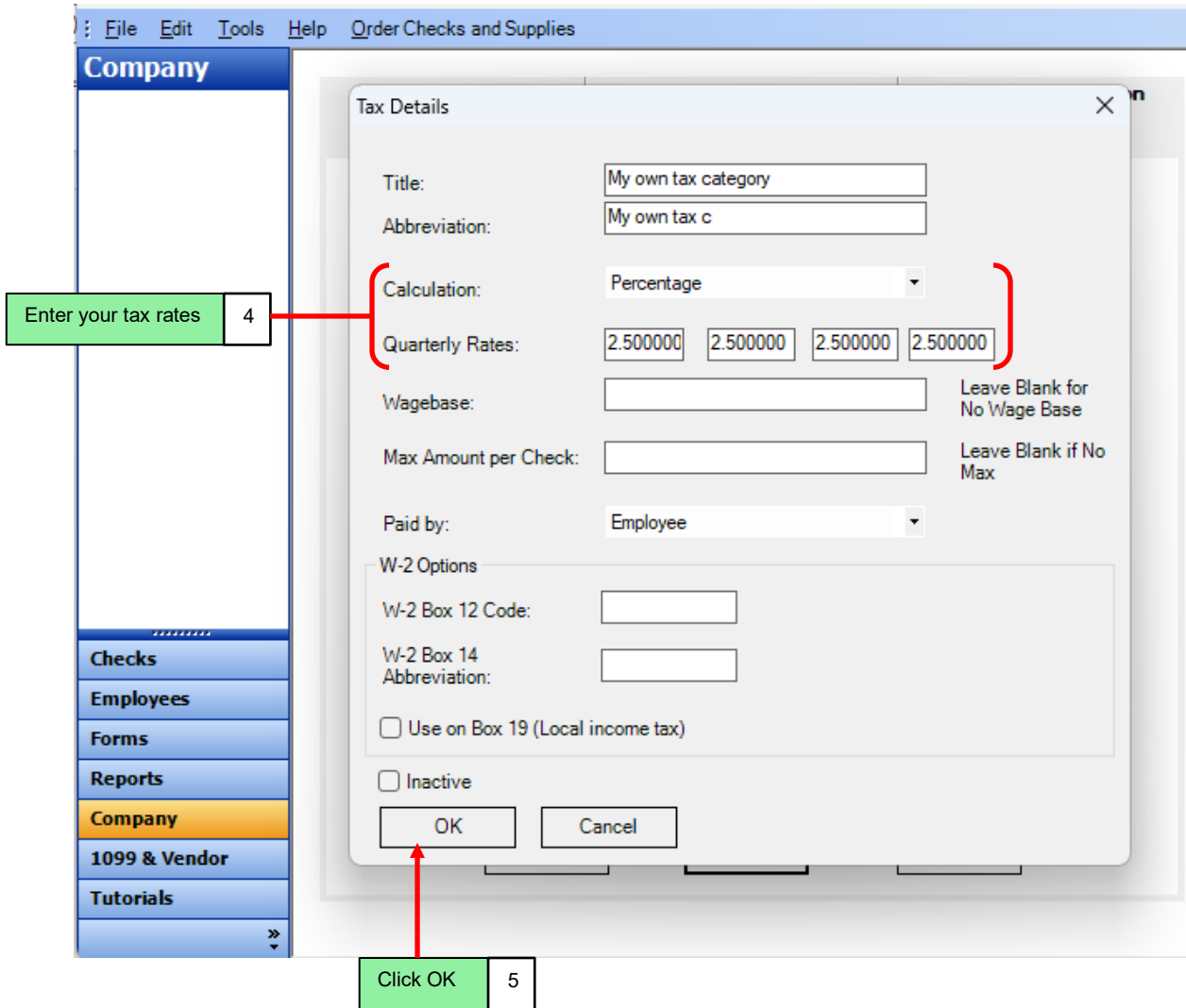
Add
Edit
Delete

Checks
Employees
Forms
Reports
Company
1099 & Vendor
Tutorials

Select Tax Category to edit 2

Click Edit 3

4. Enter your tax rates
5. Click OK



File Edit Tools Help Order Checks and Supplies

Company

Enter your tax rates 4

Checks

Employees

Forms

Reports

Company

1099 & Vendor

Tutorials

Tax Details

Title: My own tax category

Abbreviation: My own tax c

Calculation: Percentage

Quarterly Rates: 2.500000 2.500000 2.500000 2.500000

Wagebase: Leave Blank for No Wage Base

Max Amount per Check: Leave Blank if No Max

Paid by: Employee

W-2 Options

W-2 Box 12 Code:

W-2 Box 14 Abbreviation:

☐ Use on Box 19 (Local income tax)

☐ Inactive

OK Cancel

Click OK 5

NOTE:
Various Calculation methods are available. Depending upon the Calculation selected, you might not have Quarterly Rates but a different field appropriate for that Calculation method.

6. If you have more custom incomes, you will receive the message below. Click **OK**

File Edit Tools Help Order Checks and Supplies

Company

General Information

Federal Tax Information

State Tax Information

Income Categories

Tax Categories

Deduction Categories

Title	Calculation
Federal Income Tax	
Social Security (Employee)	
Social Security (Employer)	
Medicare (Employee)	
Medicare (Employer)	
Federal Unemployment Tax (FUTA)	
State Unemployment Tax (SUTA)	
Local Unemployment Tax	
State Income Tax	
New York State Income Tax	
New Jersey State Income Tax	
New Mexico State Income Tax	
Test Category	
My Custom Income	
Personal Exemption	

Checks

Employees

Forms

Reports

Company

1099 & Vendor

Tutorials

Payroll Mate



Payroll Mate detected you have one or more custom added incomes. Please remember to review the setup for these custom incomes and make sure this tax applies to them and update their setup accordingly.

OK

Click OK

6

How to Create a Tax Category

Add

Edit

Delete