

In order to run a payroll in 2016, you do **NOT** need to have the 2016 Tax Tables installed if you have a 2015 version of our program. It has the 2015 rates duplicated into 2016. You should however, get updated to the new tables before the end of January. Contact your CSC if you have not been updated.

- Tax Tables** Besides the new **Federal Tax Tables**, the state tables are also included on those versions or the tax table update. Not all states have changes; currently we have **Alberta, New York, California, North Carolina, Pennsylvania, Utah, New Mexico, and Canada**. You must remember to change the fields that are on the state tax definition screen. Go to Maintenance>Payroll>Tax Definitions and change your company's rates for any Unemployment, State Disability, Worker's Compensation, or Labor & Industry rates that apply to you, also change any Wage Bases for Unemployment.
- You can also download the 3.15.52 update from our website, [www.advancedgrower.com](http://www.advancedgrower.com) if you have not made contact with us. **The login is "agscustomer" and the password is "snowman"**. If you need help with either of these processes, let us know and we'll schedule a time to help you.
- W2's** The W2 paper form has not changed from last year and still includes the Box 12 information for the **Employer Cost of Health Insurance**. If you provide health insurance coverage to your employees and **submit 250 or more W2's**, the regulations state that you are subject to providing that information to them in Box 12 with a code of "DD". This is your cost as an employer, not what you have deducted from them. The transitional relief period allows voluntary compliance for those employers who basically do not need to submit W2's on magnetic media. Here is a link for more information: <http://www.irs.gov/uac/Employer-Provided-Health-Coverage-Informational-Reporting-Requirements-Questions-and-Answers>. If you want or need to comply with this regulation, the instructions are attached. We have a Health Care Cost Adjuster utility that allows you to update that field quickly. Contact us for help in putting the process in place if we have not already gone over it.
- W2 magnetic media** There were no changes to the program this year. They do require both a Location, "your physical location" and Delivery address such as a PO Box, if you use one. If you don't fill in the Delivery address we repeat your Location one there. In order to test your file, you can download the new Accuwave program from the SSA and it will review your data for errors. Accuwave will not work with XP this year, but it is not a requirement to use it either. The link is: <http://www.ssa.gov/employer/accuwave/installation.html> Remember to update your password so you are ready for the filing season. If it has been over 90 days, you will be required to change your password. You can update your password by entering your expired password then selecting a new password.
- Form 1095-C/1094-C Health Care Offered** Employers with 50 or more full-time employees (including full-time equivalent employees) use Forms 1094-C and 1095-C to report the information required about offers of health coverage and enrollment in health coverage for their employees. This form is new this year and we have directions on a separate document on how to use our system to print the forms themselves. Here is a link for more information <http://www.irs.gov/uac/About-Form-1095-C>.
- FICA & Medicare rates** As always, you need to maintain the percentages, wage bases and limits in these tax definitions. Do that by going into the Payroll>Maintenance>Tax Definition screens and verifying the rates and wage bases. Both the Employee and Company shares of FICA remain at 6.2%, and **the FICA LIMIT also remains**



at 118,500 for 2016. [http://www.ssa.gov/policy/docs/quickfacts/prog\\_highlights/index.html](http://www.ssa.gov/policy/docs/quickfacts/prog_highlights/index.html) No change in Medicare rates for you to change and there is no limit. There remains the surtax for Medicare on employees making over \$200,000. The surtax is .9% additional and is only withheld, not company matched. The surtax is handled by the program and you do not need to make a rate change for it. Here is a handy link to the **Federal Circular E tax guide** to answer all your payroll questions. <http://www.irs.gov/pub/irs-pdf/p15.pdf>

7. **FUTA, SUTA** Maintain the percentages, wage bases and limits in these tax definitions. Do that by going into the Payroll>Maintenance>Tax Definition screens and verifying the rates and wage bases. The **FUTA rate remains at 6% with a \$7000 limit**. Most users enter an effective rate of .6% which takes into account the 5.4% credit the Federal government allows if you pay sufficient SUTA tax in your state. (6% - 5.4% =.6% this can be confusing because users are not sure if the rate is 6% or .6%. If you get to take the 5.4% credit, then put in the rate as .6%. The credit is reduced in certain states listed on the 2<sup>nd</sup> page of the 940 FUTA form. Either put in the full 6% if you are in one of those states, or adjust it according to the credit you are allowed.) **Check with your individual state for SUTA rate changes and wage base limits**. Rates are usually determined on a per employer basis and you will receive rate and wage base limit announcements directly in the mail to your business. Change the rate on your state's unemployment definition screen in Tax Definitions. Our current information on state wage bases for 2016:

<b>Oregon</b>	<b>36,900</b>	<b>North Carolina</b>	<b>22,300</b>
<b>Washington</b>	<b>44,000</b>	<b>New York</b>	<b>10,700</b>
<b>California</b>	<b>7,000</b>	<b>Florida</b>	<b>7,000</b>

8. **Form 941 Quarterly report for Non-Ag wages** The report will be updated to year 2016 in February for the 1<sup>st</sup> Quarter of 2016.
9. **Form 940 FUTA and Form 943 AG wage report** These have been updated with the new year and also the addition on the 943 for the Medicare Surtax calculation for wages paid over \$200,000. Not all fields are filled in as the system does not know the answers to some questions, such as the amounts you have deposited for the year, and some questions pertinent only to your business. You can print them to get the figures and manually transfer them to a fill form on the web from the IRS. Form 940 <http://www.irs.gov/pub/irs-pdf/f940.pdf> Form 943 <http://www.irs.gov/pub/irs-pdf/f943.pdf> Or you can hand write in the additional amounts to our form.

10. **In summary**

- You need the version BAS 3.15.52 or 15.52 in GrowPoint installed for the new tax rates, otherwise program continues with the 2015 rates. Download or contact your CSC for help.
- You need to verify your tax definition rates and limits for FICA, Medicare, FUTA, and SUTA
- If you have 250 or more W2's you need to add the cost of Health Care premiums before running W2's, instructions are available on a separate document.
- If you have 50 or more employees you must print them a 1095-C and submit a 1094-C to the government.

The rates have actually resulted in a slight decrease in the Federal taxes.