



**Sage MAS 90 and MAS 200  
User Group Meeting**

December 05, 2011  
Year-End Update

- 
1. Registration – 11:45 – 12:00
  2. Presentation – 12:00 – 1:30
- Presenter: Keith Perkins, CPA – ASC Group

- End of year processing
- Product changes for coming year
- New product offerings
- Training options for staff
- Services we provide.

## Year End Preparation and Processing in Sage MAS 90 and 200 Systems

Keith Perkins, CPA  
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## Year End Topics

- Archiving Prior Year
- IRD?
- Payroll Procedures
- 1099 Procedures
- Electronic Reporting
- Closing Modules
- Miscellaneous
- Product changes for the new year
- Training options for staff
- Software and Services we provide

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## Archiving Prior Year

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## Archiving for 4.x

- Instructions found In Help
  - Select LM Main, Company Maintenance
  - In the Company Maintenance window, enter a company code and company name (i.e.: F10 (company code), ABC Distributing 2010 backup (company name))
  - Click Copy
  - In the Copy Data window, at the Source Company field, enter the company you are copying FROM
  - Select the Data Check Box corresponding to each module that you want to copy data from
  - Select the Forms Check Box corresponding to each module that you want to copy forms from
  - Click proceed

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## Archiving – Copy Company Results for 4.x

- Verify that your company was copied properly, use the PR quarterly tax report
  - Tie the quarterly and annual results between the original (source) company and the archive (target) company
  - Confirm you have complete information

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## What's an IRD do I need one?

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### Should I load an IRD?

- IRD – interim release download; see the FAQ's document; available approx 12/20
  - Contains changes for this year's filing season
  - How to determine your version; help/about
  - Check external backup before installing IRD
  - If using Fed/State Efilling & Reporting, access those programs to force an update on 12/20
  - Logon to Sage Software Online to download
- IRD Is for Payroll, and Electronic Filing Modules

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### IRD Download Instructions

- Use your login into [www.sagemas.com](http://www.sagemas.com) upper right hand corner login button
- Go to Support Tab, select MAS 90/200
- Select Interim Release Download under Download heading
- Call if you need assistance – 318-213-0375
- Mas version info and TTU; run LM/reports/installed modules listing
- Do not install the TTU until 2011 reporting is finished.

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### Payroll Procedures

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### First-let's talk about your options....

- Option one-use Mas standard W-2 and 1099 program to print forms and use standard Mas Electronic Reporting module to file with authorities. (easy!)
- Option two-use the "Federal and State E-filing and Reporting options in payroll and accounts payable to print W-2's (prints on 4-up Blank stock W-2's) and 1099's (prints on 4-up Blank stock 1099's). (easier!)
- Option three-call us to pick up your payroll files remotely and we will print the W-2's/1099's for you and e-file for you. (easiest!!!)

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### Payroll – Printing W-2s

- Changes to W-2s for 2011
  - Added box 12 code "DD" for Health Care Value
- Preprinted form printing
  - Test your printing to plain paper to resolve alignment issues and check totals and boxes
- Ensure you have installed the IRD update

You can verify name/ss# combinations using [www.ssa.gov](http://www.ssa.gov) to avoid rejections.

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### Payroll – Printing W-2s (cont.)

- Multiple state W-2s print after the federal forms
- Dependent care and non-qualified amounts must be entered prior to printing.
- Remember to include non-cash fringe benefits before last check issued for the year
- Check your Box 12 codes in deduction maintenance and on the W-2 printing window
- Run a report on the pension box in employee maintenance (driven by check box in emp maint)
- Preview your forms to test your totals (FICA limit is \$106,800) same as last year.

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## Payroll – Printing W-2s (cont.)

- Laser forms – 2 per page are not collated (i.e. each copy must be printed for all employees before the next copy can be printed) and activates the No. of Forms field
- Laser forms – 4 per page activates the Tab Right and Skip Lines fields for setting and resetting-Need a copy A if not e-filing.
- Keep employer copy handy for employee requests for W-2 copies
- Preview may not represent printed.
- Verify 941 reads 2011

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## Payroll – Closing the Year

- Check your settings in Payroll Setup and Payroll Options
- Archive payroll again if you changed any employee data
- Check your reports and totals before completing the process
- Perform period end when ready
- Change workers comp methods and pension limits before first payroll
- Make any changes to Benefits

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## Payroll – Additional Features

- Integrated Direct Deposit
- Email D.D. Stubs with paperless office
- Payroll integration with Abra HRMS
- Payroll integration with Insperity Time and Attendance Software/Hardware

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## But I need to run a Payroll in 2010 now!

- No problem
- Check your archive, then close your main company
- Proceed as normal in main company
- Process all W-2s and reports from archive
- Be careful – check your company information
- IMPORTANT – do not install Tax Table Updates yet

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## Payroll Tax Table Updates

- For Q1 2012, versions 3.73 – 4.40
- Be careful of the timing of your update
- Print your W-2s before updating tables, if possible
- Sage will be emailing a reminder to download the latest tax tables – need to have online access to Sage's site in order to download the updates
- Need a profile? Choose "Register Now" at <http://sagesoftwareonline.com/eservices>.
- If you have modified your tax tables, see us to make sure you do not lose your modifications (ex: local)

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## Payroll Tax Table Updates (cont.)

- Watch for changes in the FICA (\$106,800) – OASDI limits and the printing of W-2s.
- 941 updates – If your 941 does not have 2011 on it, you will need an update.
- Optional – remove quarterly backups and keep annual archive.
- You will need another 941 update before the end of the 1<sup>st</sup> quarter on 2011.
- The 2012 FICA-OASDI wage base is \$110,100

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## Important Deadlines

Date	Description
December 20, 2011	Interim Release Download available from Sage
Now	BSC will begin accepting tax year 2011 submissions
January 1, 2012	Update payroll system to reflect the 2012 wage base rates (TTU after W-2 processing is finished)
January 31, 2012	Deadline for supplying W-2s to employees
February 29, 2012- Leap Year	Deadline for filing paper W-2s; may need to electronically file states by this date, also. (check with individual states)
April 2, 2012	Deadline for filing electronic W-2s (The SSA will consider electronic annual wage reports for tax year 2011 to be late if submitted after this date.)

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## Payroll

Questions? Comments?

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## 1099 Procedures

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## AP Year End Processing

- Copy Company (4.x)
- Print reports and tie totals as needed for purchases, payments, general ledger balances, etc. Tie AP trial Balance to GL.
- Check your settings in Accounts Payable Setup and Accounts Payable Options- especially 1099 history years.
- Copy Company (4.x) again after changes and also backup

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## AP Year End Processing (cont.)

- Process the Check History report
  - Sort by vendor number
  - Use to support the 1099 forms totals
- Review Vendor Maintenance additional tab and make changes, as necessary
- Collect Tax ID numbers now!! (W-9's)

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## AP Year End Processing (cont.)

- Program updates-No IRD update for AP
- Year

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## AP Year End Processing (cont.)

- Select the Form 1099 Printing report option
  - Select Form to adjust printing positions, etc.
  - Select the proper form types to print and the limits on printing (\$10 and \$600)
  - Include all company information and the federal ID number
  - IMPORTANT – If you file 1099s electronically, you MUST say NO to the prompt "Do you want to increment the default 1099 calendar year field in the accounts payable options window to the next calendar year?"

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## AP Year End Processing (cont.)

- Completion of forms 1099
  - Select to "increment the calendar year" only if all of the 1099 forms for all vendors and vendor types and form types have been printed and verified, and you have already created your electronic reporting file (if applicable) Possibly calendar for later.
  - Answering 'Yes' to "Do you want to increment the calendar year?" changes the default 1099 calendar year setting in Accounts Payable Options
  - MAS 90 does not print a 1099 form
  - As of version 4.2, it is not necessary to "clear 1099 info".

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## AP Year End Processing (cont.)

- What happens during period end processing?
  - P/E looks to your AP setup options to determine what to keep and what to clear out.
  - AP setup, additional, days to retain paid invoices
  - Check the history tab settings

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## AP Year End Processing (cont.)

- What happens when it clears out data?
  - History will be purged according to settings
  - Fiscal year and period settings are incremented by one year and to period one

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## Accounts Payable

Questions? Comments?

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## Electronic Reporting Procedures

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## Electronic Reporting

- Magnetic Media module is now called Electronic Reporting
  - Program update: IRD affects e-file formats
  - Some states still allow magnetic media filing
  - Processes federal and state information
  - Multiple companies are processed separately
  - Required if > 250 W-2s, but strongly recommended for all entities
  - Mas has links build in on the menu for IRS & BSO

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## Electronic Reporting (cont.)

- Cost of module – \$540.00
- Sign up for PINs
- W-2s – go to SSA-BSO at [www.ssa.gov/employer](http://www.ssa.gov/employer)
- 1099s – filed with IRS (go to <https://fire.irs.gov/>)

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## Closing Modules

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## Order of Closing

1. System Wide Backup	9. TimeCard
2. Bill of Materials	10. Electronic Reporting
3. Work Order	11. Payroll
4. Bar Code	12. Accounts Receivable
5. Purchase Order	13. Accounts Payable
6. Sales Order	14. Job Cost
7. Inventory Management	15. General Ledger
8. MRP	Finished!!

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## Year End Processing

- Copy Company (4.x) if not already done
- Full period end check lists are included in the help section of Mas.
- Check each module's setup options for history retention.
- For Sales Order and Purchase Order, run the open sales order and purchase order reports to check for accuracy. Do not include completed orders. Reconcile the purchases clearing account if need be.

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## Year End Processing (cont.)

- For inventory management, perform a physical count, then tie the I/M trial balance to the general ledger balance.
- For accounts payable and receivable, tie the module's trial balances back to the general ledger.

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## GL Year End Processing

- Copy Company (4.x)
- Print reports and tie totals as needed for journal entries, financial statements, etc.
- Check your settings in 'General Ledger' 'Setup' 'General Ledger Options'
- Copy Company (4.x) again after changes and also backup

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## Miscellaneous

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## Training options

- Document your internal processes.
- Cross-train with everyone having a backup person or role.
- Use us to conduct training or visit [www.sageu.com](http://www.sageu.com) for formal training.

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## Miscellaneous Help on Year End

- Forms website – <https://sage.checks-and-forms.com> or call 877-246-2378
- Use your login into [www.sagemas.com](http://www.sagemas.com), login top right and choose Support
  - select Sage MAS 90 and 200, and scroll down to the bottom of the page for Year End Processing Information

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## Review and new for 2012

- Mas Intelligence module to slowly replace Frx.
- Payroll now has auto earnings codes. EE maint.
- **SAGE ERP MAS 90, 200, AND 200 SQL 4.5**
- COMPELLING VALUE. MORE FLEXIBILITY. INSPIRED BY YOU!
- RELEASE HIGHLIGHTS - TOP TEN REASONS TO UPGRADE TO 4.5
- Use National Account Management features and functionality to streamline your branch and corporate
- customer billing, and sales order processing while
- keeping unique accounts

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## Review and new for 2012

- Efficiently handle increasing complexities of Payroll
- processing with new methods of deduction
- calculations, benefits accruals, and recalculations
- Improve cash flow with streamlined Purchase Orders created from Sales Orders
- Utilize one FREE SageCRM 7.1 user and server license
- to communicate more effectively, collaborate better
- internally, and compete in today's marketplace

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## W-2 / 1099 Assistance

- We can take the entire MAS 90 or 200 W-2 and 1099 processing off your hands.
- We can also order forms for you.
- Or we can simply help you troubleshoot your own processing. (form alignments, etc)
- Contact us very soon with the level of assistance you would like.

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## Software We Provide

- Core software products:
  - Mas 90 and Mas 200 and Mas200 SQL
  - Sage Abra HRMS
  - &/or Abra Payroll
  - Sage FAS Fixed Assets
  - Sage CRM

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## Services We Provide Continued

- Services we provide:
  - Operational support and consulting
  - Technical support and upgrades
  - Integrations and workflow management
  - Training and User Group Meetings
  - Merchant Services (Credit Cards)
  - Payroll Paycards
- Full Out-Sourced payroll through Smith & Company, LLC CPA's.

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Questions?  
User Group Meeting  
Suggestions?

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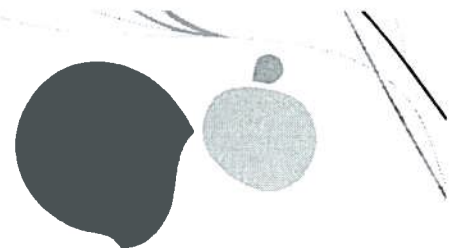
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# Sage ERP MAS 90

# Sage ERP MAS 200



## Payroll Tax Table Update, Electronic Reporting, and Accounts Payable 2011 Year-End Frequently Asked Questions

October 31, 2011

### 1. Do I need to download the 2011 IRD for AP 1099 Reporting?

For AP 1099 Reporting, there are no changes, so no IRD is required. If you performed 1099 reporting last year, using Sage ERP MAS 90 or Sage ERP MAS 200 you should have all the programs you need to process 1099 reporting this year. The following are the minimum versions you must be running for 1099 filings.

- 3.74: must have last year's (2010) year-end IRD installed
- 4.20: must have last year's (2010) year-end IRD installed
- 4.30.0.18: must have last year's (2010) year-end IRD installed
- 4.40.0.1: must have last year's (2010) year-end IRD installed
- 4.45.0.0
- 4.50.0

### 2. Do I need to download the 2011 IRD for Payroll W-2 reporting?

Yes. Customers running Payroll must install the 2011 year-end IRD. The following list contains the minimum versions required. If you are not at least on the minimum version, you must add the required product update to get to the minimum before installing the year-end IRD.

- 3.74: must have last year's (2010) year-end IRD installed
- 4.20: must have last year's (2010) year-end IRD installed
- 4.30.0.18: must have last year's (2010) year-end IRD installed
- 4.40.0.1

Note that PU8 scheduled for release in late December 2011 will include the IRD so customers running version 4.40 can install either the IRD or PU8 but are not required to install both.

### 3. I am running Payroll on Sage ERP MAS 90 or 200 v.4.5. Do I need to download the IRD?

No. All of the program changes included in the IRD are also included in 4.5. However, you will still need to download and install the Q1 2012 Tax Table Update before processing your first payroll for 2012.

### 4. Do I need to download the 2011 IRD if I'm using the Federal and State eFiling and Reporting feature?

Yes, if you choose to use Sage ERP MAS 90 and 200 version 4.3 or 4.4 Federal and State eFiling and Reporting, you will need to apply the IRD.

### 5. When will the year-end Sage ERP MAS 90 and 200 Federal and State eFiling and Reporting updates be available?

On December 20, 2011, you will be able to access Federal and State eFiling and Reporting within the Payroll module to update your W-2s. Also using eFiling and Reporting, you'll be able to update your 1099s for year-end 2012 within the Accounts Payable module. Simply access eFiling and Reporting within Sage ERP MAS 90 and 200 after December 20, and the system will prompt you to apply the online automated update.

Throughout the year, quarterly updates for Federal and State eFiling and Reporting are generally available on the twentieth of the last month of each quarter unless that date falls on a weekend. If it falls on a weekend, they will be made available on the last business date before the twentieth.

**6. When will the year-end Tax Table Update (TTU) and Interim Release Download (IRD) for Sage ERP MAS 90 and 200 be available?**

The Q1 2012 Tax Table Update (frequently referred to as the year-end TTU) and Interim Release Download (IRD) are expected to be available December 20, 2011, for download from [Sage Online, Sage ERP MAS Support section](#); access it by using the "Log On" link in the upper right corner of [www.SageMAS.com](http://www.SageMAS.com). We'll also update the TTU with late-breaking changes as necessary throughout January 2012.

**7. How will the year-end Tax Table Update (TTU) and Interim Release Download (IRD) for Sage ERP MAS 90 and 200 be made available to customers, business partners, or Sage Accountants Network members?**

It will be available as a download from [Sage Online, Sage ERP MAS support section](#); access it by using the upper right corner "Log On" from [www.SageMAS.com](http://www.SageMAS.com). This download will ensure that you will have the most up-to-date tax rates for the new tax year. Since Sage must wait for states to announce tax rate changes before we can create the new tax tables, and legislative tendency is for last-minute changes, we'll also update as necessary through January 2012. Subsequent quarterly TTU releases will be posted in the same location.

**8. I do not have access to the Internet from my Sage ERP MAS 90 or 200 server. How can I obtain the year-end Interim Release Download program update and TTU to install them on my server?**

The programs can be downloaded from any computer with Internet access and copied onto a CD or flash drive, then loaded onto your Sage ERP server.

**9. How can I obtain the TTU or IRD if I do not own a current Sage Business Care plan?**

You must be a customer with a current Sage Business Care plan, a business partner with a current Sage Business Partner agreement, or a Sage Accountants Network member with a current membership agreement in order to access [Sage Online, Sage ERP MAS Support](#). Click there by using the upper-right corner "Log On" from [www.SageMAS.com](http://www.SageMAS.com) and download the TTU or IRD. If your plan or agreement has expired, please contact our Sage Business Care department for customer renewals at 866-709-2432, Business Partner renewals at 800-854-3415, and Sage Accountants Network enrollment at 866-565-2726.

**10. I've never been to [Sage ERP MAS support](#), and I don't know if anyone else from my company has either. What do I do to get a logon and access the information I need?**

If you do not have a current logon to [Sage ERP MAS support](#), go to the following URL and click on the Register Now link: [www.sagesoftwareonline.com/eServices](http://www.sagesoftwareonline.com/eServices). You'll need your Sage account number to register. Please note that to access the support tools of [Sage ERP MAS support](#), you must have a current agreement or subscription plan with Sage. If you have issues with obtaining a logon, please email us at [tools.na@sage.com](mailto:tools.na@sage.com) for assistance.

**11. After I download my TTU and IRD, do I install it on my workstation or on my server?**

It is recommended that you install the TTU and IRD onto your server into the directory where Sage ERP MAS 90 or 200 is installed. For detailed installation instructions, please read the Installation and System Configuration Guide, or contact your Sage ERP MAS 90 and 200 business partner.

**12. We file Local Withholding Tax on our W-2s, and we're using Federal and State eFiling and Reporting. What extra steps do I need to take?**

You will need to download the IRD from [Sage Online](#) before running W-2s. It will be available December 20 as a download from [Sage ERP MAS support](#). Once the IRD is installed, you will need to select the local tax type in tax table maintenance to activate local tax codes to ensure they are available for Federal and State eFiling and Reporting. You will also need to update your Federal and State eFiling and Reporting as described in question 5 above.

**13. What changes were applied to Electronic Reporting?**

W-2 Electronic Reporting has been modified according to the Social Security Administration's (SSA) 2011 Specifications for Filing Forms W-2 Electronically (EFW2). Codes DD and EE for Box 12 have been added. Also added is a field to identify the kind of employer. This field can be populated by selecting from the drop-down box on the Additional Information panel in W-2 Electronic Reporting after installing the 2011 Year-End IRD.

*DD - Health care*

No changes were required for 1099 filings through Electronic Reporting.

### **14. Previously, I've filed employees W-2s through Magnetic Media. Are there any changes?**

The Social Security Administration will not accept W-2 information from employers on any type of magnetic media. Instead, it requires electronic filing of W-2 information. Sage ERP MAS 200 for SQL version 3.74 Magnetic Media module and Sage ERP MAS 90 and 200 versions 4.2, 4.3, and 4.4 Electronic Reporting module will allow you to create an EFW2 format file for uploading to the SSA's website ([www.ssa.gov/employer](http://www.ssa.gov/employer)). The EFW2 file is formatted to the SSA's Electronic Filing specifications provided the applicable IRD has been downloaded from Sage Online and properly installed on your system. The file will be created in directory EFW2/"company code" as file name "W2REPORT.TXT."

Some states may still accept magnetic media filings; please check the information your state has provided to you for its policies. If your state accepts magnetic media filings and uses the Federal EFW2 format, you can use the Electronic Reporting module to create the media for your state filing.

### **15. I was formerly required to file Form 1099s through Magnetic Media but now need to file 1099s through electronic filing using the Internet. What do I need to know?**

To support 1099 electronic filing, you must be running one of the supported versions listed in question 1. If you own the Electronic Reporting module, you can use it to file your 1099s electronically. Alternatively, if you are running Sage ERP MAS 90 or 200 version 4.3 or higher, you can choose to use Sage ERP MAS 90 and 200 Federal and State eFiling and Reporting by selecting "Form 1099 eFiling and Reporting" from the Reports menu in Accounts Payable.

### **16. Where can I find information on how to do year-end processing for any module?**

Year-end processing information, including checklists and the order in which to close modules can be found on [Sage ERP MAS support](#) or using the upper-right corner "logon" from [www.SageMAS.com](http://www.SageMAS.com). After logging on from the link on the top right, select "Support," then under Customer Support, Support Options, and Resources select "Sage ERP MAS 90 and 200." Scroll down to find the Year-End Processing Information 2011. Also, year-end training classes and Self-Study Guides are available. For schedule details or to purchase a Self-Study Guide, visit our website at: [www.SageU.com/ACS](http://www.SageU.com/ACS).

### **17. Where can I purchase W-2 and 1099 forms 100% compatible with my Sage ERP MAS 90 or 200 software?**

The Sage Tax Forms Division provides approved 2011 IRS forms that are the only ones guaranteed to be 100% compatible with Sage ERP MAS 90 and 200. To order forms, go online at <https://sage.checks-and-forms.com> or call 800-538-5514. When ordering year-end forms please make sure to specify if you need e-filing forms or standard Sage ERP MAS forms.

### **18. I have an Extended Solutions enhancement. Will I need to update it after installing the 2011 Interim Release Download?**

Contact your Sage ERP MAS 90 and 200 channel partner for the answer to this question.

### **19. I am using Sage ERP MAS 200 SQL v 4.45 and need to file 1099s. What do I need to do?**

There is no IRD required; all programs necessary for creation of 1099 forms were included in the initial Sage ERP MAS 200 SQL v 4.45 release. To file your 1099 forms, use Sage eFiling and Reporting accessed from the Reports menu in Accounts Payable.

### **20. Does the IRD contain changes to Payroll to support the Cost of Employer-sponsored health coverage reporting?**

Yes. Although reporting this information is not mandatory for employers until filing reports for 2012, the ability to include Code DD on Form W-2 Box 12 is included in this IRD.

### **21. Does the IRD contain changes to Payroll to support Designated Roth Contributions under Governmental Section 457?**

Yes. The ability to include Code EE on Form W-2 Box 12 is included in this IRD.

### **22. I am running Sage ERP MAS 90 or 200 version 4.2 or Sage ERP MAS 200 SQL v 3.74. Is there anything else I need to know regarding Payroll support?**

The Q1 2012 Tax Table Update and Year-End IRD are the last ones that will be available for versions 3.74 and 4.2. You must upgrade to a more current version of software in order to receive future TTUs. Please see the Sage ERP MAS 90 and 200 Supported Versions listing posted on Sage Online. Log onto Sage Software Online, click the link to Sage ERP MAS 90 and 200 Support. In the Compatibility section, click the Support Versions link.

### 23. What is new in eFiling and Reporting this year?

- To make it easier to use and understand the eFiling and Reporting process, the "test drive" feature added last year to allow you to walk through the process of W-2 filing without making any permanent changes or edits has been added for the 1099 process as well.
- The eFiling and Reporting website has text message alerts and customizable calendar reminders.
- New "return later instructions" are available at the end of the W-2 and 1099 process to assist you in reprinting, making corrections, or processing additional copies.
- W-2s now support new Box 12 Codes for DD—Cost of employer-sponsored health coverage and EE—Designated Roth contributions under a governmental section 457(b) plan.
- On the W-3 print program, there is a new drop-down field to identify the kind of employer.

### 24. Will I be required to print my W-3 on the red, preprinted form when using Federal and State eFiling and Reporting?

The Federal W-2s and W-3s are not required to be printed on the official form. We have incorporated an approved substitute that can be printed on plain paper with an inkjet or laser printer. It should not be printed on red paper. You can identify the approved form by looking for the numbers 0000/1048 under "year" on the W-2 form and in the For Official Use Only box on the W-3. These forms are approved for use by the Social Security Administration and conform to the IRS Publication 1141 as required.

	Sage ERP MAS 90 and 200	Sage ERP MAS 90 and 200	Sage ERP MAS 200 SQL	Sage ERP MAS 200 SQL	
<b>Available Programs</b>	4.5	4.2/4.3/4.4 and EES 1.3/1.4	3.74	4.45/4.5	When to Install
<b>1099 printing</b>	Included in original release, no IRD required	No changes required	No changes required	Included in initial release, no IRD required	N/A
<b>W-2 printing</b>	No IRD required	Dec. 20, 2011 IRD	Dec. 20, 2011 IRD	N/A	Prior to creating W-2s for 2011
<b>Electronic Reporting for 1099s</b>	No changes required	No changes required	No changes required	Use eFiling and Reporting powered by Aatrix	Download updates for eFiling and Electronic Reporting prior to creating year-end electronic reporting file
<b>Electronic Reporting for W2s</b>	No IRD required	Dec. 20, 2011 IRD	Dec. 20, 2011 IRD	N/A	Prior to creating W-2s for 2011
<b>Q1-2012 TTUs</b>	Download latest TTU from Sage Online Click on <a href="#">Sage ERP MAS support</a> , or use the upper-right corner "logon" from <a href="#">www.SageMAS.com</a>			N/A	After W-2 forms have been created and the Electronic Reporting file has been completed, and prior to first payroll run for 2012

# **Sage ERP MAS 90 and 200 Fixed Assets 2011.1**

## **What's New**

### **Overview**

Sage ERP MAS 90 and 200 Fixed Assets 2011.1 incorporates tax law changes made during the year including the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 and the Small Business Jobs Act of 2010.

Sage ERP MAS 90 and 200 2011.1 includes:

- Updated Tax Limits
- Updated Tax Forms and Worksheets
- 168 Allowance of 100% for Certain Property
- Extension of Tax Provisions
- Updated Audit Advisor
- Update for Symantec Endpoint Protection

### **Updated Tax Forms and Worksheets**

The IRS Form 4562 – Depreciation and Amortization has been updated for the 2010 tax year.

**To run the tax forms and worksheets:**

1. Calculate depreciation through the end of the fiscal year.
2. Select Tax Forms and Worksheets from the Reports menu.
3. Select the desired tax form or worksheet.
4. Complete the fields on the dialog box, and then click the Execute button.

### **Updated Tax Limits**

#### **Luxury Auto Limits**

The depreciation limits in effect for automobiles placed in service in 2011 are as follows:

**Year 1: \$11,060\***

**Year 2: \$4,900**

**Year 3: \$2,950**

**Year 4: \$1,775**

\* If you elect out of the 168 Allowance for the automobile, the depreciation limitation is \$3,060 for the first year.

#### **Light Trucks and Vans Limits**

The depreciation limits for light trucks and vans placed in service in 2011 are as follows:

**Year 1: \$11,260\***

**Year 2: \$5,200**

What's New in the 2011.1 Sage FAS Tax Update



Year 3: \$3,150

Year 4: \$1,875

\* If you elect out of the 168 Allowance for the truck or van, the depreciation limitation is \$3,260 for the first year.

## Section 179 Updates

The maximum Section 179 limit is \$500,000 for assets placed in service in tax years beginning in 2010 and 2011. In addition, the maximum cost of Section 179 property that can be placed in service in the year before the phase-out begins is \$2,000,000 for tax years beginning in 2010 and 2011.

### Section 179 for Qualified Real Property

For any tax year beginning in 2010 or 2011, you can elect to expense under Section 179 up to \$250,000 of qualified real property purchases. Qualified real property includes:

- Qualified leasehold improvement property
- Qualified restaurant property, and
- Qualified retail improvement property.

### To take Section 179 expense on real property

1. In the Property Type field in Detail View, select a real property type (R, S, C, E, or F).
2. Click in the Section 179/Bonus field, and then click the Down arrow. The §179/Bonus Details dialog box appears.

§179/Bonus Details [Tax]

Enter the amount of §179 deductions you are claiming for this asset. Select a zone type only if the asset is located in a special zone that qualifies for increased expensing.

**Regular §179**

☒ **Qualified §179 Property** What is qualified §179 property?

Classification:

Zone Type:

\$179 Amount:

Pre-ACRS Bonus:

**Other §179 Deductions**

\$179/Other Code:

Codes:

- B - EPA Sulfur Control Requirements
- C - Qualified Refineries
- D - Energy Efficient Commercial Buildings
- E - Advanced Mine Safety Equipment
- O - Other Asset Basis Reduction
- N - Not Applicable

\$179/Other Amount:

Total §179/Bonus:

OK Cancel Help

3. In the Classification field, specify the type of real property (qualified leasehold improvement, qualified restaurant property, or qualified retail improvement).

4. In the §179 Amount field, enter the amount of Section 179 expense you want to take, and then click OK.

**Note:** Off-the-shelf computer software qualifies for the Section 179 expense deduction if it is placed in service before 01/01/2013 (originally set to expire in 2011). To enter off the-shelf computer software, select property type P, a depreciation method of SF or SB, and an estimated life of 3 years.

### **168 Allowance of 100% for Certain Property**

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 extends and temporarily increases the 168 Allowance for investments in new business equipment. For investments placed in service after September 8, 2010 and through December 31, 2011, the act provides for 100 percent bonus depreciation. For investments placed in service after December 31, 2011 and through December 31, 2012, the act provides for 50 percent bonus depreciation.

You can use the 168 Allowance Switch to quickly change the 168 Allowance deduction to 100% for a group of assets.

### **Extension of Tax Provisions**

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 extended several tax provisions that had been set to expire.

#### **Enterprise Zone Property**

The increased Section 179 expense for property located in an Enterprise Zone was extended through 12/31/2011.

#### **Advanced Mine Safety Equipment**

The immediate expensing of Section 179E property, advanced mine safety equipment, has been extended through 12/31/2011.

#### **Indian Reservation Property**

In 1993, Congress created a system whereby qualifying Indian Reservation property must be depreciated over shorter recovery periods than otherwise allowed. This accelerates the allowable depreciation deductions. The Indian Reservation tax provisions have been extended through 12/31/2011.

#### **Leasehold Improvement and Restaurant Property Rules**

Leasehold improvements are permanent betterments made to leased property that is owned by someone else and which will usually revert to the owner at the end of the lease period. Prior to 2004, leasehold improvements were required to be depreciated using the same depreciation method, life, and averaging convention as the underlying property to which they were attached. In 2004, Congress passed legislation that required businesses to depreciate leasehold improvements using the straight-line depreciation method over a 15-year recovery period (9 years for Indian Reservation



property) and apply either a half-year or mid-quarter averaging convention. The legislation relating to leasehold improvements using a shorter recovery period was set to expire for assets placed in service after December 31, 2009.

Qualified restaurant improvement property placed in service from January 1, 2008 through December 31, 2009 also used a 15-year recovery period (9-year Indian Reservation life) and the straight-line depreciation method.

Both the provisions allowing for a shorter life on leasehold improvements and restaurant improvement property have been extended through 12/31/2011.

### **Qualified Retail Improvement Property**

Qualified retail improvement property placed in service from 1/1/09 – 12/31/09 was also allowed a 15-year cost recovery period (9 years if on an Indian Reservation) with a class life of 39 years and was required to use straight-line depreciation. The provisions allowing for a shorter life for qualified retail improvement property have been extended through 12/31/2011.

### **Investment Tax Credit**

The increased rehabilitation credit for qualified expenditures in the Gulf Opportunity Zone was extended for two years (through 12/31/2011). The Gulf Opportunity Zone Act of 2005 increased the rehabilitation credit from 10 percent to 13 percent of qualified expenditures for any qualified rehabilitated building other than a certified historic structure, and from 20 percent to 26 percent of qualified expenditures for any certified historic structure.

The 30% investment tax credit for alternative vehicle refueling property (other than hydrogen refueling property, the credit for which continues under present law through 2014), was extended through 12/31/2011, subject to the pre-2009 maximum credit amounts.

### **Motorsport Complexes**

The special seven year cost recovery period for property used for land improvement and support facilities at motorsports entertainment complexes was extended through 12/31/2011.

### **Updated Audit Advisor**

Audit Advisor helps you locate assets that may not comply with IRS regulations or that may contain incorrect information. When you run Audit Advisor, the system displays a report indicating if any of your assets could be in non-compliance with the IRS regulations. If Audit Advisor finds potential problems with your data, the system creates a group of assets for your review. You can examine each asset in the group and decide if you need to make any changes in the asset data.

We have added two new Audit Advisor validations:

**Increased 168 Allowance % Allowed:** A 168 Allowance deduction of 100% can be taken for assets placed in service from 9/9/2010 through 12/31/2011. Run Audit Advisor to determine if you have elected a 168 Allowance of 50% for assets for which a 168 Allowance of 100% is available.

**Update for Symantec Endpoint Protection**

Some users have reported problems running Sage FAS Asset Accounting along with Symantec Endpoint Protection on computers with 64-bit operating systems. The problem occurs when browsing to save or retrieve files in Sage FAS Asset Accounting using the operating system's file explorer. This occurs due to incompatibility issues with the Symantec Network Access Control 64-bit network provider. To avoid this problem, you should download the latest version of Endpoint Protection (version 11.0.6 or higher) from the Symantec web site.

# Form W-4 (2011)

**Purpose.** Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

**Exemption from withholding.** If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2011 expires February 16, 2012. See Pub. 505, Tax Withholding and Estimated Tax.

**Note.** If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds \$950 and includes more than \$300 of unearned income (for example, interest and dividends).

**Basic instructions.** If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

**Head of household.** Generally, you may claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

**Tax credits.** You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 919, How Do I Adjust My Tax Withholding, for information on converting your other credits into withholding allowances.

**Nonwage income.** If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using

Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 919 to find out if you should adjust your withholding on Form W-4 or W-4P.

**Two earners or multiple jobs.** If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 919 for details.

**Nonresident alien.** If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

**Check your withholding.** After your Form W-4 takes effect, use Pub. 919 to see how the amount you are having withheld compares to your projected total tax for 2011. See Pub. 919, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

## Personal Allowances Worksheet (Keep for your records.)

<b>A</b>	Enter "1" for yourself if no one else can claim you as a dependent . . . . .	<b>A</b> _____					
<b>B</b>	Enter "1" if: <table border="0"><tr><td>• You are single and have only one job; or</td><td rowspan="3">} . . . . .</td><td rowspan="3"><b>B</b> _____</td></tr><tr><td>• You are married, have only one job, and your spouse does not work; or</td></tr><tr><td>• Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.</td></tr></table>	• You are single and have only one job; or	} . . . . .	<b>B</b> _____	• You are married, have only one job, and your spouse does not work; or	• Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.	
• You are single and have only one job; or	} . . . . .	<b>B</b> _____					
• You are married, have only one job, and your spouse does not work; or							
• Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.							
<b>C</b>	Enter "1" for your spouse. But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.) . . . . .	<b>C</b> _____					
<b>D</b>	Enter number of dependents (other than your spouse or yourself) you will claim on your tax return . . . . .	<b>D</b> _____					
<b>E</b>	Enter "1" if you will file as head of household on your tax return (see conditions under Head of household above) . . . . .	<b>E</b> _____					
<b>F</b>	Enter "1" if you have at least \$1,900 of child or dependent care expenses for which you plan to claim a credit . . . . .	<b>F</b> _____					
<b>G</b>	<b>Child Tax Credit</b> (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. • If your total income will be less than \$61,000 (\$90,000 if married), enter "2" for each eligible child; then less "1" if you have three or more eligible children. • If your total income will be between \$61,000 and \$84,000 (\$90,000 and \$119,000 if married), enter "1" for each eligible child plus "1" additional if you have six or more eligible children . . . . .	<b>G</b> _____					
<b>H</b>	Add lines A through G and enter total here. (Note. This may be different from the number of exemptions you claim on your tax return.) ►	<b>H</b> _____					
	For accuracy, complete all worksheets that apply. <table border="0"><tr><td>• If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the <b>Deductions and Adjustments Worksheet</b> on page 2.</td></tr><tr><td>• If you have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed \$40,000 (\$10,000 if married), see the <b>Two-Earners/Multiple Jobs Worksheet</b> on page 2 to avoid having too little tax withheld.</td></tr><tr><td>• If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below.</td></tr></table>	• If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the <b>Deductions and Adjustments Worksheet</b> on page 2.	• If you have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed \$40,000 (\$10,000 if married), see the <b>Two-Earners/Multiple Jobs Worksheet</b> on page 2 to avoid having too little tax withheld.	• If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below.			
• If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the <b>Deductions and Adjustments Worksheet</b> on page 2.							
• If you have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed \$40,000 (\$10,000 if married), see the <b>Two-Earners/Multiple Jobs Worksheet</b> on page 2 to avoid having too little tax withheld.							
• If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below.							

Cut here and give Form W-4 to your employer. Keep the top part for your records.

<b>Form W-4</b> Department of the Treasury Internal Revenue Service		<b>Employee's Withholding Allowance Certificate</b>		OMB No. 1545-0074
		► Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.		<b>2011</b>
1 Type or print your first name and middle initial.		Last name		2 Your social security number
Home address (number and street or rural route)		3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.		
City or town, state, and ZIP code		4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ► <input type="checkbox"/>		
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)		5		
6 Additional amount, if any, you want withheld from each paycheck . . . . .		6		\$
7 I claim exemption from withholding for 2011, and I certify that I meet both of the following conditions for exemption. • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here . . . . .		7		
Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.				
Employee's signature (This form is not valid unless you sign it.) ►		Date ►		
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		9 Office code (optional)		10 Employer identification number (EIN)

**Deductions and Adjustments Worksheet****Note.** Use this worksheet *only* if you plan to itemize deductions or claim certain credits or adjustments to income.

<b>1</b>	Enter an estimate of your 2011 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions . . . . .	<b>1</b>	\$ _____
<b>2</b>	Enter: $\left\{ \begin{array}{l} \$11,600 \text{ if married filing jointly or qualifying widow(er)} \\ \$8,500 \text{ if head of household} \\ \$5,800 \text{ if single or married filing separately} \end{array} \right\}$ . . . . .	<b>2</b>	\$ _____
<b>3</b>	<b>Subtract</b> line 2 from line 1. If zero or less, enter "-0-" . . . . .	<b>3</b>	\$ _____
<b>4</b>	Enter an estimate of your 2011 adjustments to income and any additional standard deduction (see Pub. 919) . . . . .	<b>4</b>	\$ _____
<b>5</b>	<b>Add</b> lines 3 and 4 and enter the total. (Include any amount for credits from the <i>Converting Credits to Withholding Allowances for 2011 Form W-4 Worksheet</i> in Pub. 919.) . . . . .	<b>5</b>	\$ _____
<b>6</b>	Enter an estimate of your 2011 nonwage income (such as dividends or interest) . . . . .	<b>6</b>	\$ _____
<b>7</b>	<b>Subtract</b> line 6 from line 5. If zero or less, enter "-0-" . . . . .	<b>7</b>	\$ _____
<b>8</b>	<b>Divide</b> the amount on line 7 by \$3,700 and enter the result here. Drop any fraction . . . . .	<b>8</b>	_____
<b>9</b>	Enter the number from the <b>Personal Allowances Worksheet</b> , line H, page 1 . . . . .	<b>9</b>	_____
<b>10</b>	<b>Add</b> lines 8 and 9 and enter the total here. If you plan to use the <b>Two-Earners/Multiple Jobs Worksheet</b> , also enter this total on line 1 below. Otherwise, <b>stop here</b> and enter this total on Form W-4, line 5, page 1 . . . . .	<b>10</b>	_____

**Two-Earners/Multiple Jobs Worksheet (See *Two earners or multiple jobs* on page 1.)****Note.** Use this worksheet *only* if the instructions under line H on page 1 direct you here.

<b>1</b>	Enter the number from line H, page 1 (or from line 10 above if you used the <b>Deductions and Adjustments Worksheet</b> ) . . . . .	<b>1</b>	_____
<b>2</b>	Find the number in <b>Table 1</b> below that applies to the <b>LOWEST</b> paying job and enter it here. <b>However</b> , if you are married filing jointly and wages from the highest paying job are \$65,000 or less, do not enter more than "3" . . . . .	<b>2</b>	_____
<b>3</b>	If line 1 is <b>more than or equal to</b> line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and on Form W-4, line 5, page 1. <b>Do not</b> use the rest of this worksheet . . . . .	<b>3</b>	_____

**Note.** If line 1 is **less than** line 2, enter "-0-" on Form W-4, line 5, page 1. Complete lines 4 through 9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.

<b>4</b>	Enter the number from line 2 of this worksheet . . . . .	<b>4</b>	_____
<b>5</b>	Enter the number from line 1 of this worksheet . . . . .	<b>5</b>	_____
<b>6</b>	<b>Subtract</b> line 5 from line 4 . . . . .	<b>6</b>	_____
<b>7</b>	Find the amount in <b>Table 2</b> below that applies to the <b>HIGHEST</b> paying job and enter it here . . . . .	<b>7</b>	\$ _____
<b>8</b>	<b>Multiply</b> line 7 by line 6 and enter the result here. This is the additional annual withholding needed . . . . .	<b>8</b>	\$ _____
<b>9</b>	Divide line 8 by the number of pay periods remaining in 2011. For example, divide by 26 if you are paid every two weeks and you complete this form in December 2010. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck . . . . .	<b>9</b>	\$ _____

**Table 1**

Married Filing Jointly		All Others	
If wages from <b>LOWEST</b> paying job are—	Enter on line 2 above	If wages from <b>LOWEST</b> paying job are—	Enter on line 2 above
\$0 - \$5,000 -	0	\$0 - \$8,000 -	0
5,001 - 12,000 -	1	8,001 - 15,000 -	1
12,001 - 22,000 -	2	15,001 - 25,000 -	2
22,001 - 28,000 -	3	25,001 - 30,000 -	3
28,001 - 30,000 -	4	30,001 - 40,000 -	4
30,001 - 40,000 -	5	40,001 - 50,000 -	5
40,001 - 48,000 -	6	50,001 - 65,000 -	6
48,001 - 55,000 -	7	65,001 - 80,000 -	7
55,001 - 65,000 -	8	80,001 - 95,000 -	8
65,001 - 72,000 -	9	95,001 - 120,000 -	9
72,001 - 85,000 -	10	120,001 and over	10
85,001 - 97,000 -	11		
97,001 - 110,000 -	12		
110,001 - 120,000 -	13		
120,001 - 135,000 -	14		
135,001 and over	15		

**Table 2**

Married Filing Jointly		All Others	
If wages from <b>HIGHEST</b> paying job are—	Enter on line 7 above	If wages from <b>HIGHEST</b> paying job are—	Enter on line 7 above
\$0 - \$65,000	\$560	\$0 - \$35,000	\$560
65,001 - 125,000	930	35,001 - 90,000	930
125,001 - 185,000	1,040	90,001 - 165,000	1,040
185,001 - 335,000	1,220	165,001 - 370,000	1,220
335,001 and over	1,300	370,001 and over	1,300

**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. Failure to provide a properly completed form will result in your being treated as a single person who claims no withholding allowances; providing fraudulent information may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws; and to the Department of Health and Human Services for use in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.





## Employee Withholding Exemption Certificate (L-4)

Louisiana Department of Revenue

**Purpose:** Complete form L-4 so that your employer can withhold the correct amount of state income tax from your salary.

**Instructions:** Employees who are subject to state withholding should complete the personal allowances worksheet indicating the number of withholding personal exemptions in Block A and the number of dependency credits in Block B.

- Employees must file a new withholding exemption certificate within 10 days if the number of their exemptions decreases, except if the change is the result of the death of a spouse or a dependent.
- Employees may file a new certificate any time the number of their exemptions increases.
- Line 8 should be used to increase or decrease the tax withheld for each pay period. Decreases should be indicated as a negative amount.

Penalties will be imposed for willfully supplying false information or willful failure to supply information that would reduce the withholding exemption.

This form must be filed with your employer. If an employee fails to complete this withholding exemption certificate, the employer must withhold Louisiana income tax from the employee's wages without exemption.

**Note to Employer:** Keep this certificate with your records. If you believe that an employee has improperly claimed too many exemptions or dependency credits, please forward a copy of the employee's signed L-4 form with an explanation as to why you believe that the employee improperly completed this form and any other supporting documentation. The information should be sent to the Louisiana Department of Revenue, Criminal Investigations Division, PO Box 2389, Baton Rouge, LA 70821-2389.

**Block A**

- Enter "0" to claim neither yourself nor your spouse, and check "No exemptions or dependents claimed" under number 3 below. You may enter "0" if you are married, and have a working spouse or more than one job to avoid having too little tax withheld.
- Enter "1" to claim yourself, and check "Single" under number 3 below. If you did not claim this exemption in connection with other employment, or if your spouse has not claimed your exemption. Enter "1" to claim one personal exemption if you will file as head of household, and check "Single" under number 3 below.
- Enter "2" to claim yourself and your spouse, and check "Married" under number 3 below.

A.

**Block B**

- Enter the number of dependents, not including yourself or your spouse, whom you will claim on your tax return. If no dependents are claimed, enter "0."

B.

Cut here and give the bottom portion of certificate to your employer. Keep the top portion for your records.

Form **L-4**Louisiana  
Department of  
Revenue**Employee's Withholding Allowance Certificate**

1. Type or print first name and middle initial		Last name	
2. Social Security Number		3. Select one <input type="checkbox"/> No exemptions or dependents claimed <input type="checkbox"/> Single <input type="checkbox"/> Married	
4. Home address (number and street or rural route)			
5. City		State	ZIP
6. Total number of exemptions claimed in Block A			6.
7. Total number of dependents claimed in Block B			7.
8. Increase or decrease in the amount to be withheld each pay period. Decreases should be indicated as a negative amount.			8.

I declare under the penalties imposed for filing false reports that the number of exemptions and dependency credits claimed on this certificate do not exceed the number to which I am entitled.

Employee's signature

Date

The following is to be completed by employer.

9. Employer's name and address	10. Employer's state withholding account number
--------------------------------	---

# INVOICE

Page: 1

Martin and Associates  
10385 Spartan Drive  
Cincinnati, Ohio 45215  
(513) 772-7284

INVOICE NUMBER: 0010137  
ORDER DATE: 11/23/2011

SALESPERSON: DMA  
CUSTOMER NO: RLSJ

Shane Lafitte  
Accounting Systems Consulting  
7330 Fern Avenue  
Suite 202  
Shreveport, LA 71105

SHIP TO:  
Accounting Systems Consulting  
7330 Fern Avenue  
Suite 202  
Shreveport, LA 71105

CUSTOMER P.O.	SHIP VIA	F.O.B.	Current Plan Expiration Date		
			12/31/2011		
ITEM NUMBER	DESCRIPTION		ORDERED	PRICE	EXTENSION
W2SUTEMAINT	W2 Suite Maintenance		1.00	358.00	358.00

End User: Accounting Systems Consulting Group, LLC  
formerly Smith and Company, LLC

Contact: Shane Lafitte  
Version: 4.40  
Email: shane@ascgllc.com

*Sample  
Program for MAS v2  
printing on Black stock.*

Visit us at [www.martinandassoc.com](http://www.martinandassoc.com)

Net Order:	358.00
Less Discount:	0.00
Freight:	0.00
Sales Tax:	0.00
<b>Order Total:</b>	<b>358.00</b>

☐ CORRECTED (if checked)

1 Rents \$	2 Royalties \$	3 Other Income \$
4 Federal Income Tax \$	5 Fishing Boat Proceeds \$	6 Medical and Health Care Payments \$
PAYER'S name, street address, state, ZIP code, and telephone number ABC DISTRIBUTION AND SERVICE CORP. 955 DELMAR STREET SHREVEPORT LA 71106 (318) 213-0375		
PAYER'S federal identification number 20-0667622	RECIPIENT'S identification number 303-54-0251	Account Number <input type="checkbox"/>
RECIPIENT'S name, street address, city, state, and ZIP code ROGER W. LEARNER 7721 24TH STREET SUITE 125 CORONA DEL MAR CA 92626		
7 Nonemployee compensation \$ 10000.00	8 Substitute payments in lieu of dividends or interest \$	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>
10 Crop insurance proceeds \$	11	12
13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	
15a Section 409A deferrals \$	15b Section 409A income \$	
16 State tax withheld \$	17 State/Payer's state no. CA /	18 State income \$

2010 Form 1099-MISC To be filed with recipient's federal income tax return when required.

☐ CORRECTED (if checked)

1 Rents \$	2 Royalties \$	3 Other Income \$
4 Federal Income Tax \$	5 Fishing Boat Proceeds \$	6 Medical and Health Care Payments \$
PAYER'S name, street address, state, ZIP code, and telephone number ABC DISTRIBUTION AND SERVICE CORP. 955 DELMAR STREET SHREVEPORT LA 71106 (318) 213-0375		
PAYER'S federal identification number 20-0667622	RECIPIENT'S identification number 303-54-0251	Account Number <input type="checkbox"/>
RECIPIENT'S name, street address, city, state, and ZIP code ROGER W. LEARNER 7721 24TH STREET SUITE 125 CORONA DEL MAR CA 92626		
7 Nonemployee compensation \$ 10000.00	8 Substitute payments in lieu of dividends or interest \$	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>
10 Crop insurance proceeds \$	11	12
13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	
15a Section 409A deferrals \$	15b Section 409A income \$	
16 State tax withheld \$	17 State/Payer's state no. CA /	18 State income \$

2010 Form 1099-MISC Copy 2 To be filed with recipient's state income tax return, when required.

☐ CORRECTED (if checked)

1 Rents \$	2 Royalties \$	3 Other Income \$
4 Federal Income Tax \$	5 Fishing Boat Proceeds \$	6 Medical and Health Care Payments \$
PAYER'S name, street address, state, ZIP code, and telephone number ABC DISTRIBUTION AND SERVICE CORP. 955 DELMAR STREET SHREVEPORT LA 71106 (318) 213-0375		
PAYER'S federal identification number 20-0667622	RECIPIENT'S identification number 303-54-0251	Account Number <input type="checkbox"/>
RECIPIENT'S name, street address, city, state, and ZIP code ROGER W. LEARNER 7721 24TH STREET SUITE 125 CORONA DEL MAR CA 92626		
7 Nonemployee compensation \$ 10000.00	8 Substitute payments in lieu of dividends or interest \$	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>
10 Crop insurance proceeds \$	11	12
13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	
15a Section 409A deferrals \$	15b Section 409A income \$	
16 State tax withheld \$	17 State/Payer's state no. CA /	18 State income \$

2010 Form 1099-MISC Copy B For Recipient

☐ CORRECTED (if checked)

1 Rents \$	2 Royalties \$	3 Other Income \$
4 Federal Income Tax \$	5 Fishing Boat Proceeds \$	6 Medical and Health Care Payments \$
PAYER'S name, street address, state, ZIP code, and telephone number ABC DISTRIBUTION AND SERVICE CORP. 955 DELMAR STREET SHREVEPORT LA 71106 (318) 213-0375		
PAYER'S federal identification number 20-0667622	RECIPIENT'S identification number 303-54-0251	Account Number <input type="checkbox"/>
RECIPIENT'S name, street address, city, state, and ZIP code ROGER W. LEARNER 7721 24TH STREET SUITE 125 CORONA DEL MAR CA 92626		
7 Nonemployee compensation \$ 10000.00	8 Substitute payments in lieu of dividends or interest \$	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>
10 Crop insurance proceeds \$	11	12
13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	
15a Section 409A deferrals \$	15b Section 409A income \$	
16 State tax withheld \$	17 State/Payer's state no. CA /	18 State income \$

2010 Form 1099-MISC Copy 2 To be filed with recipient's state income tax return, when required.

FED STATE Eff: Program

## 2010 1099-MISC Instructions for Recipient

**Recipient's Identification number.** For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN), or adoption taxpayer identification number (ATIN). However, the issuer has reported your complete identification number to the IRS and, where applicable, to state and/or local governments.

**Account Number.** May show an account or other unique number the payer assigned to distinguish your account.

**Amounts shown may be subject to self-employment (SE) tax.** If your net income from self-employment is \$400 or more, you must file a return and compute your SE tax on Schedule SE (Form 1040). See Pub. 334 for more information. If no income or social security and Medicare taxes were withheld and you are still receiving these payments, see Form 1040-ES. Individuals must report these amounts as explained in the box 7 instructions on this page. Corporations, fiduciaries, or partnerships must report the amounts on the proper line of their tax return.

**Form 1099-MISC Incorrect?** If this form is incorrect or has been issued in error, contact the payer. If you cannot get this form corrected, attach an explanation to your tax return and report your income correctly.

**Boxes 1 and 2.** Report rents from real estate on Schedule E (Form 1040). However, report rents on Schedule C or C-EZ (Form 1040) if you provided significant services to the tenant, sold real estate as a business, rented personal property as a business, or you and your spouse elected to be treated as a qualified joint venture. Report royalties from oil, gas, or mineral properties on Schedule E (Form 1040). However, report payments for a working interest as explained in box 7 instructions. For royalties on timber, coal, and iron ore, see Pub. 544.

**Box 3.** Generally, report this amount on the "Other income" line of Form 1040 and identify the payment. The amount shown may be payments received as the beneficiary of a deceased employee, prizes, awards, taxable damages, Indian gaming profits, or other taxable income. See Pub. 525. If it is trade or business income, report this amount on Schedule C, C-EZ, or F (Form 1040).

**Box 4.** Shows backup withholding or withholding on Indian gaming profits. Generally, a payer must backup withhold at a 28% rate if you did not furnish your taxpayer identification number. See Form W-9 and Pub. 505 for more information. Report this amount on your income tax return as tax withheld.

**Box 5.** An amount in this box means the fishing boat operator considers you self-employed. Report this amount on Schedule C or C-EZ (Form 1040). See Pub. 334.

**Box 6.** For individuals, report on Schedule C or C-EZ (Form 1040).

**Box 7.** Shows nonemployee compensation. If you are in the trade or business of catching fish, box 7 may show cash you received for the sale of fish. If payments in this box are SE income, report this amount on Schedule C, C-EZ, or F (Form 1040), and complete Schedule SE (Form 1040). You received this form instead of Form W-2 because the payer did not consider you an employee and did not withhold income tax or social security and Medicare tax. If you believe you are an employee and cannot get the payer to correct this form, report the amount from box 7 on Form 1040, line 7 (or Form 1040NR, line 8). You must also complete Form 8919 and attach it to your return.

**Box 8.** Shows substitute payments in lieu of dividends or tax-exempt interest received by your broker on your behalf as a result of a loan of your securities. Report on the "Other income" line of Form 1040.

**Box 9.** If checked, \$5,000 or more in sales of consumer products was paid to you on a buy-sell, deposit-commission, or other basis. A dollar amount does not have to be shown. Generally, report any income from your sale of these products on Schedule C or C-EZ (Form 1040).

**Box 10.** Report this amount on line 8 of Schedule F (Form 1040).

**Box 13.** Shows your total compensation of excess golden parachute payments subject to a 20% excise tax. See the Form 1040 instructions for where to report.

**Box 14.** Shows gross proceeds paid to an attorney in connection with legal services. Report only the taxable part as income on your return.

**Box 15a.** May show current year deferrals as a nonemployee under a nonqualified deferred compensation (NQDC) plan that is subject to the requirements of section 409A, plus any earnings on current and prior year deferrals.

**Box 15b.** Shows income as a nonemployee under an NQDC plan that does not meet the requirements of section 409A. This amount is also included in box 7 as nonemployee compensation. Any amount included in box 15a that is currently taxable is also included in this box. This income is also subject to a substantial additional tax to be reported on Form 1040. See "Total Tax" in the Form 1040 instructions.

**Box 16-18.** Shows state or local income tax withheld from the payments.



*FILED & SOHAP OF Reporting Black stock 4-up  
+ instruction*

a Employee's SSN 239-98-5463		1 Wages, tips, other compensation 488.00		2 Federal income tax withheld	
OMB No. 1545-0008		3 Social security wages 488.00		4 Social security tax withheld 30.26	
b Employer identification number 20-0667622		5 Medicare wages and tips 488.00		6 Medicare tax withheld 7.08	
c Employer's name, address, and ZIP code ABC Distribution and Service Corp. 955 Delmar Street Shreveport LA 71106					
e Employee's first name and initial HARVEY		Last name ALLENDAR		Suff.	
1 main MILWAUKEE WI 53151					
f Employee's address and Zip code					
d Control number		7 Social security tips		8 Allocated tips	
9 Advance EIC payment		10 Dependent care benefits		11 Nonqualified plans	
12a		14 Other			
12b					
12c					
12d					
13 Statutory employee <input type="checkbox"/>		Retirement plan <input type="checkbox"/>		Third-party sick pay <input type="checkbox"/>	
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax	
18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Form **W-2** Wage and Tax Statement **2010** Department of Treasury-Internal Revenue Service  
Copy B - To Be Filed With Employee's FEDERAL Tax Return.

a Employee's SSN 239-98-5463		1 Wages, tips, other compensation 488.00		2 Federal income tax withheld	
OMB No. 1545-0008		3 Social security wages 488.00		4 Social security tax withheld 30.26	
b Employer identification number 20-0667622		5 Medicare wages and tips 488.00		6 Medicare tax withheld 7.08	
c Employer's name, address, and ZIP code ABC Distribution and Service Corp. 955 Delmar Street Shreveport LA 71106					
e Employee's first name and initial HARVEY		Last name ALLENDAR		Suff.	
1 main MILWAUKEE WI 53151					
f Employee's address and Zip code					
d Control number		7 Social security tips		8 Allocated tips	
9 Advance EIC payment		10 Dependent care benefits		11 Nonqualified plans	
12a		14 Other			
12b					
12c					
12d					
13 Statutory employee <input type="checkbox"/>		Retirement plan <input type="checkbox"/>		Third-party sick pay <input type="checkbox"/>	
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax	
18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Form **W-2** Wage and Tax Statement **2010** Department of Treasury-Internal Revenue Service  
Copy 2 - To Be Filed With Employee's State, City, or Local Income Tax Return.

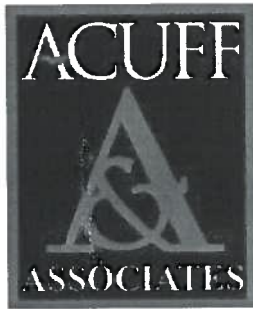
a Employee's SSN 239-98-5463		1 Wages, tips, other compensation 488.00		2 Federal income tax withheld	
OMB No. 1545-0008		3 Social security wages 488.00		4 Social security tax withheld 30.26	
b Employer identification number 20-0667622		5 Medicare wages and tips 488.00		6 Medicare tax withheld 7.08	
c Employer's name, address, and ZIP code ABC Distribution and Service Corp. 955 Delmar Street Shreveport LA 71106					
e Employee's first name and initial HARVEY		Last name ALLENDAR		Suff.	
1 main MILWAUKEE WI 53151					
f Employee's address and Zip code					
d Control number		7 Social security tips		8 Allocated tips	
9 Advance EIC payment		10 Dependent care benefits		11 Nonqualified plans	
12a		14 Other			
12b					
12c					
12d					
13 Statutory employee <input type="checkbox"/>		Retirement plan <input type="checkbox"/>		Third-party sick pay <input type="checkbox"/>	
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax	
18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Form **W-2** Wage and Tax Statement **2010** Copy C - For EMPLOYEE'S RECORDS.

This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.

a Employee's SSN 239-98-5463		1 Wages, tips, other compensation 488.00		2 Federal income tax withheld	
OMB No. 1545-0008		3 Social security wages 488.00		4 Social security tax withheld 30.26	
b Employer identification number 20-0667622		5 Medicare wages and tips 488.00		6 Medicare tax withheld 7.08	
c Employer's name, address, and ZIP code ABC Distribution and Service Corp. 955 Delmar Street Shreveport LA 71106					
e Employee's first name and initial HARVEY		Last name ALLENDAR		Suff.	
1 main MILWAUKEE WI 53151					
f Employee's address and Zip code					
d Control number		7 Social security tips		8 Allocated tips	
9 Advance EIC payment		10 Dependent care benefits		11 Nonqualified plans	
12a		14 Other			
12b					
12c					
12d					
13 Statutory employee <input type="checkbox"/>		Retirement plan <input type="checkbox"/>		Third-party sick pay <input type="checkbox"/>	
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax	
18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Form **W-2** Wage and Tax Statement **2010** Department of Treasury-Internal Revenue Service  
Copy 2 - To Be Filed With Employee's State, City, or Local Income Tax Return.



## Pension Plan Limitations for 2012

10/20/11

On October 20, 2011, the Internal Revenue Service announced cost of living adjustments affecting dollar limitations for pension plans and other retirement-related items for Tax Year 2012. In general, many of the pension plan limitations will change for 2012 because the increase in the cost-of-living index met the statutory thresholds that trigger their adjustment. However, other limitations will remain unchanged.

- The elective deferral (contribution) limit for employees who participate in 401k, 403(b), most 457 plans, and the federal government's Thrift Savings Plan is increased from \$16,500 to \$17,000.
- The catch-up contribution limit for those aged 50 and over remains unchanged at \$5,500.
- The deduction for taxpayers making contributions to a traditional IRA is phased out for singles and heads of household who are covered by a workplace retirement plan and have modified adjusted gross incomes (AGI) between \$58,000 and \$68,000, up from \$56,000 and \$66,000 in 2011. For married couples filing jointly, in which the spouse who makes the IRA contribution is covered by a workplace retirement plan, the income phase-out range is \$92,000 to \$112,000, up from \$90,000 to \$110,000. For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the deduction is phased out if the couple's income is between \$173,000 and \$183,000, up from \$169,000 and \$179,000.
- The AGI phase-out range for taxpayers making contributions to a Roth IRA is \$173,000 to \$183,000 for married couples filing jointly, up from \$169,000 to \$179,000 in 2011. For singles and heads of household, the income phase-out range is \$110,000 to \$125,000, up from \$107,000 to \$122,000. For a married individual filing a separate return who is covered by a retirement plan at work, the phase-out range remains \$0 to \$10,000.
- The AGI limit for the saver's credit (also known as the retirement savings contributions credit) for low-and moderate-income workers is \$57,500 for married couples filing jointly, up from \$56,500 in 2011; \$43,125 for heads of household, up from \$42,375; and \$28,750 for married individuals filing separately and for singles, up from \$28,250.

**Below are details on both the unchanged and adjusted limitations for 2012.**

Section 415 of the Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans. Section 415(d) requires that the Commissioner annually adjust these limits for cost of living increases. Other limitations applicable to deferred compensation plans are also affected by these adjustments under Section 415. Under Section 415(d), the adjustments are to be made pursuant to adjustment procedures which are similar to those used to adjust benefit amounts under Section 215(i)(2)(A) of the Social Security Act.

The limitations that are adjusted by reference to Section 415(d) generally will change for 2012 because the increase in the cost-of-living index met the statutory thresholds that trigger their adjustment. For example, the limitation under Section 402(g)(1) on the exclusion for elective deferrals described in Section 402(g)(3) will increase from \$16,500 to \$17,000 for 2012. This limitation affects elective deferrals to Section 401k plans, Section 403(b) plans, and the Federal Government's Thrift Savings Plan.

Effective January 1, 2012, the limitation on the annual benefit under a defined benefit plan under section 415(b)(1)(A) is increased from \$195,000 to \$200,000.

Under section 1.415(d)-1(a)(2)(ii) of the Income Tax Regulations, the adjustment to the limitation under a defined benefit plan under section 415(b)(1)(B) is determined using a special rule. This special rule takes into account the following recent history of changes in the cost-of-living indexes: (1) the cost-of-living index for the quarter ended September 30, 2009, was less than the cost-of-living index for the quarter ended September 30, 2008; (2) the cost-of-living index for the quarter ended September 30, 2010, was greater than the cost-of-living index for the quarter ended September 30, 2009, but less than the cost-of-living index for the quarter ended September 30, 2008; and (3) the cost-of-living index for the quarter ended September 30, 2011, was greater than the cost-of-living indexes for all prior periods.

For a participant who separated from service before January 1, 2010, the limitation under a defined benefit plan under Section 415(b)(1)(B) for 2012 is computed by multiplying the participant's 2011 compensation limitation by 1.0327 in order

to reflect changes in the cost-of-living index from the quarter ended September 30, 2008, to the quarter ended September 30, 2011. For a participant who separated from service during 2010 or 2011, the limitation under a defined benefit plan under Section 415(b)(1)(B) for 2012 is computed by multiplying the participant's 2011 compensation limitation by 1.0376 in order to reflect changes in the cost-of-living index from the quarter ended September 30, 2010, to the quarter ended September 30, 2011.

The limitation for defined contribution plans under Section 415(c)(1)(A) is increased in 2012 from \$49,000 to \$50,000.

The Code provides that various other dollar amounts are to be adjusted at the same time and in the same manner as the dollar limitation of Section 415(b)(1)(A). After taking into account the applicable rounding rules, the amounts for 2012 are as follows:

The limitation under Section 402(g)(1) on the exclusion for elective deferrals described in Section 402(g)(3) is increased from \$16,500 to \$17,000.

The annual compensation limit under Sections 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii) is increased from \$245,000 to \$250,000.

The dollar limitation under Section 416(i)(1)(A)(i) concerning the definition of key employee in a top-heavy plan is increased from \$160,000 to \$165,000.

The dollar amount under Section 409(o)(1)(C)(ii) for determining the maximum account balance in an employee stock ownership plan subject to a 5 year distribution period is increased from \$985,000 to \$1,015,000, while the dollar amount used to determine the lengthening of the 5 year distribution period is increased from \$195,000 to \$200,000.

The limitation used in the definition of highly compensated employee under Section 414(q)(1)(B) is increased from \$110,000 to \$115,000.

The dollar limitation under Section 414(v)(2)(B)(i) for catch-up contributions to an applicable employer plan other than a plan described in Section 401(k)(11) or Section 408(p) for individuals aged 50 or over remains unchanged at \$5,500. The dollar limitation under Section 414(v)(2)(B)(ii) for catch-up contributions to an applicable employer plan described in Section 401(k)(11) or Section 408(p) for individuals aged 50 or over remains unchanged at \$2,500.

The annual compensation limitation under Section 401(a)(17) for eligible participants in certain governmental plans that, under the plan as in effect on July 1, 1993, allowed cost of living adjustments to the compensation limitation under the plan under Section 401(a)(17) to be taken into account, is increased from \$360,000 to \$375,000.

The compensation amount under Section 408(k)(2)(C) regarding simplified employee pensions (SEPs) remains unchanged at \$550.

The limitation under Section 408(p)(2)(E) regarding SIMPLE retirement accounts remains unchanged at \$11,500.

The limitation on deferrals under Section 457(e)(15) concerning deferred compensation plans of state and local governments and tax-exempt organizations is increased from \$16,500 to \$17,000.

The compensation amounts under Section 1.61 21(f)(5)(i) of the Income Tax Regulations concerning the definition of "control employee" for fringe benefit valuation purposes is increased from \$95,000 to \$100,000. The compensation amount under Section 1.61 21(f)(5)(iii) is increased from \$195,000 to \$205,000.

The Code also provides that several pension-related amounts are to be adjusted using the cost-of-living adjustment under Section 1(f)(3). After taking the applicable rounding rules into account, the amounts for 2012 are as follows:

The adjusted gross income limitation under Section 25B(b)(1)(A) for determining the retirement savings contribution credit for married taxpayers filing a joint return is increased from \$34,000 to \$34,500; the limitation under Section 25B(b)(1)(B) is increased from \$36,500 to \$37,500; and the limitation under Sections 25B(b)(1)(C) and 25B(b)(1)(D), is increased from \$56,500 to \$57,500.

The adjusted gross income limitation under Section 25B(b)(1)(A) for determining the retirement savings contribution credit for taxpayers filing as head of household is increased from \$25,500 to \$25,875; the limitation under Section 25B(b)(1)(B) is increased from \$27,375 to \$28,125; and the limitation under Sections 25B(b)(1)(C) and 25B(b)(1)(D), is increased from \$42,375 to \$43,125.

The adjusted gross income limitation under Section 25B(b)(1)(A) for determining the retirement savings contribution credit for all other taxpayers is increased from \$17,000 to \$17,250; the limitation under Section 25B(b)(1)(B) is increased from \$18,250 to \$18,750; and the limitation under Sections 25B(b)(1)(C) and 25B(b)(1)(D), is increased from \$28,250 to \$28,750.

The deductible amount under § 219(b)(5)(A) for an individual making qualified retirement contributions remains unchanged at \$5,000.

The applicable dollar amount under Section 219(g)(3)(B)(i) for determining the deductible amount of an IRA contribution for taxpayers who are active participants filing a joint return or as a qualifying widow(er) is increased from \$90,000 to \$92,000. The applicable dollar amount under Section 219(g)(3)(B)(ii) for all other taxpayers (other than married taxpayers filing separate returns) is increased from \$56,000 to \$58,000. The applicable dollar amount under Section 219(g)(7)(A) for a taxpayer who is not an active participant but whose spouse is an active participant is increased from \$169,000 to \$173,000.

The adjusted gross income limitation under Section 408A(c)(3)(C)(ii)(I) for determining the maximum Roth IRA contribution for married taxpayers filing a joint return or for taxpayers filing as a qualifying widow(er) is increased from \$169,000 to \$173,000. The adjusted gross income limitation under Section 408A(c)(3)(C)(ii)(II) for all other taxpayers (other than married taxpayers filing separate returns) is increased from \$107,000 to \$110,000.

The dollar amount under Section 430(c)(7)(D)(i)(II) used to determine excess employee compensation with respect to a single-employer defined benefit pension plan for which the special election under section 430(c)(2)(D) has been made is increased from \$1,014,000 to \$1,039,000.

<b>401k Plan Limits for Plan Year</b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
401k Elective Deferrals	\$17,000	\$16,500	\$16,500	\$16,500	\$15,500	\$15,500	\$15,000
Annual Defined Contribution Limit	\$50,000	\$49,000	\$49,000	\$49,000	\$46,000	\$45,000	\$44,000
Annual Compensation Limit	\$250,000	\$245,000	\$245,000	\$245,000	\$230,000	\$225,000	\$220,000
Catch-Up Contribution Limit	\$5,500	\$5,500	\$5,500	\$5,500	\$5,000	\$5,000	\$5,000
Highly Compensated Employees	\$115,000	\$110,000	\$110,000	\$110,000	\$105,000	\$100,000	\$100,000
<b>Non-401k Related Limits</b>							
403(b)/457 Elective Deferrals	\$17,000	\$16,500	\$16,500	\$16,500	\$15,500	\$15,500	\$15,000
SIMPLE Employee Deferrals	\$11,500	\$11,500	\$11,500	\$11,500	\$10,500	\$10,500	\$10,000
SIMPLE Catch-Up Deferral	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
SEP Minimum Compensation	\$550	\$550	\$550	\$550	\$500	\$500	\$450
SEP Annual Compensation Limit	\$250,000	\$245,000	\$245,000	\$245,000	\$230,000	\$225,000	\$220,000
Social Security Wage Base	\$110,100	\$106,800	\$106,800	\$106,800	\$102,000	\$97,500	\$94,200





**Payroll Tax Cut to Boost Take-Home Pay for Most Workers; New Withholding Details Now Available on IRS.gov**

IR-2010-124, Dec. 17, 2010

WASHINGTON — The Internal Revenue Service today released instructions to help employers implement the 2011 cut in payroll taxes, along with new income-tax withholding tables that employers will use during 2011.

Millions of workers will see their take-home pay rise during 2011 because the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 provides a two percentage point payroll tax cut for employees, reducing their Social Security tax withholding rate from 6.2 percent to 4.2 percent of wages paid. This reduced Social Security withholding will have no effect on the employee's future Social Security benefits.

The new law also maintains the income-tax rates that have been in effect in recent years.

Employers should start using the new withholding tables and reducing the amount of Social Security tax withheld as soon as possible in 2011 but not later than Jan. 31, 2011. Notice 1036, released today, contains the percentage method income tax withholding tables, the lower Social Security withholding rate, and related information that most employers need to implement these changes. Publication 15, (Circular E), Employer's Tax Guide, containing the extensive wage bracket tables that some employers use, will be available on IRS.gov in a few days.

The IRS recognizes that the late enactment of these changes makes it difficult for many employers to quickly update their withholding systems. For that reason, the agency asks employers to adjust their payroll systems as soon as possible, but not later than Jan. 31, 2011.

For any Social Security tax over withheld during January, employers should make an offsetting adjustment in workers' pay as soon as possible but not later than March 31, 2011.

Employers and payroll companies will handle the withholding changes, so workers typically won't need to take any additional action, such as filling out a new W-4 withholding form.

As always, however, the IRS urges workers to review their withholding every year and, if necessary, fill out a new W-4 and give it to their employer. For example, individuals and couples with multiple jobs, people who are having children, getting married, getting divorced or buying a home, and those who typically wind up with a balance due or large refund at the end of the year may want to consider submitting revised W-4 forms. Publication 919, How Do I Adjust My Tax Withholding?, provides more information to workers on making changes to their tax withholding.

[Subscribe to IRS Newswire](#)

Page Last Reviewed or Updated: December 17, 2010

Employee FICA @ 4.2% for all of 2011  
Employer FICA @ .6% for second 1/2 of 2011

December 05, 2011 User Group Meeting  
Miscellaneous notes:

Excerpt from IRS website:

### **Employer-Provided Health Coverage — Not Taxable; Reporting is Voluntary for All Employers for 2011 and Small Employers for 2012**

Starting in tax year 2011, the Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. To give employers more time to update their payroll systems, Notice 2010-69, issued last fall, made this requirement optional for all employers in 2011. IRS Notice 2011-28 provided further relief for smaller employers filing fewer than 250 W-2 forms by making the reporting requirement optional for them at least for 2012 and continuing this optional treatment for smaller employers until further guidance is issued. Notice 2011-28 also includes information on how to report, what coverage to include and how to determine the cost of the coverage.

The 2011 Form W-2 is available for viewing on IRS.gov. This is the W-2 that most employees will receive in early 2012. The form includes the codes that employers may use to report the cost of coverage under an employer-sponsored group health plan.

This reporting is for informational purposes only, to show employees the value of their health care benefits so they can be more informed consumers. The amount reported does not affect tax liability, as the value of the employer contribution to health coverage continues to be excludible from an employee's income, and it is not taxable.

For more information, see the 2011 [Form W-2](#), [IR-2011-31](#), [Notice 2010-69](#), [Notice 2011-28](#), [frequently asked questions](#) and our multimedia products —an [IRS YouTube video](#) and a [webinar](#), [Reporting of Employer Healthcare Coverage on Form W-2](#).

## ***IRS Announces Pension Plan Limitations for 2012***

IR-2011-103, Oct. 20, 2011

WASHINGTON — The Internal Revenue Service today announced cost of living adjustments affecting dollar limitations for pension plans and other retirement-related items for Tax Year 2012. In general, many of the pension plan limitations will change for 2012 because the increase in the cost-of-living index met the statutory thresholds that trigger their adjustment. However, other limitations will remain unchanged. Highlights include:

- The elective deferral (contribution) limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is increased from \$16,500 to \$17,000.
  - The catch-up contribution limit for those aged 50 and over remains unchanged at \$5,500.
- The deduction for taxpayers making contributions to a traditional IRA is phased out for singles and heads of household who are covered by a workplace retirement plan and have modified adjusted gross incomes (AGI) between \$58,000 and \$68,000, up from \$56,000 and \$66,000 in 2011. For married couples filing jointly, in which the spouse who makes the IRA contribution is covered by a workplace retirement plan, the income phase-out range is \$92,000 to \$112,000, up from \$90,000 to \$110,000. For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the deduction is phased out if the couple's income is between \$173,000 and \$183,000, up from \$169,000 and \$179,000.
- The AGI phase-out range for taxpayers making contributions to a Roth IRA is \$173,000 to \$183,000 for

married couples filing jointly, up from \$169,000 to \$179,000 in 2011. For singles and heads of household, the income phase-out range is \$110,000 to \$125,000, up from \$107,000 to \$122,000. For a married individual filing a separate return who is covered by a retirement plan at work, the phase-out range remains \$0 to \$10,000.

- The AGI limit for the saver's credit (also known as the retirement savings contributions credit) for low-and moderate-income workers is \$57,500 for married couples filing jointly, up from \$56,500 in 2011; \$43,125 for heads of household, up from \$42,375; and \$28,750 for married individuals filing separately and for singles, up from \$28,250.

Below are details on both the unchanged and adjusted limitations.

Section 415 of the Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans. Section 415(d) requires that the Commissioner annually adjust these limits for cost of living increases. Other limitations applicable to deferred compensation plans are also affected by these adjustments under Section 415. Under Section 415(d), the adjustments are to be made pursuant to adjustment procedures which are similar to those used to adjust benefit amounts under Section 215(i)(2)(A) of the Social Security Act.

The limitations that are adjusted by reference to Section 415(d) generally will change for 2012 because the increase in the cost-of-living index met the statutory thresholds that trigger their adjustment. For example, the limitation under Section 402(g)(1) on the exclusion for elective deferrals described in Section 402(g)(3) will increase from \$16,500 to \$17,000 for 2012. This limitation affects elective deferrals to Section 401(k) plans, Section 403(b) plans, and the Federal Government's Thrift Savings Plan.

Effective January 1, 2012, the limitation on the annual benefit under a defined benefit plan under section 415(b)(1)(A) is increased from \$195,000 to \$200,000.

Under section 1.415(d)-1(a)(2)(ii) of the Income Tax Regulations, the adjustment to the limitation under a defined benefit plan under section 415(b)(1)(B) is determined using a special rule. This special rule takes into account the following recent history of changes in the cost-of-living indexes: (1) the cost-of-living index for the quarter ended September 30, 2009, was less than the cost-of-living index for the quarter ended September 30, 2008; (2) the cost-of-living index for the quarter ended September 30, 2010, was greater than the cost-of-living index for the quarter ended September 30, 2009, but less than the cost-of-living index for the quarter ended September 30, 2008; and (3) the cost-of-living index for the quarter ended September 30, 2011, was greater than the cost-of-living indexes for all prior periods.

For a participant who separated from service before January 1, 2010, the limitation under a defined benefit plan under Section 415(b)(1)(B) for 2012 is computed by multiplying the participant's 2011 compensation limitation by 1.0327 in order to reflect changes in the cost-of-living index from the quarter ended September 30, 2008, to the quarter ended September 30, 2011. For a participant who separated from service during 2010 or 2011, the limitation under a defined benefit plan under Section 415(b)(1)(B) for 2012 is computed by multiplying the participant's 2011 compensation limitation by 1.0376 in order to reflect changes in the cost-of-living index from the quarter ended September 30, 2010, to the quarter ended September 30, 2011.

The limitation for defined contribution plans under Section 415(c)(1)(A) is increased in 2012 from \$49,000 to \$50,000.

The Code provides that various other dollar amounts are to be adjusted at the same time and in the same manner as the dollar limitation of Section 415(b)(1)(A). After taking into account the applicable rounding rules, the amounts for 2012 are as follows:

The limitation under Section 402(g)(1) on the exclusion for elective deferrals described in Section 402(g)(3) is increased from \$16,500 to \$17,000.

The annual compensation limit under Sections 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii) is increased from \$245,000 to \$250,000.

The dollar limitation under Section 416(i)(1)(A)(i) concerning the definition of key employee in a top-heavy plan is increased from \$160,000 to \$165,000.

The dollar amount under Section 409(o)(1)(C)(ii) for determining the maximum account balance in an employee stock ownership plan subject to a 5 year distribution period is increased from \$985,000 to \$1,015,000, while the dollar amount used to determine the lengthening of the 5 year distribution period is increased from \$195,000 to \$200,000.

The limitation used in the definition of highly compensated employee under Section 414(q)(1)(B) is increased from \$110,000 to \$115,000.

The dollar limitation under Section 414(v)(2)(B)(i) for catch-up contributions to an applicable employer plan other than a plan described in Section 401(k)(11) or Section 408(p) for individuals aged 50 or over remains unchanged at \$5,500. The dollar limitation under Section 414(v)(2)(B)(ii) for catch-up contributions to an applicable employer plan described in Section 401(k)(11) or Section 408(p) for individuals aged 50 or over remains unchanged at \$2,500.

The annual compensation limitation under Section 401(a)(17) for eligible participants in certain governmental plans that, under the plan as in effect on July 1, 1993, allowed cost of living adjustments to the compensation limitation under the plan under Section 401(a)(17) to be taken into account, is increased from \$360,000 to \$375,000.

The compensation amount under Section 408(k)(2)(C) regarding simplified employee pensions (SEPs) remains unchanged at \$550.

The limitation under Section 408(p)(2)(E) regarding SIMPLE retirement accounts remains unchanged at \$11,500.

The limitation on deferrals under Section 457(e)(15) concerning deferred compensation plans of state and local governments and tax-exempt organizations is increased from \$16,500 to \$17,000.

The compensation amounts under Section 1.61 21(f)(5)(i) of the Income Tax Regulations concerning the definition of "control employee" for fringe benefit valuation purposes is increased from \$95,000 to \$100,000. The compensation amount under Section 1.61 21(f)(5)(iii) is increased from \$195,000 to \$205,000.

The Code also provides that several pension-related amounts are to be adjusted using the cost-of-living adjustment under Section 1(f)(3). After taking the applicable rounding rules into account, the amounts for 2012 are as follows:

The adjusted gross income limitation under Section 25B(b)(1)(A) for determining the retirement savings contribution credit for married taxpayers filing a joint return is increased from \$34,000 to \$34,500; the limitation under Section 25B(b)(1)(B) is increased from \$36,500 to \$37,500; and the limitation under Sections 25B(b)(1)(C) and 25B(b)(1)(D), is increased from \$56,500 to \$57,500.

The adjusted gross income limitation under Section 25B(b)(1)(A) for determining the retirement savings contribution credit for taxpayers filing as head of household is increased from \$25,500 to \$25,875; the limitation under Section 25B(b)(1)(B) is increased from \$27,375 to \$28,125; and the limitation under Sections 25B(b)(1)(C) and 25B(b)(1)(D), is increased from \$42,375 to \$43,125.

The adjusted gross income limitation under Section 25B(b)(1)(A) for determining the retirement savings contribution credit for all other taxpayers is increased from \$17,000 to \$17,250; the limitation under Section 25B(b)(1)(B) is increased from \$18,250 to \$18,750; and the limitation under Sections 25B(b)(1)(C) and 25B(b)(1)(D), is increased from \$28,250 to \$28,750.

The deductible amount under § 219(b)(5)(A) for an individual making qualified retirement contributions remains unchanged at \$5,000.

The applicable dollar amount under Section 219(g)(3)(B)(i) for determining the deductible amount of an IRA contribution for taxpayers who are active participants filing a joint return or as a qualifying widow(er) is increased from \$90,000 to \$92,000. The applicable dollar amount under Section 219(g)(3)(B)(ii) for all other taxpayers (other than married taxpayers filing separate returns) is increased from \$56,000 to \$58,000. The applicable dollar amount under Section 219(g)(7)(A) for a taxpayer who is not an active participant but whose spouse is an active participant is increased from \$169,000 to \$173,000.



The adjusted gross income limitation under Section 408A(c)(3)(C)(ii)(I) for determining the maximum Roth IRA contribution for married taxpayers filing a joint return or for taxpayers filing as a qualifying widow(er) is increased from \$169,000 to \$173,000. The adjusted gross income limitation under Section 408A(c)(3)(C)(ii)(II) for all other taxpayers (other than married taxpayers filing separate returns) is increased from \$107,000 to \$110,000.

The dollar amount under Section 430(c)(7)(D)(i)(II) used to determine excess employee compensation with respect to a single-employer defined benefit pension plan for which the special election under section 430(c)(2)(D) has been made is increased from \$1,014,000 to \$1,039,000.

From Social Security Administration's website:

**Electronically filed W-2's:**

**BEGINNING DECEMBER 05, 2011**

Business Services Online will begin accepting Tax Year 2011 submissions on December 05, 2011.

**Business Services Online may experience delays in processing submissions due to high submission volume.** Please check the Business Services Online Internet Web site for updated information regarding potential delays in processing your submission.

**MARCH 31, 2011**

The Internal Revenue Service will consider electronic annual wage reports for Tax Year 2011 to be late if they are submitted after March 31, 2012.

**From the IRS W-2 instructions for 2011:**

**New box 12 codes:**

**Code DD: Cost of Employer Sponsored Health Coverage**

**Code EE: Designated Roth Contributions under a Government section 457(b) plan.**

**For those that use Abra Payroll-this is only pertaining to IRS limit changes:**

**Order of operations:**

**After last payroll, install tax table and apply legislative updates.**

**Determine which mass update fields for existing employees need to be run, example limit on 401(K) and max earnings. Run these updates (call us or support).**

**Trial quarter close**

**Balance all reports.**