

2019 Year-End Update and Payroll Tax

Tables FAQs

Updated 12/17/2019

Q1: Do I need to have my payroll year-end wage file created before processing 2020 checks?

A1: No.

- You can process 2020 checks without doing anything for 2019 payroll year-end. Be sure your GP Date in lower left-hand corner is a date within the same year that your checks will be dated, while you Build, Calculate, Print, and Post Payroll checks. The GP User Date can be changed in >Microsoft Dynamics GP >User Date, or down in the bottom of the Microsoft Dynamics GP window, click on the date that displays next to your user name. This affects the year that Summary tables are updated for.

Q2: Do I need to have my ACA 1095C reports complete for 2019 prior to processing 2020 checks?

A2: No.

- You can process 2020 payroll checks without doing anything for 2019 payroll year-end or ACA reports. ACA reports using GP functionality are included in the payroll year-end process. If using a template upload to electronically file >250 forms, the data can be extracted from either the GP HR 1095C Data tables or the YE tables to initially populate a template.
- If using Greenshades Employee Online Benefits, Integrity Data ACA product, or another companion product is used for 1095C reporting, it is completely independent of GP payroll year-end processes.
- You can potentially complete 1095C forms prior to the regular payroll year-end processes, if you have all the data you need in December of who has or was offered coverage.

Q3: What do I do if I am still on GP2013 and need to run W2s?

A3: There is no year-end update or tax update available for GP2013.

- Your W2s and 1099s **may** print fine, but there is no guarantee of this. If you use W2 Electronic filing, the file may have errors and not be accepted by the SSA. Tax rate changes will need to be updated manually, in >Administration >Setup >System >Payroll Tax. There are new W4 forms which require programming changes in the Tax Information window, and these will not be available for GP2013. You will need to upgrade as soon as possible to have the regulatory options to withhold taxes correctly for any employee who fills out a W4 after 1/1/2020.

Q4: When should I update the Payroll Tax Tables?

A4: Right before you run the first payroll checks dated in 2020.

- Microsoft usually releases Round 1 for the new year around mid-December.
Very Important - Do not update your tax tables in the last half of December, until you have completed all payrolls for 2019 and are ready to print payrolls for 2020.
- Round 2 payroll tax tables is usually released mid-January, and will have changes for state withholdings that come in later. Depending on what types of changes are needed, there may also be a **code update, ie – service pack** which needs to be installed on every GP workstation install.
- **The FICA-SS and FICA-MED tax rates are not changing, but the maximum base will change again for 2020, so you must have the 2019 base limit for FICA-SS in GP while you create the 2019 year-end wage file.** If you need to update the payroll tax tables prior to completing the year-end wage file, the FICA-SS maximum base can be edited manually to the 2019 rate temporarily while you create the file. Just be sure to edit it back to the correct 2020 rate again after the file is created, before processing further payroll where employees might be going over the maximum – which generally doesn't happen until later in the year (or, re-run the payroll tax table update). The editing of the FICA-SS rate may be done in >Administration >Setup >System >Payroll Tax.
- See the instructions in Q10 on how to Update US Payroll Tax Tables

Q5: Microsoft is releasing a year-end update for GP2015, GP2016, and GP2018/GP. The update for GP2018 will be all-inclusive to bring customers to GP modern branding as version 18.2.1013 (2019) after it is updated. **Do I need to install the year-end update?**

A5: It depends.

1. Do you use GP for Payroll?

a. **Yes→All clients running US Payroll and/or Canadian Payroll need the year-end update installed this year.**

- i. US Payroll has changes to the W4 format, which requires programming updates in the Tax Information window.
- ii. If using Canadian Payroll – You will need the year-end update, but wait for the Canadian Payroll version of the year-end update, which usually is released around Dec 15. The Canadian Payroll YE update is all-inclusive of US changes as well.

b. **No→ Proceed to next question**

2. Do you use the Fixed Assets module with depreciation for Luxury Vehicles?

a. **Yes→There are changes to Fixed Assets for 2019 year-end.**

b. **No→ Not required to install, but may still want to install it for other features in this all-inclusive update, or per Microsoft recommendation to stay current**

**3. I am on Version GP2013. Will I be able to complete year-end processes?
Maybe, but Microsoft will not guarantee this.**

Q6: When should I install the year-end update?

A6: As soon as possible after it is released. It should be installed prior to completing year-end processes if changes are included that affect you.

- If you run payroll in GP, it is a good idea to plan this for right after you have finished payroll so you have plenty of lead time before you need to run payroll again.
- Users will need to be out of GP until all GP installs and all GP company databases are updated.
- Run a test payroll in test company after installing
- Confirm compatibility with 3rd party products

Q7: How long will it take to install the year-end update?

A7: It depends on how many company databases you have and the size of them.

Q8: What if I can't get the year-end update installed prior to my year-end or first payroll in January?

A8: Install it as soon as it can reasonably be scheduled.

- It's not "emergency" to have this installed prior to 1/1, but it's important to update as soon after 1/1 as possible. Payroll will still process fine without the year-end update.
- You CAN complete their payroll year-end processes and update payroll tax tables prior to your first January 2020 payrun, even without the year-end update installed. (Note – you can complete payroll year-end processes at a later date in January, just with editing the FICASS Maximum. No need to stress about completing payroll year-end prior to the first payroll in January.)
- The impact of not having year-end update installed is just for completing the Tax Information window – for new employees filling out W-4 forms, or for existing employees that complete a new W-4 after 1/1/2020. Existing employee W4 settings stay exactly as they were before the update.
- If the year-end update is not applied yet, the payroll user will need to adjust the Tax Information settings as best they can, and track which employees completed W4s after 1/1 so they can adjust if necessary after the year-end update is installed.

Q9: How will the changes on the W4 form affect me?

A9: Existing employee W4 settings in the Tax Information window will not change. Any new employee or existing employee that fills out a W4 form 1/1/2020 or later is required to use the new format.

- New options on the Federal Filing Status will be available when then **Payroll Tax Update** is installed. With OR without out the **year-end update installed**, if an employee completes a new W4 form and selects:
 - Head of Household, use the "Single" federal filing status. If they Select Single, use Single. If they select Married, use Married.
 - Multiple Jobs checkbox – if this is marked, select the appropriate Filing Status with the word "Higher" at the end.
 - Exemptions field. If employee has selected the Multiple Jobs checkbox, enter 0 in the Exemptions field. If Multiple Jobs checkbox is not marked, and employee chooses Married, enter 3 Exemptions. For Single or Head of Household, enter 2 exemptions.
- Dependent Claim Amount - After the year-end update is installed, there is a new field on the Tax Information window called "Dependent Claim Amount". If the employee fills out an amount on their W4 and the client doesn't have the year-end update installed, the payroll clerk should talk to the employee and decide whether this can be entered just after the year-end update is installed, or if they want to put a fixed amount into the Additional Withholding Amount for now, and then adjust this after the year-end update is installed. Note – the Dependent Claim Amount field was NOT added to Integration Manager or eConnect, so any clients that have integrations into the tax information window will need to monitor this field manually. (I'm guessing this applies to Greenshades W4 workflows as well.)
- Here is a blog from Terry Heley at Microsoft that explains the W4 changes and interpreting to the Tax Information window:
<https://community.dynamics.com/gp/b/dynamicsgp/posts/new-2020-payroll-w-4-how-does-it-work-in-microsoft-dynamics-gp>

Q10: Is the Payroll Tax Table update different from the year-end update?

A10: YES

- **When you are ready to update your tax tables, you may do this yourself.**
 - Other users may be logged into GP while you do this, but there should not be any payrolls being processed at the time. If there are payroll Builds in place, Rebuild and Calculate after updating the tax tables.
 - Log into GP as the 'sa' user.
 - Go to →Microsoft Dynamics GP menu→Maintenance→US Payroll Updates→Check for Tax Updates.
 - Choose the Automatic method, and follow the instructions on the screen.
 - You will need your GP Authorized number.

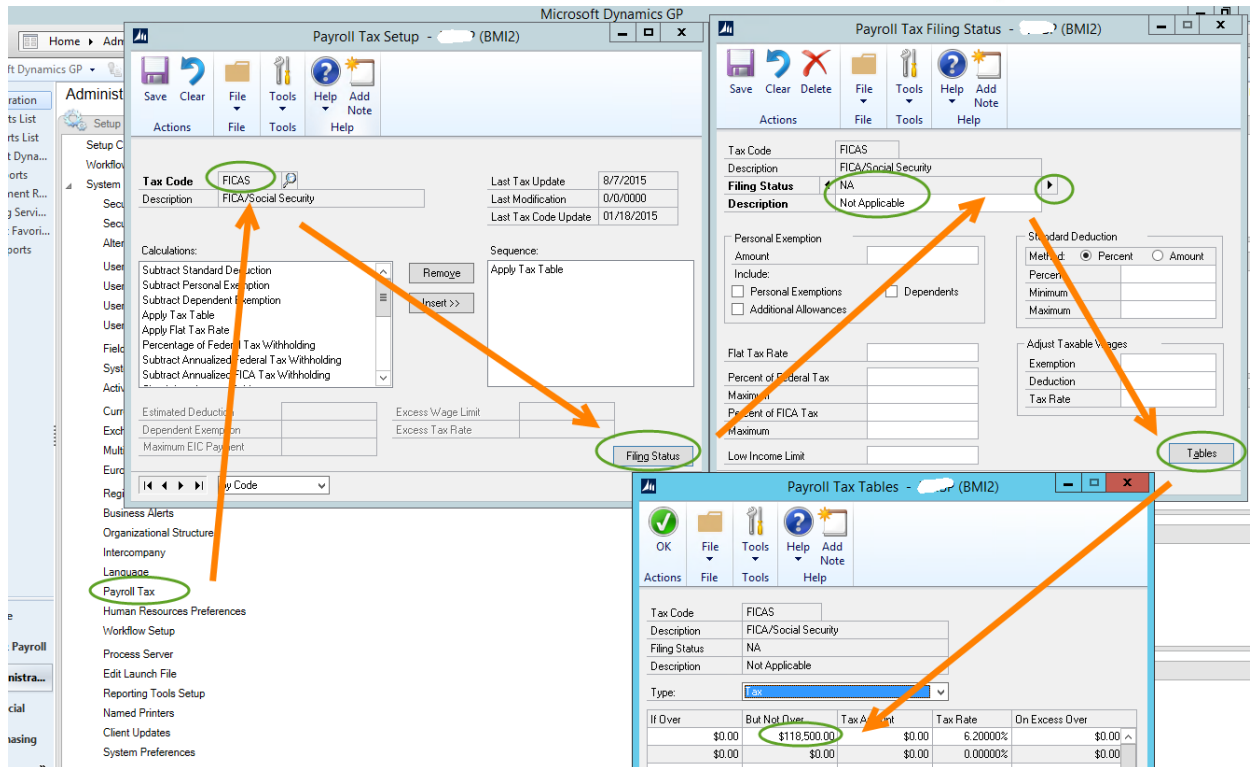
- This only needs to be installed one time for your entire system and may be done from any workstation and any company.
 - Verify it has update the tax tables by looking in →Administration →Setup →System →Payroll Tax, and the Last Tax Update date in the upper right-hand corner will have changed. The release date for the first tax update of the new year is usually a December date.
 - If this does not work, please contact Columbus Support at [us-GPsupport@columbusglobal.com](mailto:US-GPsupport@columbusglobal.com) or call 866.264.3249 for assistance.
- **On occasion, there may be a code update required for new tax tables to work.** This depends on the types of changes that are required by each state and the IRS. The 2020 Round 1 tax tables WILL WORK without the year-end update, but you won't have the correct options and fields in the Tax Information window to accommodate the settings from the new W4 format without this code update. It is HIGHLY recommended / required to install the year-end update on each workstation where GP is installed locally. You may also need to install the Year-End update based on the qualifying questions above. The Year-End Update also includes programming updates all across the Dynamics GP modules, so while you may not be required to install it prior to completing your year-end processes, you may want to install it at your convenience to take advantage of the other updated features included. **Please contact Columbus Support before installing the Year-End Update.** All of your GP companion products must be confirmed as compatible before updating your GP system. Our team would be happy to schedule a time to assist in installing this. All users will need to be out of GP while the updates are being installed.

Q11: What do I need to be aware of if I need to make payroll adjustments after January 1, or after I've updated the Payroll Tax Tables to the new year's rates?

A11: See detail below for the four big gotchas for US payroll transactions this time of year.

1. If you need to do any payroll checks or make adjustments (voids or manual adjustments) that affect 2019 W2s, be sure your GP User date is a 2019 date, and a 2020 date if it needs to count toward 2020 W2s. This date needs to be correct while you do the Build, Calculate, Print Checks, or Post process.
2. If you have already done the Year-End Wage file for 2019, you will need to remove the Year-End wage file in order to do further adjustments for 2019.
3. When you are processing any items for #1 or creating the year end file, the FICAS Wage limit needs to be the correct limit for the year you are doing checks, voids, or adjustments for. Don't forget to change the limit back to the new year limit after you are done posting the adjustments and recreating the Year-End wage file.

→Tools →Setup →System →Payroll Tax (see screenshot below, which is not necessarily showing the rate you need). 2019 rate=\$132,900 2020 rate=\$137,700



- To reprint Quarterly reports after the year is done, change your GP System date to reflect the year for which you need to print the Quarterly reports for. Then →Reports→Payroll→Quarterly Reports, choose the quarter you would like to print for, and mark the boxes for which reports to print.