

SAM Pro: End of Year 2011 Payroll Instructions

1. Print all payroll checks for the year 2011.

2. Backup your database.

Save a copy offsite in a secure location. A DVD or tape copy of your data sitting next to your server will do you little good if your office is flooded, burned, or burglarized.

3. Run the appropriate payroll reports to verify that the wage and tax amounts are correct.

NOTE: If you have not already done so (or if your printer configuration has changed since last year), you must create/update your Data-Basics registry entries to

Select the printer that you will use to print W-2s (sys-printer-w2).

Specify your Federal and State EIN information.

In addition, your Data-Basics registry must contain Companyname and Companyaddress entries to ensure that the information in W-2 box C prints correctly. Again, consult your software's Help file for details.

4. Generate W-2/W-3 forms for employees.

Version 7.0 and Up Users: Form W-3 Change

SAM Pro Version 7.0 and up supports W-3 printing. A change has been to the W-3 format by the IRS; Data-Basics offers the following options to support this change:

A. Obtain an updated version of 7.0, 7.1, 7.2 or 7.3 in early January.

B. Keep your current version, and complete the W-3 form by hand using the information printed with the Plain Paper option of the W-2 form.

C. If a database update is required to go the most recent version of SAM Pro, a change to your current image may be implemented by our support department if remote access is available.

o Tip: Print a test alignment of your tax forms for one or two employees before running your actual printout. Note that the 'Plain Paper' option does not show the actual alignment.

5. Payroll PTO Adjustments (optional)

If you are using the SAM Pro PTO option in payroll and you have elected to do a lump sum deposit of PTO hours at the beginning of the New Year and PTO hours do not carryover from year to year, one of the two options detailed on page 5 should be implemented. Note that Option 1 is implemented at the end of the year.

6. FUTA Adjustments to Tax Owed

As you recall, you did NOT make the midyear FUTA rate change in 2011 to avoid the system making incorrect adjustments for employees (and lowering your FUTA tax liability by the wrong amount). Make your final FUTA adjustment of the 2011 year. If you make FUTA tax deposits quarterly, please run the Payroll Summary Report using Begin/End dates for the fourth quarter. The information on Page 1, will provide FUTA Taxable Earnings for the quarter. Take the FUTA Taxable Earnings and multiple that amount by .006 (or .6%) to determine Employer FUTA tax owed, after June 30th. A manual G/L journal entry is required to adjust the G/L to correct the difference between what your report shows and the new calculated amount owed. If you make this journal entry by month instead of quarterly, then run the P/R Summary report for December in addition to running quarterly.

7. End-of-Fiscal Year General Ledger Procedures

When you are ready to close out your firm's fiscal year, run the Create End of Year GL Entry Starter function. This function will generate the GL Closing entries to Retained Earnings. It automatically debits your sales accounts, credits your expense accounts and takes the net and applies it to the GL Retained Earnings account that you specify.

Note that a closing entry may be generated more than once if adjustments are needed.

SAM Pro: Beginning of 2012 Payroll Instructions

The following instructions should be completed AFTER the LAST paycheck is printed in 2011 and BEFORE the FIRST time Compute Payroll is run in 2012.

1. Edit the FICA SS record

- A. Access your FICA SS tax table (Social Security Employee).
- B. Change the Limit in the Base Tax tab to 110,100.
- C. For the moment, the Rate should remain at 4.2% as per the Temporary Payroll Tax Cut Continuation Act of 2011. This Act temporarily extends the two percentage point payroll tax cut for employees, continuing the reduction of their Social Security tax withholding rate from 6.2 percent to 4.2 percent of wages paid through Feb. 29, 2012. Further information on setting this field past February 29th, and handling the 'recapture' provision for high wage-earners will be provided when it is available.
- D. Click the Save button to save your changes. Your screen should now resemble the following.

The screenshot shows the 'Main' window for editing a tax table. The 'Tax Table Id' is 'FICA SS' and the 'Tax Authority Id' is 'FICA'. The 'Tax Table Name' is 'Social Security Employee'. The 'Base Tax' tab is selected, showing a table with the following data:

Limit	Rate	Add'l Amount
1 00110100.00	4.2000	

2. Edit the FICA SSER record

- A. Access your FICA SSER tax table (Social Security Employer).
- B. Change the Limit in the Base Tax tab to 110,100.
- C. Leave the Rate in the Base Tax tab at 6.2%.
- D. Click the Save button to save your changes. Your screen should now resemble the following.

The screenshot shows the 'Main' window for editing a tax table. The 'Tax Table Id' is 'FICA SSE' and the 'Tax Authority Id' is 'FICA'. The 'Tax Table Name' is 'Social Security Employer'. The 'Base Tax' tab is selected, showing a table with the following data:

Limit	Rate	Add'l Amount
1 00110100.00	6.2000	

3. Edit the FUTA tax table.

A. Access the FUTA tax table.

B. Change the Rate in the Base Tax tab to .6000; the limit should remain at 7000.

Note: most employers receive a state credit of up to 5.4% against the FUTA tax:

$$6.0\% \text{ (the new FUTA rate)} - 5.4 \text{ (the state credit)} = .6\%$$

C. Click the Save button; your screen should now resemble the following.

The screenshot shows a software interface for editing tax tables. The 'Main' window has a 'Tax Table Name' field containing 'Federal Unemployment Tax' and a 'Tax Table Id' dropdown set to 'FUTA'. Below these are several input fields for 'Standard Credit', 'Standard Deduction', 'Std Ded Pct', 'Std Ded Min', 'Std Ded Max', 'Max FIT Allowance', and 'Max FICA Allowance'. There are also checkboxes for 'Tax Employee?' and 'Tax Employer?' with associated 'Employee Limit' and 'Employer Limit' fields. The 'Employee Limit Type' and 'Employer Limit Type' are set to 'N/A'. At the bottom, a table is displayed with the following data:

	Limit:	Rate:	Add'l Amount:
1	7,000.00	0.6000	00000000.00

Tip: Employee Tax Table report (version 6.2 and Up)

You may wish to run the Payroll Employee Tax Table to verify that all employees have their tax tables correctly specified. The Employee Date Termination Range can be set to the blank date (1900-01-01) to display only those employees who have not been terminated. To include employees who have not been terminated, or will be terminated after 2011, the Employee Date Terminated Range may be set as follows:

```
Sql=(emplye_dte_trmtd='1900-01-01' or emplye_dte_trmtd>='2012-01-01')
```

4. Update your Federal and State Tax tables.

Before computing payroll for the first period with a check date in 2012, update the federal and state tax tables for the next year. You should also receive state and local information from your taxing authorities; be sure to revise your state and local tax rates if needed.

2012 Federal Tax Tables

New Federal Tax Tables for Wages Paid in 2012

Taken from Notice 1036 of the IRS

SINGLE

Not over 2150.00		0	
Over —	But Not Over —		of excess over —
2,150.00	10,850.00	10%	2150.00
10,850.00	37,500.00	870.00 plus 15%	10,850.00
37,500.00	87,800.00	4,867.50 plus 25%	37,500.00
87,800.00	180,800.00	17,442.50 plus 28%	87,800.00
180,800.00	390,500.00	43,482.50 plus 33%	180,800.00
390,500.00	999,999.99	112,683.50 plus 35%	390,500.00

Amount Per Allowance: 3,800

MARRIED

Not over 8,100.00		0	
Over —	But Not Over —		of excess over —
8,100.00	25,500.00	10%	8,100.00
25,500.00	78,800.00	1740.00 plus 15%	25,500.00
78,800.00	150,800.00	9,735.00 plus 25%	78,800.00
150,800.00	225,550.00	27,735.00 plus 28%	150,800.00
225,550.00	396,450.00	48,665.00 plus 33%	225,550.00
396,450.00	999,999.99	105,062.00 plus 35%	396,450.00

Amount Per Allowance: 3,800

SAM Pro 2012 Federal Tax Table for Single Workers

Main

Tax Table Id: **FED-S** Tax Table Name: Federal Single
 Tax Authority Id: **FED** Federal

Standard Credit: Amt Per Allow: 3,800.00 Credit Per Allow:
 Standard Deduction:
 Std Ded Pct:
 Std Ded Min:
 Std Ded Max:
 Max FIT Allowance:
 Max FICA Allowance:

Tax Employee? Employee Limit: Employee Limit Type: N/A Pay Period Monthly
 Tax Employer? Employer Limit: Employer Limit Type: N/A Pay Period Monthly

Base Tax	Exemptions	Surtax	Credits	TD1 Credits
Limit:	Rate:	Add'l Amount:		
1 00002150.00				
2 10,850.00	10.0000			
3 37,500.00	15.0000	870.00		
4 87,800.00	25.0000	4,867.50		
5 180,800.00	28.0000	17,442.50		
6 390,500.00	33.0000	43,482.50		
7 99,999,999.99	35.0000	112,683.50		

SAM Pro 2012 Federal Tax Table for Married Workers

Main

Tax Table Id: **FED-M** Tax Table Name: Federal Married
 Tax Authority Id: **FED** Federal

Standard Credit: Amt Per Allow: 3,800.00 Credit Per Allow:
 Standard Deduction:
 Std Ded Pct:
 Std Ded Min:
 Std Ded Max:
 Max FIT Allowance:
 Max FICA Allowance:

Tax Employee? Employee Limit: Employee Limit Type: N/A Pay Period Month
 Tax Employer? Employer Limit: Employer Limit Type: N/A Pay Period Month

Base Tax	Exemptions	Surtax	Credits	TD1 Credits
Limit:	Rate:	Add'l Amount:		
1	00008100.00			
2	25,500.00	10.0000		
3	78,800.00	15.0000	1,740.00	
4	150,800.00	25.0000	9,735.00	
5	225,550.00	28.0000	27,735.00	
6	396,450.00	33.0000	48,665.00	
7	99,999,999.99	35.0000	105,062.00	

5. Payroll PTO Adjustments (optional)

If you are using the SAM Pro PTO option in payroll and you have elected to do a lump sum deposit of PTO hours at the beginning of the New Year and PTO hours do not carryover from year to year, one of the following two options should be implemented.

Option 1: Make PTO adjustments in last pay for the year.

- Run the Accrued Paid Time Off Report prior to the last payroll of the year.
- Note each employee's Ending Balance.
- Create a PTO record for each employee/pay type that requires adjustment.
 - PTO record should correspond to the last pay of the year.
 - PTO record should offset the Ending Balance for the report.

The results of this PTO record should yield a zero balance in the employee's account after the last pay or the year.

Option 2: Make PTO adjustments in first pay of the new year.

- Run the Accrued Paid Time Off Report after the last payroll of the year.
- Note each employee's Ending Balance.
- Make a Net Adjustment in the PTO record for each employee/pay type that requires adjustment.
 - Adjusted PTO record should correspond to the first pay of the year
 - Adjusted PTO record should equal the amount that would have been awarded on the first pay minus the employee's ending balance.

The results of this PTO record should yield the correct beginning balance in the employee's account after the first pay of the new year.