

# **Clarity Tax Rate and WRS Rate Changes – 2017**

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## Table of Contents

Federal Tax Rates.....	2
Step 1 – Enter Changes for Social Security Limits.....	3
Step 2 – Enter Changes for New Federal Withholding Rates .....	4
State Tax Rates .....	7
Illinois (2017 rates not out yet. Check back.).....	7
Indiana (2017 rates not out yet. Check back.).....	7
Iowa.....	8
Minnesota .....	8
Michigan.....	9
Ohio (2017 rates not out yet. Check back.).....	9
Wisconsin (2017 rates not out yet. Check back.) .....	9
Wisconsin Retirement System Rates.....	10
Congratulations! .....	12

# Federal Tax Rates

**Loading the Federal tax rates is a two-step process. First, you need to enter the new federal Social Security rates. Then, you need to enter the new federal withholding tax rates.**

The government has determined the following limits for 2017:

- Social Security wage base increases to \$127,200.
- The contribution limit for flex spending accounts (FSA) remains at \$2,600 for single or married filing separately and \$5,200 for married filing jointly
- The contribution limit for health savings accounts (HSA) increases to \$3,400 for individual coverage and to \$6,750 for family coverage
- The catch-up limit for health savings accounts (HSA) remains at \$1,000
- The contribution limit for 401(k), 403(b) and 457 plans remains at \$18,000
- The catch-up limit for 401(k), 403(b) and 457 plans remains at \$6,000
- The contribution limit for to an Individual Retirement Arrangement (IRA) remains at \$5,500

In addition, the employee rate for Social Security remains at 6.2 percent on wages paid beginning January 1, 2017.

Please adjust your limits and withholding percentages accordingly.

## Step 1 – Enter Changes for Social Security Limits

The Social Security limits have not changed. You may follow these steps to verify the proper limits are entered.

1. Open **Clarity Payroll | Organization | Pay Codes**.
2. Select the **Social Security Pay code** in use at your site.
3. On the **Employee** tab > **Employee** sub tab.
  - Verify the **Maximum Wage Limit** for 2017 of **127,200.00**.
  - Verify the **Social Security Rate Percentage** of **-6.20%** for employees and **6.20%** for employers. Note: If this amount needs to be changed, enter a positive 6.20%. The system will change it to a negative.

Pay code: 74-00 Social Security Tax

Pay Code	Employee	Employer	W-2/1099	Notes
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Employee    Used in Calculations    Used for Calculation

Amount/Rate/Percent type: Percent of amount ▼

Percentage: -6.2000 %

Maximum limit: .00

Minimum wage limit: .00

Maximum wage limit: 127,200.00

4. On the **Employer** tab > **Employer** sub tab, repeat Step 3.

Pay code: 74-00 Social Security Tax

Pay Code	Employee	Employer	W-2/1099	Notes
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Employer    Used in Calculations    Used for Calculation

Amount/Rate/Percent type: Percent of amount ▼

Percentage: 6.2000 %

Maximum limit: .00

Minimum wage limit: .00

Maximum wage limit: 127,200.00

## Step 2 – Enter Changes for New Federal Withholding Rates

1. Open **Clarity Payroll | Organization | Calculation Tables**.
2. Enter “Federal—Single” in the **Calculate Table Name** field.
3. Enter the **Federal Withholding Rates** table information for the **Single** status. Below are the rates.

Caselle Clarity® > Payroll > Organization > Calculation Tables

Caselle Clarity® Calculation Tables

Calculation table name:

Calculation table name:

Calculation Table Modifiers Notes

Calculation table name:

Tasks	Over	Not Over	Tax Amount	Tax Rate
Add a new rate	0.00	2,300.00	0.00	.0000
Remove the selected rate	2,300.00	11,625.00	0.00	10.0000
	11,625.00	40,250.00	932.50	15.0000
	40,250.00	94,200.00	5,226.25	25.0000
	94,200.00	193,950.00	18,713.75	28.0000
	193,950.00	419,000.00	46,643.75	33.0000
	419,000.00	420,700.00	120,910.25	35.0000
	420,700.00	999,999,999.99	121,505.25	39.6000

To change the rates, click on a line.

Over	Not Over
0.00	2,300.00
2,300.00	11,625.00
11,625.00	40,250.00

Then, change the **Not over**, **Tax amount**, and **Tax rate** fields appropriately at the bottom of the screen.

Rate

Over: .0000

Not over:

Tax amount:

Tax rate:  %

- On the **Modifiers** tab, enter the FWT Exemption Amount for **2017** of **4,050.00**.

Caselle Clarity® > Payroll > Organization > Calculation Tables

Caselle Clarity® Calculation Tables

Calculation table name:

Calculation table name: Federal - Single

Calculation Table Modifiers Notes

Modifiers 1-10 Modifiers 11-20

Description	Type	Value
Modifier 1: Withholding Allowance	Amount	4,050.00
Modifier 2:	Amount	.00

- Enter "Federal—Married" in the **Calculate Table Name** field.
- Enter the new **Federal Withholding Rates** table information for the **Married** status.

Caselle Clarity® > Payroll > Organization > Calculation Tables

Caselle Clarity® Calculation Tables

Calculation table name:

Calculation table name: Federal - Married

Calculation Table Modifiers Notes

Calculation table name: Federal - Married

Tasks	Over	Not Over	Tax Amount	Tax Rate
Add a new rate	0.00	8,650.00	0.00	.0000
Remove the selected rate	8,650.00	27,300.00	0.00	10.0000
	27,300.00	84,550.00	1,865.00	15.0000
	84,550.00	161,750.00	10,452.50	25.0000
	161,750.00	242,000.00	29,752.50	28.0000
	242,000.00	425,350.00	52,222.50	33.0000
	425,350.00	479,350.00	112,728.00	35.0000
	479,350.00	999,999,999.99	131,628.00	39.6000

To change the rates, click on a line.

Over	Not Over
0.00	8,550.00
8,550.00	27,100.00
27,100.00	83,850.00

Then, change the **Not over**, **Tax amount**, and **Tax rate** fields appropriately at the bottom of the screen.

Rate	
Over:	.0000
Not over:	8,650.0000
Tax amount:	.0000
Tax rate:	0 %

7. On the **Modifiers** tab, enter the FWT Exemption Amount for 2017 of **4,050.00**.

Caselle Clarity® > Payroll > Organization > Calculation Tables

Caselle Clarity® Calculation Tables

Calculation table name:

Calculation table name: Federal - Married

Calculation Table Modifiers Notes

Modifiers 1-10 Modifiers 11-20

	Description	Type	Value
Modifier 1:	Withholding Allowance	Amount	4,050.00
Modifier 2:	<input type="text"/>	Amount	.00

# State Tax Rates

**New state withholding tax rates may be in effect for your state. These new rates should be entered before your first payroll in 2017.**

## Illinois (2017 rates not out yet. Check back.)

Illinois' **Exemption Amount** has changed from \$2,175 to \$\_\_\_\_\_. Follow these steps to make this change.

1. Open the **Payroll** module.
2. Go to **Organization | Calculation Tables** on the menu.
3. Enter "IL – Married" in the **Calculation table name** field at the top.
4. Click on the **Modifiers** tab.
5. Change the **Exemption Amount** (usually in the **Modifier 1** field) from \$2,175.00 to \_\_\_\_\_.

Calculation table name: IL Married

Calculation Table Modifiers Notes

Modifiers 1-10 Modifiers 11-20

	Description	Type	Value
Modifier 1:	Exemption Amount	Amount ▼	2,175.00
Modifier 2:	Dependent Amount	Amount ▼	1,000.00

6. Enter "IL – Single" in the **Calculation table name** field at the top.
7. Repeat steps 4 – 5 above.
8. Click **Close**. The changes will be saved.

## Indiana (2017 rates not out yet. Check back.)

Per our research, it does not appear that Indiana has any tax rate changes for 2017.



## Iowa

Per our research, it does not appear that Iowa has any tax rate changes for 2017.

## Minnesota

Minnesota's state tax rate has changed for 2017 and is effective January 1, 2017. Click [here](#) for more information regarding that change.

1. Open the **Payroll** module.
2. Go to **Organization | Calculation Tables** on the menu.
3. Select "MN Single". You can do this by typing in "MN Single" in the **Calculation table name** field at the top of the screen, using the navigation arrows in the top right until you get to "MN Single", or by using the **Search** button on the toolbar.
4. Enter the information into the table as shown below for "MN Single".

Calculation table name: MN Single

Calculation Table Modifiers Notes

Calculation table name: MN Single

Tasks	Over	Not Over	Tax Amount	Tax Rate
Add a new rate	0.00	2,300.00	0.00	.0000
Remove the selected rate	2,300.00	27,690.00	0.00	5.3500
	27,690.00	85,700.00	1,358.37	7.0500
	85,700.00	159,210.00	5,448.08	7.8500
	159,210.00	999,999.99	11,218.62	9.8500

5. Click on the **Modifiers** tab.
6. The **Exemption Amount** did not change from **\$4,050**. Verify that this is your **Exemption Amount**.

Calculation table name: MN Single

Calculation Table Modifiers Notes

Modifiers 1-10 Modifiers 11-20

Description	Type	Value
Modifier 1: Exemption Amount	Amount	4,050.00

7. Click the **Calculation Table** tab.
8. Select "MN Married". You can do this by typing in "MN Married" in the **Calculation table name** field at the top of the screen, using the navigation arrows in the top right until you get to "MN Married", or by using the **Search** button on the toolbar.

9. Enter the information into the table as shown below for "MN Married".

Calculation table name: MN Married

Calculation Table Modifiers Notes

Calculation table name: MN Married

Tasks	Over	Not Over	Tax Amount	Tax Rate
Add a new rate	0.00	8,650.00	0.00	.0000
Remove the selected rate	8,650.00	45,760.00	0.00	5.3500
	45,760.00	156,100.00	1,985.39	7.0500
	156,100.00	270,160.00	9,764.36	7.8500
	270,160.00	999,999.99	18,718.07	9.8500

10. Click on the **Modifiers** tab.

11. The **Exemption Amount** did not change from **\$4,050**. Verify that this is your **Exemption Amount**.

Calculation table name: MN Married

Calculation Table Modifiers Notes

Modifiers 1-10 Modifiers 11-20

	Description	Type	Value
Modifier 1:	Exemption Amount	Amount	4,050.00

12. Click **Close**. The changes will be saved.

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## Michigan

Per our research, the tax rate of 4.25% and personal exemption amount of \$4,000 has not changed from 2016.

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## Ohio (2017 rates not out yet. Check back.)

Per our research, it does not appear that Ohio has any tax rate changes for 2017.

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## Wisconsin (2017 rates not out yet. Check back.)

Per our research, it does not appear that Wisconsin has any tax rate changes for 2017.

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# Wisconsin Retirement System Rates

**Your community may have new WRS rates. These new rates should be entered before your first payroll in 2017. Visit the following website and select your community to confirm your WRS rates.**

<https://etfonline.wi.gov/ETFCalculatorWeb/etf/internet/employer/ETFemployerrates.jsp>.

Most communities' rates have changed to the following. As stated above, use the website to verify these rates are correct for your community.

## **General**

Employee Required – 6.80%

Employer Required – 6.80%

## **Elected**

Employee Required – 6.80%

Employer Required – 6.80%

## **Protective with Social Security**

Employee Required – 6.80%

Employer Required – 10.6%

## **Protective without Social Security**

Employee Required – 6.80%

Employer Required – 14.9%

To change the rates, do this:

1. Open **Clarity Payroll | Organization | Pay Codes**.
2. Select the appropriate **WRS pay code** in use at your site.
3. Click on the **Employee** tab.
4. Change the **Percentage** to the appropriate rate. Type a positive number and press **Enter**. The system will change the percentage to a negative.
5. Click on the **Employer** tab.

6. Change the **Percentage** to the appropriate rate.
7. Repeat steps 2 – 5 to change the other WRS pay codes.

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# Congratulations!

**You have completed the Payroll Year-end Closing! The Payroll system is now ready for you to enter payroll for the new year.**

## Useful Websites

Listed below are links to sites you can find helpful and often important information.

IRS – general links to forms, publications, and general information.

[www.irs.gov](http://www.irs.gov)

IRS Business – Employer information

<http://www.irs.gov/businesses/index.html?navmenu=menu1>

Social Security Administration Business Services:

<http://www.socialsecurity.gov/pgm/business.htm>

SSA – Payroll Year End Balancing

<http://www.socialsecurity.gov/employer/recon/recon.htm>

### STATE WEBSITES

Illinois Department of Revenue

<http://www.revenue.state.il.us/index.htm#t=tab1>

Iowa Department of Revenue

<http://www.iowa.gov/tax/index.html>

Minnesota Department of Revenue

<http://taxes.state.mn.us/Pages/index.aspx>

Michigan Department of Treasury

<http://www.michigan.gov/treasury/>

Missouri Department of Revenue

<http://dor.mo.gov/>

Ohio Department of Taxation

<http://tax.ohio.gov/channels/other/business.stm>

Wisconsin Department of Revenue

<http://www.revenue.wi.gov/>

Wisconsin Retirement Rates:

<http://etfonline.wi.gov/ETFCalculatorWeb/etf/internet/employer/ETFemployerrates.jsp>