# **Connect Tax Rate and WRS Rate Changes – 2019**

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# **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 2019:

- Social Security wage base increases to \$132,900
- The contribution limit for flex spending accounts (FSA) will increase to \$2,700
- The contribution limit for Dependent Care flex spending accounts remains at \$5,000
- The contribution limit for health savings accounts (HSA) increases to \$3,500 for individual coverage and to \$7,000 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 will increase to \$19,000
- 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 \$6,000
- Additional Medicare Tax remains at 0.9 percent for wages paid above \$200,000

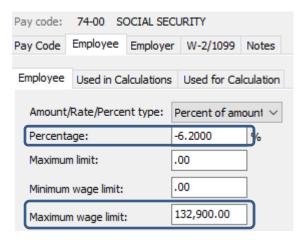
In addition, the employee rate for Social Security remains at 6.2 percent on wages paid beginning January 1, 2019.

Please adjust your limits and withholding percentages accordingly.

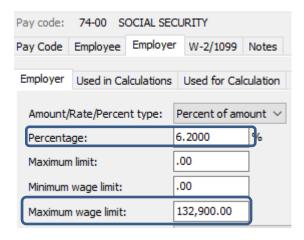
## **Step 1 – Enter Changes for Social Security Limits**

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

- 1. Open Connect 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 2019 of 132,900.00.
  - 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.

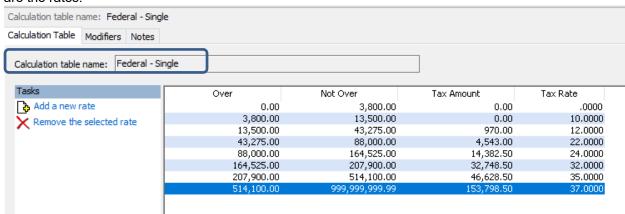


4. On the **Employer** tab > **Employer** sub tab, repeat Step 3.



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

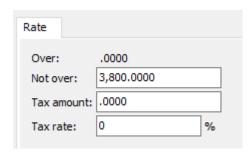
- 1. Open Connect Payroll | Organization | Calculation Tables.
- 2. Enter "Federal—Single" in the Calculate Table Name field.
- 3. Enter the **Federal Withholding Rates** table information for the **Single** status. Below are the rates.



To change the rates, click on a line.

Over	Not Over	
0.00	3,800.00	
3,800.00	13,500.00	
13,500.00	43,275.00	
43,275.00	88,000.00	
88.000.00	164.525.00	

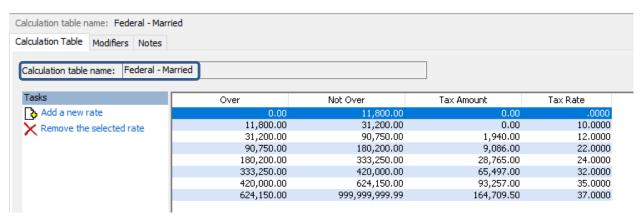
Then, change the **Not over**, **Tax amount**, and **Tax rate** fields appropriately at the bottom of the screen.



4. On the Modifiers tab, enter the FWT Exemption Amount for 2019 of 4,200.00.



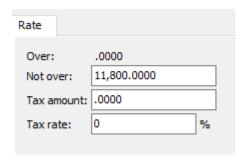
- 5. Enter "Federal—Married" in the Calculate Table Name field.
- 6. Enter the new **Federal Withholding Rates** table information for the **Married** status.



To change the rates, click on a line.

Over	Not Over
0.00	11,800.00
11,800.00	31,200.00
31,200.00	90,750.00
90,750.00	180,200.00

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



7. On the **Modifiers** tab, enter the FWT Exemption Amount for 2019 of **4,200.00**.



## **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 2019.

#### Illinois

Illinois' **Exemption Amount** is \$2,225.00 and the **Dependent Amount** is \$1,000.00. Tax rate changed to 4.95 percent. Follow these steps to verify and or make this change.

Open the Payroll module.

- 1. Go to Organization | Calculation Tables on the menu.
- 2. Enter "IL Married" in the Calculation table name field at the top.
- 3. Verify the Rate is set to 4.95.

  Calculation table name: IL Married

  Calculation Table Notes

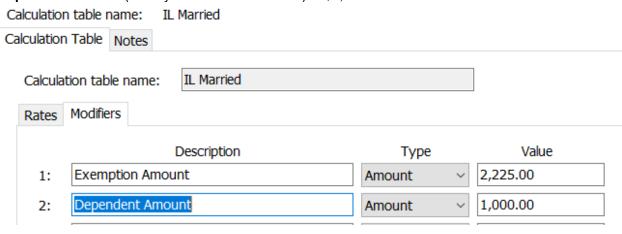
  Calculation table name: IL Married

  Rates Modifiers

  Over Not Over Tax Amount Tax Rate

99,999,999.00

- 4. Click on the Modifiers tab.
- 5. Change the **Exemption Amount** (usually in the **Modifier 1** field) to \$2,225.00 and the **Dependent Amount** (usually in the **Modifier 2** field) to \$1,000.00.



- 6. Enter "IL Single" in the **Calculation table name** field at the top.
- 7. Repeat steps 3 5 above.
- 8. Click Close. The changes will be saved.

4.9500

## Indiana

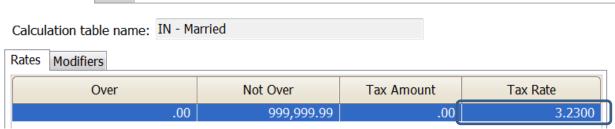
Indiana's **Exemption Amount** is \$1,000.00 and the **Dependent Amount** is \$1,500.00. The tax rate is 3.23 percent. Follow these steps to verify and or make this change.

Open the Payroll module.

- 1. Go to Organization | Calculation Tables on the menu.
- 2. Enter "IN Married" in the Calculation table name field at the top.
- 3. Verify the **Rate** is set to 3.23.

Calculation table name: IN - Married

Calculation Table Notes



- 4. Click on the Modifiers tab.
- 5. Change the **Exemption Amount** (usually in the **Modifier 1** field) to \$1,000.00 and the **Dependent Amount** (usually in the **Modifier 2** field) to \$1,500.00.

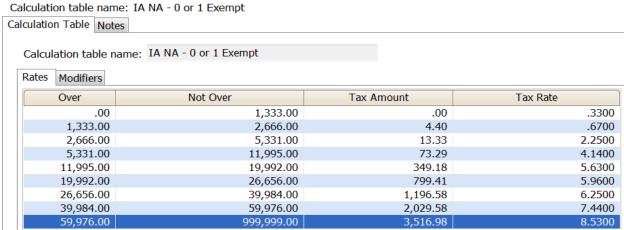


- 6. Enter "IN Single" in the **Calculation table name** field at the top.
- 7. Repeat steps 3 5 above.
- 8. Click Close. The changes will be saved.

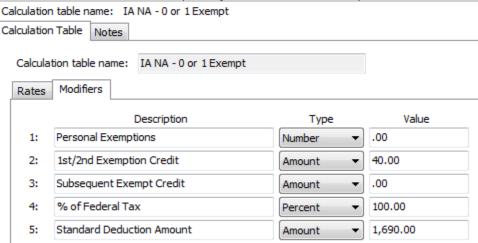
#### lowa

lowa's state tax rate and standard deductions have changed for 2019. Click here for more information regarding that change. Follow these steps to verify and or make this change.

- 1. Go to **Organization | Calculation Tables** on the menu.
- 2. Enter "IA NA 0 or 1 Exempt" in the **Calculation table name** field at the top.
- 3. Verify the **Rates** match below.



- 4. Click on the Modifiers tab.
- 5. Change the 1st/2nd Exemption Amount (usually in the Modifier 2 field) to \$40.00 and the Standard Deduction Amount (usually in the Modifier 5 field) to \$1,690.00.



- 6. Enter "IA NA 2 Exempt" in the **Calculation table name** field at the top.
- 7. Repeat steps 3 4 above.
- 8. Change the 1<sup>st</sup>/2<sup>nd</sup> Exemption Amount (usually in the Modifier 2 field) to \$40.00 and the Standard Deduction Amount (usually in the Modifier 5 field) to \$4,160.00.
- 9. Click Close. The changes will be saved.

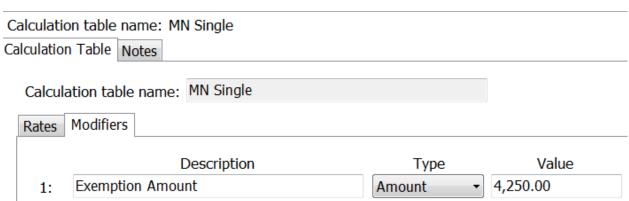
#### **Minnesota**

Minnesota's state tax rate has changed for 2019. Click here for more information regarding that change. Follow these steps to verify and/or make this change.

- 1. Go to **Organization | Calculation Tables** on the menu.
- 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.
- 3. Enter the information into the table as shown below for "MN Single".



- 4. Click on the Modifiers tab.
- 5. The **Exemption Amount** did not change from **\$4,250**. Verify that this is your **Exemption Amount**.



- 6. Click the Calculation Table tab.
- 7. 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.

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



- 9. Click on the Modifiers tab.
- 10. The **Exemption Amount** did not change from **\$4,250**. Verify that this is your **Exemption Amount**.

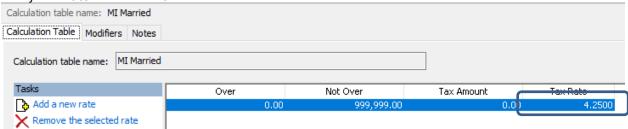


11. Click Close. The changes will be saved.

## Michigan

Michigan's **Exemption Amount** is \$4,400.00 and the tax rate is 4.25 percent. Follow these steps to verify and or make this change.

- 1. Go to Organization | Calculation Tables on the menu.
- 2. Enter "MI Married" in the Calculation table name field at the top.
- 3. Verify the **Rate** is set to 4.25.



- 4. Click on the Modifiers tab.
- 5. Change the **Exemption Amount** to \$4,400.00.



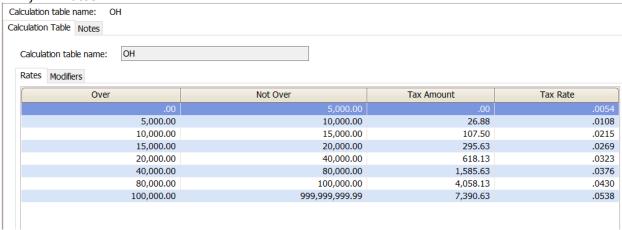
- 6. Enter "MI Single" in the Calculation table name field at the top.
- 7. Repeat steps 3 5 above.
- 8. Click **Close**. The changes will be saved.

## Ohio

Ohio's state tax rate has changed for 2019. Follow these steps to verify and/or make this change.

Open the Payroll module.

- 1. Go to **Organization | Calculation Tables** on the menu.
- 2. Enter "OH" in the Calculation table name field at the top.
- 3. Verify the Rates match below.



- 4. Click on the Modifiers tab.
- 5. Change the **Exemption Amount** to \$650.00.

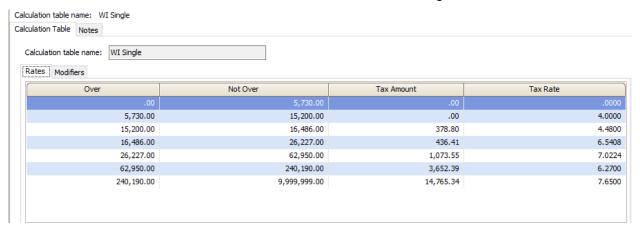


6. Click **Close**. The changes will be saved.

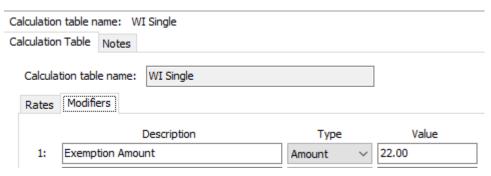
#### Wisconsin

Per our research, it does not appear that Wisconsin has any tax rate changes for 2019. Please use the following to verify the tax table setup.

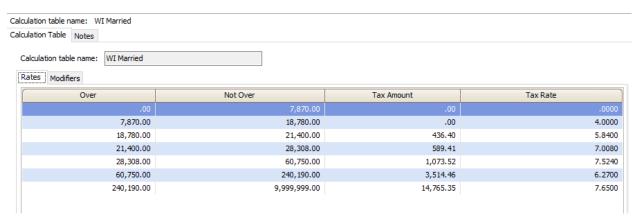
- 1. Go to **Organization | Calculation Tables** on the menu.
- 2. Select "WI Single". You can do this by typing in "WI Single" in the **Calculation table name** field at the top of the screen, using the navigation arrows in the top right until you get to "WI Single", or by using the **Search** button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



- 4. Click on the Modifiers tab.
- 5. The **Exemption Amount** did not change from **\$22.00**. Verify that this is your **Exemption Amount**.



- 6. Click the Calculation Table tab.
- 7. Select "WI Married". You can do this by typing in "WI 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 "WI Married", or by using the **Search** button on the toolbar.
- 8. Enter the information into the table as shown below for "WI Married".



- 9. Click on the Modifiers tab.
- 10. The **Exemption Amount** did not change from **\$22.00**. Verify that this is your **Exemption Amount**.



11. Click Close. The changes will be saved.

# Wisconsin Retirement System Rates

Your community may have new WRS rates. These new rates should be entered before your first payroll in 2019. 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 – 6.55%

Employer Required – 6.55%

#### **Elected**

Employee Required – 6.55%

Employer Required – 6.55%

#### **Protective with Social Security**

Employee Required – 6.55%

Employer Required – 10.55%

#### **Protective without Social Security**

Employee Required – 6.55%

Employer Required – 14.95%

To change the rates, do this:

- 1. Open Connect 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. Highlight the full amount and 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.

# **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

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