Clarity Tax Rate and WRS Rate Changes – 2020

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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. There are additional steps to load the federal withholding tax rates since the federal government issued a new W-4 form for 2020.

The government has determined the following limits for 2020:

- Social Security wage base increases to $137,700

- The contribution limit for flex spending accounts (FSA) will increase to $2,750

- The contribution limit for Dependent Care flex spending accounts remains at $5,000

- The contribution limit for health savings accounts (HSA) increases to $3,550 for individual coverage and to $7,100 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 $19,500

- The catch-up limit for 401(k), 403(b) and 457 plans remains at $6,500

- 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, 2020.

Please adjust your limits and withholding percentages accordingly.

Step 1 – Enter Changes for Social Security Limits

The Social Security limits has increased to $137,700. You may follow these steps to change the limit.

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 2020 of **137,700.00**.

   - 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

| Pay Code | Employee | Employer | W-2/1099 | Notes |

| 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: 137,700.00

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

Pay code: 74-00   SOCIAL SECURITY

| Pay Code | Employee | Employer | W-2/1099 | Notes |

| Employer | Used in Calculations | Used for Calculation | D |

Amount/Rate/Percent type: Percent of amount ∨

Percentage: 6.2000   %

Maximum limit: .00

Minimum wage limit: .00

Maximum wage limit: 137,700.00

Step 2 – Enter new Federal Withholding Rates for those that DO NOT change their W-4

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.

Calculation table name: Federal - Single

Calculation Table   Modifiers   Notes

Calculation table name: Federal - Single

Tasks	Over	Not Over	Tax Amount	Tax Rate
Add a new rate	0.00	3,800.00	0.00	.0000
Remove the selected rate	3,800.00	13,675.00	0.00	10.0000
	13,675.00	43,925.00	987.50	12.0000
	43,925.00	89,325.00	4,617.50	22.0000
	89,325.00	167,100.00	14,605.50	24.0000
	167,100.00	211,150.00	33,271.50	32.0000
	211,150.00	522,200.00	47,367.50	35.0000
	522,200.00	999,999,999.99	156,235.00	37.0000

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.

Rate

Over: .0000
Not over: 3,800.0000
Tax amount: .0000
Tax rate: 0   %

4. On the **Modifiers** tab, verify the FWT Exemption Amount for 2020 of **4,200.00**.

Calculation table name: Federal - Single

Calculation Table   Modifiers   Notes

Modifiers 1-10   Modifiers 11-20

	Description	Type	Value
Modifier 1:	Withholding Allowance	Amount	4,200.00

5. Enter "Federal – Married" in the **Calculate Table Name** field at the top.

6. Enter the new **Federal Withholding Rates** table information for the **Married** status.

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	11,900.00	0.00	.0000
Remove the selected rate	11,900.00	31,650.00	0.00	10.0000
	31,650.00	92,150.00	1,975.00	12.0000
	92,150.00	182,950.00	9,235.00	22.0000
	182,950.00	338,500.00	29,211.00	24.0000
	338,500.00	426,600.00	66,543.00	32.0000
	426,600.00	633,950.00	94,735.00	35.0000
	633,950.00	999,999.99	167,307.50	37.0000

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.

Rate

Over: .0000

Not over: 11,190.0000

Tax amount: .0000

Tax rate: 0   %

7. On the **Modifiers** tab, enter the FWT Exemption Amount for 2020 of **4,200.00**.

Calculation table name: Federal - Married

Calculation Table   Modifiers   Notes

Modifiers 1-10   Modifiers 11-20

	Description	Type	Value
Modifier 1:	Withholding Allowance	Amount	4,200.00

Step 3 – Enter new Federal Withholding Rates for those that **DO** change their W-4 **WITHOUT** Box 2c checked

1. Open **Clarity Payroll | Organization | Calculation Tables**.

2. Enter "Federal – Single" in the **Calculate Table Name** field.

3. Click the **Copy** button on the toolbar.

4. Name the new calculation table "Federal – Single – No Box 2c".

5. Verify the amounts match from **Step 2.3** above.

6. On the **Modifiers** tab, update to the new dependent credit amounts.

Calculation table name: Federal - Single - No Box 2c			
Calculation Table	**Modifiers**	**Notes**	

	Modifiers 1-10	**Modifiers 11-20**		
	Description		Type	Value
Modifier 1:	Qualifying Children		Amount ∨	2,000.00
Modifier 2:	Other Dependents		Amount ∨	500.00
Modifier 3:			Amount ∨	.00
Modifier 4:			Amount ∨	.00

7. Enter "Federal – Married" in the **Calculation Table Name** field.

8. Click the **Copy** button on the toolbar.

9. Name the new calculation table "Federal – Married – No Box 2c".

10. Verify the amounts match from **Step 2.6** above.

11. On the **Modifiers** tab, update to the new dependent credit amounts.

Calculation table name: Federal - Married - No Box 2c			
Calculation Table	**Modifiers**	**Notes**	

	Modifiers 1-10	**Modifiers 11-20**		
	Description		Type	Value
Modifier 1:	Qualifying Children		Amount ∨	2,000.00
Modifier 2:	Other Dependents		Amount ∨	500.00
Modifier 3:			Amount ∨	.00
Modifier 4:			Amount ∨	.00

12. Click the **Save** button on the toolbar.

13. Make sure "Federal – Married – No Box 2c" in still selected. If not, type "Federal – Married – No Box 2c" in the **Calculation Table Name** field.

14. Click the **Copy** button on the toolbar.

15. Name the new calculation table "Federal – Head of Household – No Box 2c".

Enter the new **Federal Withholding Rates** table information for the **Head of Household – No Box 2c** status.

Calculation table name: Federal - Head of Household - No Box 2c

Calculation Table   Modifiers   Notes

Calculation table name: Federal - Head of Household - No Box 2c

Tasks	Over	Not Over	Tax Amount	Tax Rate
Add a new rate	0.00	10,050.00	0.00	.0000
Remove the selected rate	10,050.00	24,150.00	0.00	10.0000
	24,150.00	63,750.00	1,410.00	12.0000
	63,750.00	95,550.00	6,162.00	22.0000
	95,550.00	173,350.00	13,158.00	24.0000
	173,350.00	217,400.00	31,830.00	32.0000
	217,400.00	528,450.00	45,926.00	35.0000
	528,450.00	999,999.99	154,793.50	37.0000

To change the rates, click on a line.

Over	Not Over
0.00	11,190.00
11,190.00	13,675.00
13,675.00	43,925.00
43,925.00	89,325.00
89,325.00	167,100.00

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

Rate

Over: .0000
Not over: 10,050.0000
Tax amount: .0000
Tax rate: 0   %

16. On the **Modifiers** tab, verify the new dependent credit amounts.

Calculation table name: Federal - Head of Household - No Box 2c

Calculation Table | Modifiers | Notes

Modifiers 1-10 | Modifiers 11-20

	Description	Type	Value
Modifier 1:	Qualifying Children	Amount ∨	2,000.00
Modifier 2:	Other Dependents	Amount ∨	500.00
Modifier 3:		Amount ∨	.00
Modifier 4:		Amount ∨	.00

Step 4 – Enter new Federal Withholding Rates for those that DO change their W-4 WITH Box 2c checked

1. Open **Clarity Payroll | Organization | Calculation Tables**.

2. Enter "Federal – Single – No Box 2c" in the **Calculate Table Name** field.

3. Click the **Copy** button on the toolbar.

4. Name the new calculation table "Federal – Single –Box 2c".

Enter the **Federal Withholding Rates** table information for the **Single –Box 2c** status.

Calculation table name: Federal - Single - Box 2c

| Calculation Table | Modifiers | Notes |

Calculation table name: Federal - Single - Box 2c

Tasks	Over	Not Over	Tax Amount	Tax Rate
Add a new rate	0.00	6,200.00	0.00	.0000
Remove the selected rate	6,200.00	11,138.00	0.00	10.0000
	11,138.00	26,263.00	493.75	12.0000
	26,263.00	48,963.00	2,308.75	22.0000
	48,963.00	87,850.00	7,302.75	24.0000
	87,850.00	109,875.00	16,635.75	32.0000
	109,875.00	265,400.00	23,683.75	35.0000
	265,400.00	999,999.99	78,117.50	37.0000

To change the rates, click on a line.

Over	Not Over
0.00	3,800.00
3,800.00	13,675.00
13,675.00	43,925.00
43,925.00	89,325.00

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

Rate	
Over:	.0000
Not over:	6,200.0000
Tax amount:	.0000
Tax rate:	0 %

5. On the **Modifiers** tab, verify the new dependent credit amounts.

Calculation table name: Federal - Single - Box 2c

Calculation Table | Modifiers | Notes

Modifiers 1-10 | Modifiers 11-20

	Description	Type	Value
Modifier 1:	Qualifying Children	Amount ∨	2,000.00
Modifier 2:	Other Dependents	Amount ∨	500.00
Modifier 3:		Amount ∨	.00
Modifier 4:		Amount ∨	.00

6. Enter "Federal – Married – No Box 2c" in the **Calculation Table Name** field.

7. Click the **Copy** button on the toolbar.

8. Name the new calculation table "Federal – Married –Box 2c".

Enter the **Federal Withholding Rates** table information for the **Married –Box 2c** status.

Calculation table name: Federal - Married - Box 2c

Calculation Table | Modifiers | Notes

Calculation table name: Federal - Married - Box 2c

Tasks
- Add a new rate
- Remove the selected rate

Over	Not Over	Tax Amount	Tax Rate
0.00	12,400.00	0.00	.0000
12,400.00	22,275.00	0.00	10.0000
22,275.00	52,525.00	987.50	12.0000
52,525.00	97,925.00	4,617.50	22.0000
97,925.00	175,700.00	14,605.50	24.0000
175,700.00	219,750.00	33,271.50	32.0000
219,750.00	323,425.00	47,367.50	35.0000
323,425.00	999,999.99	83,653.75	37.0000

To change the rates, click on a line.

Over	Not Over
0.00	11,190.00
11,190.00	13,675.00
13,675.00	43,925.00
43,925.00	89,325.00

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

Rate	
Over:	.0000
Not over:	12,400.0000
Tax amount:	.0000
Tax rate:	0 %

9. On the **Modifiers** tab, verify the new dependent credit amounts.

Calculation table name: Federal - Married - Box 2c

Calculation Table | Modifiers | Notes

Modifiers 1-10 | Modifiers 11-20

	Description	Type	Value
Modifier 1:	Qualifying Children	Amount ∨	2,000.00
Modifier 2:	Other Dependents	Amount ∨	500.00
Modifier 3:		Amount ∨	.00
Modifier 4:		Amount ∨	.00

10. Enter "Federal – Head of Household – 2020" in the **Calculation Table Name** field.

11. Click the **Copy** button on the toolbar.

12. Name the new calculation table "Federal – Head of Household – 2020 Box 2".

Enter the **Federal Withholding Rates** table information for the **Head of Household – 2020 Box 2** status.

Calculation table name: Federal - Head of Household - Box 2c

Calculation Table | Modifiers | Notes

Calculation table name: Federal - Head of Household - Box 2c

Tasks	Over	Not Over	Tax Amount	Tax Rate
Add a new rate	0.00	9,325.00	0.00	.0000
Remove the selected rate	9,325.00	16,375.00	0.00	10.0000
	16,375.00	36,175.00	705.00	12.0000
	36,175.00	52,075.00	3,081.00	22.0000
	52,075.00	90,975.00	6,579.00	24.0000
	90,975.00	113,000.00	15,915.00	32.0000
	113,000.00	268,525.00	22,963.00	35.0000
	268,525.00	999,999.99	77,396.75	37.0000

To change the rates, click on a line.

Over	Not Over
0.00	10,050.00
10,050.00	24,150.00
24,150.00	63,750.00
63,750.00	95,550.00
95,550.00	173,350.00

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

Rate

Over:	.0000
Not over:	9,325.0000
Tax amount:	.0000
Tax rate:	0 %

13. On the **Modifiers** tab, verify the new dependent credit amounts.

Calculation table name: Federal - Head of Household - Box 2c

Calculation Table | Modifiers | Notes

Modifiers 1-10 | Modifiers 11-20

	Description	Type	Value
Modifier 1:	Qualifying Children	Amount	2,000.00
Modifier 2:	Other Dependents	Amount	500.00
Modifier 3:		Amount	.00
Modifier 4:		Amount	.00

Step 5 – Create Calculation Formulas for 2020 W-4's

1. Open **Clarity Payroll | Organization | Calculation Formulas**.

2. Enter "Federal Withholding" in the **Calculate Formula Name** field.

3. Click the **Copy** button on the toolbar.

4. Name the new calculation table "Federal Withholding – 2020".

5. Unlock the formula by clicking the padlock on the toolbar.

6. If required, enter the **Field access password**.

7. Click the **Modify** button in the lower right.

8. Copy the following and paste it into the **Formula** section:

   Var1 = MAX(0, WagesCurrPer)
   Var2 = Table(Var1)
   Var3 = ((CurrentExemptions)*Modifier1)+((CurrentAdditionalExemptions)*Modifier2)
   Var4 = (Var2-Var3)
   Result = MAX(0,Var4)

Formula name: Federal Withholding - 2020

| Calculation Formula | Notes |

Formula name: Federal Withholding - 2020
Original master: Federal Withholding   Select...
Formula: Var1 = MAX(0, WagesCurrPer)
                Var2 = Table(Var1)
                Var3 = ((CurrentExemptions)*Modifier1)+((CurrentAdditionalExemptions)*Modifier2)
                Var4 = (Var2-Var3)
                Result = MAX(0,Var4)

9. Click **Save** and **Close**.

Step 6 – Create New Calculation

1. Open **Clarity Payroll | Organization | Calculations**.

2. Click the **New** button on the toolbar.

3. Enter "Federal – Single – No Box 2c" in the **Calculate Name** field.

4. Enter "Fed–Single–No Box 2c" in the **Abbreviated Calculation Name** field.

5. Change the **Calculation Formula** to "Federal Withholding – 2020".

6. Change the **Calculation Table** to "Federal – Single – No Box 2c".

7. Change the **Pay Code Type** to "Federal Withholding".

Calculation name:	Federal - Single - No Box 2c
Calculation Notes	
Calculation name:	Federal - Single - No Box 2c
Abbreviated calculation name:	Fed-Single-No Box 2c
Calculation formula:	Federal Withholding - 2020
Calculation table:	Federal - Single - No Box 2c
Pay code type:	Federal Withholding

8. Click the **Save** button on the toolbar.

9. Click **Yes** to add the record.

10. Enter "Federal – Married – No Box 2c" in the **Calculate Name** field.

11. Enter "Fed–Maried–No Box 2c" in the **Abbreviated Calculation Name** field.

12. Change the **Calculation Formula** to "Federal Withholding – 2020".

13. Change the **Calculation Table** to "Federal – Married – No Box 2c".

14. Change the **Pay Code Type** to "Federal Withholding".

Calculation name:	Federal - Married - No Box 2c
Calculation Notes	
Calculation name:	Federal - Married - No Box 2c
Abbreviated calculation name:	Fed-Maried-No Box 2c
Calculation formula:	Federal Withholding - 2020
Calculation table:	Federal - Married - No Box 2c
Pay code type:	Federal Withholding

15. Click the **Save** button on the toolbar.

16. Click **Yes** to add the record.

17. Enter "Federal – Head of Household – 2020" in the **Calculate Name** field.

18. Enter "Fed – HoH – 2020" in the **Abbreviated Calculation Name** field.

19. Change the **Calculation Formula** to "Federal Withholding – 2020".

20. Change the **Calculation Table** to "Federal – Head of Household – No Box 2c".

21. Change the **Pay Code Type** to "Federal Withholding".

Calculation name: Federal - Head of Household - No Box 2c

Calculation	Notes

Calculation name:	Federal - Head of Household - No Box 2c
Abbreviated calculation name:	Fed-HoH-No Box 2c
Calculation formula:	Federal Withholding - 2020
Calculation table:	Federal - Head of Household - No Box 2c
Pay code type:	Federal Withholding

22. Click the **Save** button on the toolbar.

23. Click **Yes** to add the record.

24. Enter "Federal – Single –Box 2c" in the **Calculate Name** field.

25. Enter "Fed–Single–Box 2c" in the **Abbreviated Calculation Name** field.

26. Change the **Calculation Formula** to "Federal Withholding – 2020".

27. Change the **Calculation Table** to "Federal – Single – Box 2c".

28. Change the **Pay Code Type** to "Federal Withholding".

Calculation name: Federal - Single - Box 2c

Calculation	Notes

Calculation name:	Federal - Single - Box 2c
Abbreviated calculation name:	Fed-Single-Box 2c
Calculation formula:	Federal Withholding - 2020
Calculation table:	Federal - Single - Box 2c
Pay code type:	Federal Withholding

29. Click the **Save** button on the toolbar.

30. Click **Yes** to add the record.

31. Enter "Federal – Married –Box 2c" in the **Calculate Name** field.

32. Enter "Fed–Married–Box 2c" in the **Abbreviated Calculation Name** field.

33. Change the **Calculation Formula** to "Federal Withholding – 2020".

34. Change the **Calculation Table** to "Federal – Married –Box 2c".

35. Change the **Pay Code Type** to "Federal Withholding".

Calculation name: Federal - Married - Box 2c

| Calculation | Notes |

Calculation name:	Federal - Married - Box 2c
Abbreviated calculation name:	Fed-Married-Box 2c
Calculation formula:	Federal Withholding - 2020
Calculation table:	Federal - Married - Box 2c
Pay code type:	Federal Withholding

36. Click the **Save** button on the toolbar.

37. Click **Yes** to add the record.

38. Enter "Federal – Head of Household –Box 2c" in the **Calculate Name** field.

39. Enter "Fed–HoH–Box 2c" in the **Abbreviated Calculation Name** field.

40. Change the **Calculation Formula** to "Federal Withholding – 2020".

41. Change the **Calculation Table** to "Federal – Head of Household –Box 2c".

42. Change the **Pay Code Type** to "Federal Withholding".

Calculation name: Federal - Head of Household - Box 2c

| Calculation | Notes |

Calculation name:	Federal - Head of Household - Box 2c
Abbreviated calculation name:	Fed-HoH-Box 2c
Calculation formula:	Federal Withholding - 2020
Calculation table:	Federal - Head of Household - Box 2c
Pay code type:	Federal Withholding

43. Click the **Save** button on the toolbar.

44. Click **Yes** to add the record.

45. Click **Close**.

Step 7 – Update Employee Withholdings

1. Open **Clarity Payroll | Employee | Modify Existing Employees**.

2. Navigate to the employee you would like to change withholdings.

3. Click the **Pay Code** tab.

4. Double-click on the **FWT** pay code.

5. Select the **Calculation** to match the employee's W-4 Step 1(c) and Step 2(c) election.

6. Enter the **Extra Amount** from W-4 Step 4(c).

7. Enter the **Exemptions** from W-4 Step 3 "Qualifying Children". **Note:** Enter the **number** of dependents, not the dollar amount.

8. Enter the **Additional Exemptions** from W-4 Step 3 "Other Dependents". **Note:** Enter the **number** of dependents, not the dollar amount.

9. Repeat steps 2 – 8 for each employee that needs to be changed.

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 2020.

Illinois

Illinois' **Exemption Amount** has changed to $2,325.00. The **Dependent Amount** has remained at $1,000.00 and the **Tax Rate** at 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
.00	99,999,999.00	.00	4.9500

4. Click on the **Modifiers** tab.
5. Change the **Exemption Amount (**usually in the **Modifier 1** field) to $2,325.00 and verify the **Dependent Amount** (usually in the **Modifier 2** field) is $1,000.00.

Calculation table name: IL Married

Calculation Table | Modifiers | Notes

Modifiers 1-10 | Modifiers 11-20

	Description	Type	Value
Modifier 1:	Exemption Amount	Amount ⌄	2,325.00
Modifier 2:	Dependent Amount	Amount ⌄	1,000.00

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

Indiana

Indiana's tax rates have not changed for 2020. 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 3.23.

Calculation table name: IN - Married

Calculation Table | Notes

Calculation table name: IN - Married

Rates | Modifiers

Over	Not Over	Tax Amount	Tax Rate
.00	999,999.99	.00	3.2300

4. Click on the **Modifiers** tab.
5. Verify the **Exemption Amount (**usually in the **Modifier 1** field) is $1,000.00 and the **1st Amount** (usually in the **Modifier 2** field) is $1,500.00.

Calculation table name: IN - Married

Calculation Table | Notes

Calculation table name: IN - Married

Rates | Modifiers

	Description	Type	Value
1:	Personal Exemption Amount	Amount	1,000.00
2:	Dependent Exemption Amount	Amount	1,500.00

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

Iowa

Iowa's state tax rate and standard deductions have changed for 2020. Click here for more information regarding that change. 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 "IA NA – 0 or 1 Exempt" in the **Calculation table name** field at the top.
3. Verify the **Rates** match below.

Calculation table name: IA NA - 0 or 1 Exemptions

Calculation Table   Modifiers   Notes

Calculation table name: IA NA - 0 or 1 Exemptions

Tasks	Over	Not Over	Tax Amount	Tax Rate
Add a new rate	0.00	1,480.00	0.00	.3300
Remove the selected rate	1,480.00	2,959.00	4.88	.6700
	2,959.00	5,918.00	14.79	2.2500
	5,918.00	13,316.00	81.37	4.1400
	13,316.00	22,193.00	387.65	5.6300
	22,193.00	29,590.00	887.43	5.9600
	29,590.00	44,385.00	1,328.29	6.2500
	44,385.00	66,578.00	2,252.98	7.4400
	66,578.00	999,999.00	3,904.14	8.5300

4. Click on the **Modifiers** tab.
5. Change the **1ˢᵗ/2ⁿᵈ Exemption Credit** amount (usually in the **Modifier 2** field) to $40.00 and the **Standard Deduction** amount (usually in the **Modifier 5** field) to $1,880.00.

Calculation table name: IA NA - 0 or 1 Exempt

Calculation Table   Modifiers   Notes

Modifiers 1-10   Modifiers 11-20

	Description	Type	Value
Modifier 1:	Personal Exemptions	Number	.00
Modifier 2:	1st/2nd Exemption Credit	Amount	40.00
Modifier 3:	Subsequent Exempt Credit	Amount	.00
Modifier 4:	% of Federal Tax	Percent	100.00
Modifier 5:	Standard Deduction Amount	Amount	1,880.00

6. Click the **Calculation Table** tab.
7. Enter "IA NA – 2 Exempt" in the **Calculation table name** field at the top.
8. Repeat steps 3 – 4 above.

9. 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 $4,630.00.

Calculation table name: IA NA - 2 Exempt

| Calculation Table | Modifiers | Notes |

Modifiers 1-10   Modifiers 11-20

	Description	Type	Value
Modifier 1:	Personal Exemptions	Number	.00
Modifier 2:	1st/2nd Exemption Credit	Amount	40.00
Modifier 3:	Subsequent Exempt Credit	Amount	.00
Modifier 4:	% of Federal Tax	Percent	100.00
Modifier 5:	Standard Deduction Amount	Amount	4,630.00

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

Minnesota

Minnesota's state tax rate has changed for 2020. Click here for more information regarding that change. Follow these steps to verify and/or make this change.

Open the **Payroll** module.

1. Go to **Organization | Calculation Tables** on the menu.

2. 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".

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	3,800.00	0.00	.0000
Remove the selected rate	3,800.00	30,760.00	0.00	5.3500
	30,760.00	92,350.00	1,442.36	6.8000
	92,350.00	168,200.00	5,630.48	7.8500
	168,200.00	999,999.99	11,584.71	9.8500

4. Click on the **Modifiers** tab.

5. Change the **Exemption Amount** to **$4,300**.

Calculation table name: MN Single

Calculation Table	Modifiers	Notes

Modifiers 1-10	Modifiers 11-20

	Description	Type	Value
Modifier 1:	Exemption Amount	Amount ∨	4,300.00

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".

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	11,900.00	0.00	.0000
Remove the selected rate	11,900.00	51,310.00	0.00	5.3500
	51,310.00	168,470.00	2,108.44	6.8000
	168,470.00	285,370.00	10,075.32	7.8500
	285,370.00	999,999.99	19,251.97	9.8500

9. Click on the **Modifiers** tab.

10. Change the **Exemption Amount** to **$4,300**.

Calculation table name: MN Married

Calculation Table | Modifiers | Notes

Modifiers 1-10 | Modifiers 11-20

	Description	Type	Value
Modifier 1:	Exemption Amount	Amount ∨	4,300.00

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

Michigan

Michigan's **Exemption Amount** has increased to $4,750.00 and the tax rate is unchanged at 4.25 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 "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 $4,750.00.

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

Ohio

Ohio's state tax rate has changed for 2020. 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.

Calculation table name: OH

Calculation Table | Notes

Calculation table name: OH

Original master: Select...

Published on:

Rates | Modifiers

Over	Not Over	Tax Amount	Tax Rate
.00	5,000.00	.00	.5160
5,000.00	10,000.00	25.80	1.0320
10,000.00	15,000.00	77.40	2.0670
15,000.00	20,000.00	180.75	2.5820
20,000.00	40,000.00	309.85	3.0990
40,000.00	80,000.00	929.65	3.6140
80,000.00	100,000.00	2,375.25	4.1320
100,000.00	999,999,999.99	3,201.65	5.1640

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

Calculation table name: OH

Calculation Table | Notes

Calculation table name: OH

Rates | Modifiers

	Description	Type	Value
1:	Exemptions	Amount	650.00

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

Wisconsin

Wisconsin's state tax rate has changed for 2020. Click here for Wisconsin's Withholding Tax Guide updated 11/19. Follow these steps to verify and/or make this change.

Open the **Payroll** module.

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".

Calculation table name: WI Single

| Calculation Table | Modifiers | Notes |

Calculation table name: WI Single

Tasks	Over	Not Over	Tax Amount	Tax Rate
Add a new rate	0.00	5,730.00	0.00	.0000
Remove the selected rate	5,730.00	15,200.00	0.00	4.0000
	15,200.00	16,486.00	378.80	4.4800
	16,486.00	26,227.00	436.41	6.5408
	26,227.00	62,950.00	1,073.55	7.0224
	62,950.00	240,190.00	3,652.39	6.2700
	240,190.00	999,999.99	14,765.34	7.6500

4. Click on the **Modifiers** tab.

5. The **Exemption Amount** did not change from **$22.00**. Verify that this is your **Exemption Amount**.

Calculation table name: WI Single

| Calculation Table | Modifiers | Notes |

| Modifiers 1-10 | Modifiers 11-20 |

	Description	Type	Value
Modifier 1:	Exemption Amount	Amount	22.00

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".

Calculation table name: WI Married

Calculation Table | Modifiers | Notes

Calculation table name: WI Married

Tasks	Over	Not Over	Tax Amount	Tax Rate
Add a new rate	0.00	7,870.00	0.00	.0000
Remove the selected rate	7,870.00	18,780.00	0.00	4.0000
	18,780.00	21,400.00	436.40	5.8400
	21,400.00	28,308.00	589.41	7.0080
	28,308.00	60,750.00	1,073.52	7.5240
	60,750.00	240,190.00	3,514.46	6.2700
	240,190.00	999,999.99	14,765.35	7.6500

9. Click on the **Modifiers** tab.

10. The **Exemption Amount** did not change from **$22.00**. Verify that this is your **Exemption Amount**.

Calculation table name: WI Married

Calculation Table | Modifiers | Notes

Modifiers 1-10 | Modifiers 11-20

	Description	Type	Value
Modifier 1:	Exemption Amount	Amount	22.00

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 2020. 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 – 6.75%

Employer Required – 6.75%

Elected

Employee Required – 6.75%

Employer Required – 6.75%

Protective with Social Security

Employee Required – 6.75%

Employer Required – 11.74%

Protective without Social Security

Employee Required – 6.75%

Employer Required – 16.34% (includes duty disability rate)

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. 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 – Publication 15-T
https://www.irs.gov/pub/irs-pdf/p15t.pdf
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
https://www.revenue.state.mn.us/minnesota-department-revenue
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/
Wisconsin Department of Revenue
http://www.revenue.wi.gov/
Wisconsin Retirement Rates:
http://etfonline.wi.gov/ETFCalculatorWeb/etf/internet/employer/ETFemployerrates.jsp