

What's New in Elite Salon & Spa Payroll™, Release 4.13 (For payrolls run during the months of April through December 2020)

This release includes the updated U.S. Form 941 for 2020.

What's New in Elite Salon & Spa Payroll™, Release 4.12 (For payrolls run during the months of January through April 2020)

1. Instructions for U.S. Form 940 for 2019

Follow these steps:

- Print the U.S. Form 940. Accurate data for 2019 will appear on a printed U.S. Form 940 for **2018**.
- Once printed, launch the following web page which will allow you to enter the data manually onto the U.S. Form 940 for **2019** form:

<https://www.irs.gov/pub/irs-pdf/f940.pdf>

2. Social Security Tax Rate for Employees.

For the year 2020, the *employee* tax rate for social security is 6.2%. The *employer* tax rate is also 6.2%.

The wage base limit for social security in 2020 will be \$137,700.

The following screen appears in Release 4.12.

The screenshot shows a dialog box titled "Other Taxes Setup" with a close button (X) in the top right corner. It is divided into two sections: "Employee" and "Employer". Each section contains a table with columns for "Tax", "%", and "Wage Base".

Employee		
Tax	%	Wage Base
Social Security	6.20	\$137,700.00
Medicare	1.45	No Limit
Additional Medicare	0.90	\$200,000.00
UD Tax 1	0.000000	\$0.00
UD Tax 2	0.000000	\$0.00

Employer		
Tax	%	Wage Base
Social Security	6.20	\$137,700.00
Medicare	1.45	No Limit
FUTA	0.60	\$7,000.00

At the bottom of the dialog box, there are two buttons: "Accept" (with a green checkmark icon) and "Cancel" (with a red X icon).

3. Updated Federal Withholding Taxes

The formula for calculating federal income tax has been updated for 2020. For this first time in many years, the federal government changed the format of the U.S. Form W4 (a form that is to be signed each year by each of your employees). This latest software update allows your current employees to choose between using the new U.S. Form W4 for 2020 and using a U.S. Form W4 prior to 2020. Please note that any employee you hired for the first time within the year 2020 can only complete the U.S. Form W4 for 2020.

4. Updated State Withholding Taxes

The formulas for calculating state taxes have been updated for 2020 for the following states:

Alabama
California
Colorado
Idaho
Illinois
Indiana
Iowa
Kentucky
Louisiana
Maine
Maryland
Massachusetts
Michigan
Minnesota
Mississippi
Missouri
New Jersey
New Mexico
New York (includes updated tables for Yonkers)
North Carolina
North Dakota
Ohio
Oregon
Pennsylvania (Several cities changed taxes, state tax remains unchanged.)
Rhode Island
South Carolina
Vermont
Virginia