

Product Update Release Notes

Product: Sage Abra Suite
Version: Product Update Q4 2010 for version 9

Important update information for our customers

This product update includes all product fixes since the release of Sage Abra Suite v9.0:

- Q2 tax updates
- all fixes in Product Update v9.02
- Q3 tax updates
- Q4 tax updates (included in this product update)
- HR and Payroll updates (included in this product update)

As always, you can download all product updates and release notes from [Support Plus Online](#). To find the product updates you want to install, log on to Support Plus Online, then

select **US Sage Abra HRMS Products** and go to **Product & Documentation** to find product updates.

What's included in this product update

This product update includes tax updates for Fourth Quarter 2010 as well as modifications for HR and Payroll.

Note: If you are **not** using Payroll, disregard all Payroll sections in this document.

[Quarterly Tax Updates](#)

[Payroll Updates](#)

[HR Updates](#)

Before You Begin

Important:

You cannot install the quarterly update while you are in Trial Quarter Close.

If you have already run the Trial Quarter Close, you must restore the backup you made prior to the Trial Quarter Close, install the Fourth Quarter 2010 Update (see page 27), and rerun the Trial Quarter Close. As a reminder, the Trial Quarter Close can be processed in two ways: you can run it manually (**Processes > Payroll > Run Trial Quarter Close**), or it is run automatically when you run the first payroll in the next quarter.

- Before installing this update, back up your Sage Abra Suite system by using your external backup procedure.
- Before you run the Trial Quarter Close process for the Fourth Quarter of 2010, you must install this Q4 2010 Product Update (page 27).
- You can upgrade to this Q4 2010 Product Update from any of the following Sage Abra Suite versions:
 - 9.00
 - 9.01
 - 9.02
 - 9.03 (Q3 2010 update)
 - 9.04.01.06 Note that if you are upgrading from 9.03 (Q3 2010), you must upgrade to **9.04.01.06** before you install this 9.07 quarterly update.

Important! You cannot upgrade to this Q4 2010 Product Update from 9.04.01.05. If you are on this version, you must upgrade to 9.04.01.06 first and then upgrade to this version.

Support and Documentation

Sage strives to provide you with the very best support in the industry. If you have a question, we provide the following methods for you to get your answer as soon as possible.


1. Refer to the online Help for assistance. To access online Help, select Contents from Sage Abra Suite's Help menu and use the Table of Contents, Index, and Search function to find what you need. You can also click  to open Help for the function you are currently using.
2. Visit the Technical Forum and Solution Center on Abra SupportPlus Online at: http://www.sageabra.com/support_and_training/customer_logon
3. Send an email (include your Customer ID) to: abratechsupport@sage.com
4. Call Sage Abra Customer Support, Monday through Friday from 8:00 A.M. to 8:00 P.M. (ET) at 800-829-0170. Please have your Customer ID number available.
5. Visit Abra SupportPlus Online and use Abra Live Chat, Monday through Friday from 9:00 A.M. to 5:00 P.M. (ET) at: http://kb.sagesoftwareonline.com/cgi-bin/sagesoftwareonline.cfg/php/enduser/chat.php?&_input_icf_43=135
Please have your Customer ID number available.

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Quarterly Tax Updates

Important!

You **cannot** install a quarterly update while you are in **Trial Quarter Close**. You should install this Q4 2010 Product Update (see page 27) **before** you process Trial Quarter Close for Quarter 4, 2010 or run any payrolls for Quarter 1, 2011.

If you have already run the Trial Quarter Close, you must restore the backup you made prior to the Trial Quarter Close, install the Q4 2010 Product Update, and rerun the Trial Quarter Close. As a reminder, the Trial Quarter Close can be processed in two ways: you can run it manually (**Processes > Payroll > Run Trial Quarter Close**), or it is run automatically when you run the first payroll in the next quarter.

Taxes not received before year end

Some taxes were not received at the time of this release. Taxes received after this release will be made available at a later date as a Fourth Quarter 2010 **Service Release**. This service release will include additional tax tables and quarterly filing updates. This service release will be necessary before you submit any of your quarterly or annual reporting.

Local Taxes

Sage is always striving to provide you with the tax codes you will need to set up payroll processing for your employees. If you require a local tax that is not listed in the System Tax Tables, contact us at:

abratechsupport@sage.com

Tax Forms

Because all printed forms have variations, Abra Suite only supports forms printed by Sage Checks and Forms. Call Sage Checks and Forms at 800-869-8950 or visit the Web Site at:

<https://sage.checks-and-forms.com/>

Federal Legislative Updates

- Withholding tables for 2011 have been released. Changes include:
 - An increase in the **allowance amount** to \$3,700.
 - An adjustment in **nonresident alien withholding** to \$2,100 (see Making Work Pay credit below).

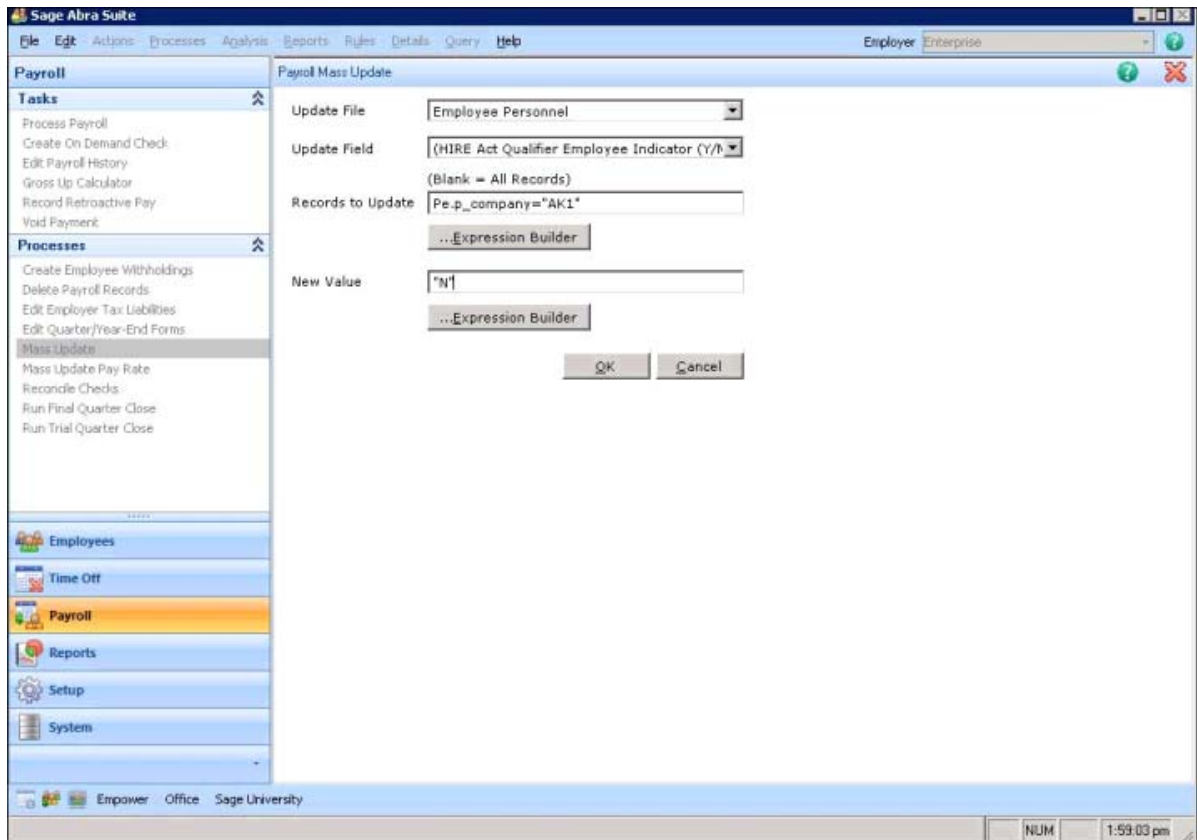
- The employee's share of **Social Security** tax in 2011 will be reduced from 6.2% to 4.2%. Therefore, the maximum an employee pays in Social Security tax (if the employee is paid at least the wage base of \$106,800) is \$4,485.60. Employers continue to pay the full rate of 6.2% for a maximum of \$6,621.60 on a wage base of \$106,800 for 2011.
- The employee's share of **Railroad Tier 1** tax in 2011 will be reduced from 6.2% to 4.2%. Therefore, the maximum an employee pays in Railroad Tier 1 (if the employee is paid at least the wage base of \$106,800) is \$4,485.60. Employers continue to pay the full rate for 2011.
- The **Making Work Pay credit** expires on December 31, 2010. As a result:
 - The income tax withholding tables for 2011 are not adjusted for the Making Work Pay credit.
 - The additional withholding table used for nonresident aliens has been eliminated. For 2011, the only adjustment for nonresident aliens is a \$2,100 wage adjustment that has been in place for several years.

HIRE Act expired

The HIRE Act is expired as of December 31, 2010 as tax legislation signed December 17, 2010 did **not** include an extension to the Hiring Incentives to Restore Employment (HIRE) Act. As a result, the tax codes **EMP9** and **RR19** will be expired as of December 31, 2010. This means that when you run the first payroll of 2011, exceptions will be returned for employees who have these tax codes as active and have the HIRE Act Qualified Employee indicator set to **Yes** on their Payroll Status page.

To avoid exceptions, you must do the following before you run the first payroll of 2011.

- Inactivate the **EMP9** and **RR19** tax codes for the affected employees. You can use Mass Update to do this.
- Set the **HIRE Act Qualified Employee indicator** on the affected employees' Payroll Status page to **No**. To use Mass Update to do this, use the following figure as a guide. Make sure you set the **New Value** to **.N**. as in the following example:



Pension Plan Limits for 2011

The Internal Revenue Service has announced cost of living adjustments affecting dollar limitations for pension plans and other retirement-related items for tax year 2011. They are as follows:

- The limitation on the exclusion for elective deferrals (for example, 401(k) and 403(b) plans) is unchanged at **\$16,500**.
- The limitation for elective deferrals to deferred compensation plans of state and local governments and tax-exempt organizations (457(b) plans) is unchanged at **\$16,500**.
- The compensation amount for elective deferrals to SIMPLE retirement accounts is unchanged at **\$11,500**.
- The annual compensation limit is unchanged at **\$245,000**.
- The limitation for catch-up contributions to 401(k), 403(b), and 457(b) plans for individuals age 50 or over is unchanged at **\$5,500**; the limitation for catch-up contributions to an employer's SIMPLE plan for individuals age 50 or over remains unchanged at **\$2,500**.
- The limitation for the definition of "key employee" in a top-heavy plan remains unchanged at **\$160,000**.

- The compensation amount for the definition of “control employee” for fringe benefit purposes is unchanged at **\$95,000**.
- The limitation used in the definition of “highly compensated employee” is unchanged at **\$110,000**.

Health Savings Account

The annual contribution limits for Health Savings Account (HSA) for 2011 remain unchanged from 2010. These amounts are:

- The maximum annual HSA contribution for an eligible individual is \$3,050.
- The maximum annual HSA contribution for family coverage is \$6,150.
- The maximum out of pocket amount for High Deductible Health Plan (HDHP) self-coverage increases to \$5,950.
- The maximum out of pocket amount for HDHP family coverage is \$11,900.
- The minimum deductible amount for HDHP self-coverage is \$1,200.
- The minimum deductible amount for HDHP family coverage is \$2,400.

Note: These goal amounts are not automatically updated. You must update the goal amounts in Sage Abra Suite. Refer to the “Update Goal Amounts” section in the Sage Abra Suite 2010 Year-End Processing Guide for instructions.

Social Security taxable wage base

The Social Security Administration (SSA) announced:

- The following rates and limits remain the same for 2011
 - The taxable wage base remains at \$106,800.
 - For employers, the FICA tax rate (the combined social security tax rate of 6.2% and the Medicare tax rate of 1.45%) remains at 7.65% and the maximum social security tax remains at \$6,621.60.

- The following rates and limits changed for employees in 2011
 - The FICA tax rate (the combined social security tax rate of 4.2% and the Medicare tax rate of 1.45%) for employees decreases to 5.65%
 - The maximum social security tax decreases to \$4,485.60.

Railroad Tier I, Tier II, and Unemployment wage bases

The Tier I wage bases remained the same for employers in 2011 but changes for employees. The wage bases for Tier II and Railroad unemployment remain unchanged from 2010. These amounts are:

- Tier I taxable wage base remains at \$106,800.
- Tier I tax rate remains at 7.65% for employers.
- Tier I tax rate decreases to 5.65% for employees.
- Tier II taxable wage base remains at \$79,200
- Maximum monthly taxable earnings base subject to railroad unemployment insurance tax remains at \$1,330.

Reporting of Employer-Provided Health Care Coverage

The IRS has announced that it will **not** require employers to include the “aggregate cost” of employer-sponsored health insurance coverage on Form W-2s for the 2011 tax year. The information was to be reported in box 12 of Form W-2 with code **DD**.

However, you can start capturing the amounts now to prepare for compliance by using the new earnings category **Employer Provided Health Coverage** that we have added to Abra Suite. At the time of this quarterly release, the IRS has not released final guidelines as to what specifically needs to be reported. At the time of release, you will need to follow the legislation to know and understand what earnings must be recorded for this category. Because this is not mandatory for 2011 Form W-2s, we will continue to monitor information released by the IRS and update the system as required.

Forms W-2 and W-3

- As a result of the Hiring Incentives to Restore Employment (HIRE) Act, the 2010 Forms W-2 and W-3 have been revised. For employers to report the amount of wages and tips covered by the payroll tax exemption, the following changes have been made:
 - **Form W-2:** A new code **CC**, has been added to box 12 for HIRE exempt wages and tips.
 - **Form W-3:**
 - A new box **12b**, has been added for the total of all amounts reported with code **CC** in box 12 on forms W-2.
 - The total of deferred compensation amounts, previously reported in box 12 is now reported in the new box **12a**.
- The Federal EFW2 file has been updated for tax filing year 2010. Updates include:
 - A new field, **HIRE Exempt Wages and Tips**, has been added to the RO record (positions 100-110) and the RU record (positions 130-144). This field does not apply to the Employment Code Household (H) and is valid for tax year 2010 only.
 - Additional information for the **Software Vendor Code** has been added to the RA record (positions 20-23). If **99** (off-the-shelf software) is entered for the Software Code (positions 36-37), the Software Vendor Code must be entered in positions 20-23 (otherwise leave blank). The Software Vendor Code for Abra Suite is **1809**.
- The Central Collection Agency (CCA) has released the requirements for employers filing W-2 information on magnetic media for tax year 2010. These requirements remain unchanged from 2009 requirements. That is, CCA requires employers who meet one of the following requirements to file W-2 information on magnetic media:
 - Employers who are withholding CCA tax for 250 or more employees.
 - Employers who are withholding CCA tax for 100 or more employees and are filing W-2 information electronically at the federal level.

Form 943 Worksheet

Form 943 for 2010 has been released by the IRS. The Form 943 Worksheet in Abra Suite has been modified to incorporate reporting requirements due to the HIRE Act, The changes are as follows.

- Line 7 has been replaced with lines 7a, 7b, 7c, and 7d as follows:
 - **Line 7a:** Number of qualified employees paid wages after March 31, 2010
 - **Line 7b:** Exempt wages paid to qualified employees after March 31, 2010
 - **Line 7c:** Social security tax exemption
 - **Line 7d:** Total taxes before adjustments (line 3 + line 5 + line 6 - line 7c)
- Instruction reference changed to line 7d instead of line 7 as follows:
 - **Line 9:** Total taxes after adjustment (line 7d as adjusted by line 8)
- New lines have been added:
 - **Line 13c:** Number of qualified employees paid exempt wages March 19-31
 - **Line 13d:** Exempt wages paid to qualified employees March 19-31
 - **Line 13e:** Social security tax exemption
- Addition of **Line 13e** in line calculation:
 - **Line 14:** Add lines 12, 13a, and 13e (new reference to line 13e)

Form 945

Form 945 (Rev 2010) has been updated for tax filing year 2010. No legislative changes were required.

Form 1096

The paper version of Form 1096 for 2010 has not changed from 2009.

Forms 1099

- Forms 1099-R and 1099-MISC have been updated for the 2010 filing year.
- For privacy purposes, Form 1099 - MISC may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN), or adoption taxpayer identification number (ATIN). However, the issuer must report the complete identification number to the IRS and, where applicable, to state and local governments.
- The following changes were made to Form 1099-R reporting:
 - Reporting of tax-free transfers of qualified long-term care insurance contracts was added to box 1 in the Instructions for Recipient.
 - Reporting of charges or payments made against the cash value of an annuity contract or the cash surrender value of a life insurance contract for purchasing qualified long-term care insurance was added to box 1 in the Instructions for Recipient.
 - Qualified long-term care insurance contracts were added to the list of Section 1035 exchanges for Code 6 in box 7 in the Instructions for Recipient.

Qualified transportation fringe benefits

Qualified transportation fringe benefits have changed for 2011. An employee can exclude up to \$230 a month for qualified parking expenses (unchanged from 2010), and up to \$120 a month for the combined value of transit passes and transportation in a commuter highway vehicle (decreased from \$230 a month in 2010).

Qualified employer-provided adoption assistance

Qualified employer-provided adoption assistance may be excluded from an eligible employee's income for purposes of federal income tax withholding if the benefits are provided as part of a qualified adoption assistance program. The adoption exclusion per child (whether or not he or she has special needs) is limited to \$13,360 in 2011 (increased from \$13,170 in 2010).

Advance Earned Income Credit

Effective January 1, 2011, the Advance Earned Income Credit (EIC) which allows qualified individuals to receive part of the credit in each paycheck during the year in which the taxpayer expects to qualify for the credit, is being eliminated. As a result, the tax tables, payroll codes, and associated property codes for the federal advanced EIC are set to expire 12/31/2010.

After the code expires on 12/31/2010, you must change the following information for EIC employees before you can run their first payroll in 2011:

- Change EIC Tax Code Status to Inactive
- Change EIC Marital Status Code to Not Eligible
- Change EIC Eligibility to False

You can use the Payroll Mass Update process to easily change this information for your EIC employees. Use the following figures as a guide to help you enter the correct criteria and values to update the information.

Change EIC Tax Code Status to Inactive

The screenshot shows the 'Payroll Mass Update' dialog box. It has a title bar 'Payroll Mass Update'. The 'Update File' dropdown is set to 'Employee Tax Withholdings Register'. The 'Update Field' dropdown is set to 'Tax Code Status'. Below this, it says '(Blank = All Records)'. The 'Records to Update' text box contains the expression 'Txe.company='ZSI' and Txe.taxcode='EIC''. Below this text box is an 'Expression Builder...' button. The 'New Value' text box contains the value '"I"'. Below this text box is another 'Expression Builder...' button. At the bottom right, there are 'OK' and 'Cancel' buttons.

Change EIC Marital Status Code to Not Eligible

The screenshot shows the 'Payroll Mass Update' dialog box. It has a title bar 'Payroll Mass Update'. The 'Update File' dropdown is set to 'Employee Personnel'. The 'Update Field' dropdown is set to 'EIC Marital Status Code (N/M/S/O)'. Below this, it says '(Blank = All Records)'. The 'Records to Update' text box contains the expression 'Pe.p_company='ZSI''. Below this text box is an 'Expression Builder...' button. The 'New Value' text box contains the value '"N"'. Below this text box is another 'Expression Builder...' button. At the bottom right, there are 'OK' and 'Cancel' buttons.

Change EIC Eligibility to False

Payroll Mass Update

Update File: Employee Personnel

Update Field: EIC Eligibility (T/F)

(Blank = All Records)

Records to Update: Pe._company='ZSI'

Expression Builder...

New Value: .F.

Expression Builder...

OK Cancel

State and Local Legislative Updates

Notes:

- This section contains the state and local updates. If a state is not listed in this section, there are currently no tax changes for that state.
 - Any state that follows the Federal RO or RU EFW2 format will now see a new field, HIRE Exempt Wages and Tips, in the RO Employee Record (positions 100-110) and the RU Total Record (positions 130-144).
 - Any state that follows the Federal RA EFW2 format will now the Software Vendor code of 1809 in the RA Software Vendor record (positions 20-23).
-

Alabama

The Jefferson County Occupational License tax (ALJ) was struck down, effective December 1, 2010. As a result, the rate in the rate table has been set to **0.00**. This may be revisited in Q1 2011 if new information is received.

Alaska

Effective January 1, 2011, the Unemployment Insurance wage base increases to \$34,600 and the Employee Withholding rate increases to .58% up to the taxable wage base.

California

- Withholding tables have changed for wages paid on or after January 1, 2011. New wage bracket (Method A) and exact calculation (Method B) withholding tables for the 2011 tax year have been issued.
 - The supplemental wage rate remains at 6.6%.
 - The withholding rate on stock options and bonus payments remains at 10.23%.
 - Exemption and standard deduction amounts will increase.
 - Tax rates will be lower than the rates currently in effect.
- State Disability Insurance (SDI) wage base and withholding rates have been released, effective January 1, 2011.
 - The withholding rate increases from 1.1% to 1.2%.
 - The taxable wage limit remains at \$93,316 for each employee per calendar year.
 - The maximum amount that can be withheld from an employee's pay increases from \$1,026.48 to \$1,119.79.

Hawaii

- The Unemployment Insurance wage base decreases to \$34,200 for 2011.
- The Hawaii Disability Insurance (HIDI) wage base and withholding rates have been released, effective January 1, 2011:
 - The maximum weekly disability wage base decreases to \$884.29.
 - The maximum weekly deduction decreases to \$4.42.
 - The tax withholding rate remains unchanged at .5%.

Idaho

The Idaho State Tax Commission has released revised specs for annual W2 reporting for tax year 2010. The Field layout for Idaho account/permit number (RS record position; 248-267) has been changed to numeric, right justify, and blank fill.

Illinois

- The Unemployment Insurance wage base increases to \$12,740 for 2011.

Indiana

- The Unemployment Insurance wage base increases to \$9,500 for 2011.
- The following updates were made to FLS Tax Filing Service:
 - For employees who had withholding in more than one county, each county’s withholding will be listed on a separate W2 record. Each record will have the **IN** state identifier in **State One [FormW2_StateNameOne]** and **IN** account # in **[FormW2_StateIdOne]**. The first record will have **IN** state wages and state withholding amounts and all subsequent records will have zero in those fields.
 - For employees who had no state wages or state withholding, but did have county data, the W2 record will have the **IN** state identifier in **State One [FormW2_StateNameOne]**, **IN** account # in **[FormW2_StateIdOne]**, and local data in **Local One** fields.

Special requirements for tax code setup for Indiana counties

Before you create a tax file, the tax codes for Indiana counties must be set up correctly. To properly identify Indiana county tax codes, the county identifier must be the first four or five characters in the tax code description.

- For a resident code, the identifier is **four** characters: **C-99** where **99** is the two-digit county code. For example, the tax code description for Adams County resident income tax can be identified as **C-01 Adams County Income Tax**. Always include a hyphen in a resident code.
- For a non-resident code, the identifier is **five** characters: **C99NR** where **99** is the two-digit county code. For example, the tax code description for Adams County non-resident income tax can be identified as **C99NR Adams County N/R Income Tax**. Never include a hyphen in a non-resident code.
- The following local tax setups have been updated:

Tax Code	County	Locality	Rate	Effective Date
INR	Cass	Cass County Income Tax	2.5%	October 1, 2010
INRA	Cass	Cass County N/R Income Tax	.5%	October 1, 2010
INBZ	Hancock	Hancock County Income Tax	1.55%	November 1, 2010
INCK	Hancock	Hancock County N/R Income Tax	.4%	November 1, 2010
INAD	Jay	Jay County Income Tax	2.45%	November 1, 2010
INEE	Jay	Jay County N/R Income Tax	.6%	October 1, 2010
INAB	Huntington	Huntington Country Income Tax	1.75%	December 1, 2010

Iowa

The Unemployment Insurance wage base increases to \$24,700 for 2011.

Kentucky

- Withholding tables have changed for wages paid on or after January 1, 2011. The only change from 2010 is the increase in the standard deduction to \$2,240.
- Changes to the Boone County Occupational License Fee tax (KYC, KYM) have been released, effective January 1, 2011:
 - Maximum wage on which the .8% tax is calculated is \$53,647.
 - Maximum tax to be withheld is \$429.18 per employee.
- The following tax rates have been added:

Tax Code	County	Locality	Rate	Effective Date
KYZA	Greenup	Raceland License Fee	1.0%	May 1, 2009
KYAP	Kenton	Erlanger License Fee	1.5%	July 1, 2010
KYBN	Kenton	Park Hills License Fee	1.5%	October 1, 2010
KYLV	Todd	Elkton License Fee	2.0%	July 1, 2009

Michigan

Withholding tables have changed for wages paid on or after January 1, 2011. The personal exemption amount increases to \$3,700 and the withholding tax rate remains unchanged at 4.35%.

Minnesota

- Withholding tables have changed for wages paid on or after January 1, 2010. The withholding allowance increases to \$3,700.
- Minnesota did not adopt the increased Federal adoption exclusion limits under the Health Care reform legislation. Due to Minnesota's nonconformity with these exclusion limits, the exclusion amount disparity increases from \$1,000 to \$1,190 for 2011. This is the result of the nonconformity amount calculating as \$13,360 less \$12,170 which is the IRS code amount to which Minnesota conforms.

Mississippi

The Unemployment Insurance wage base increases to \$14,000 for 2011.

Montana

The Unemployment Insurance wage base increases to \$26,300 for 2011.

Nevada

The Unemployment Insurance wage base decreases to \$26,600 for 2011.

New Hampshire

The Unemployment Insurance wage base increases to \$12,000 for 2011.

New Jersey

- The Unemployment Insurance wage base decreases to \$29,600 for 2011.
- W2 reporting for New Jersey has been revised to conform to the 2010 W2 acceptable alternative guidelines for reporting the withholding of employee contributions for unemployment, workforce/supplemental workforce, disability insurance, and family leave insurance.
 - The following changes have been made to Box 14, 19, and 20 on Form W-2 for reporting Family Leave Insurance (FLI) and Disability Insurance (DI):

- **Box 14:** The label **FLI** and **DI** and the associated amount for each are included in box 14:

14 Other	
FLI	5.40
DI	22.50

- **Box 19:** The private plan numbers for **FLI** and **DI** display in box 19, where 1111111111 represents the **DI PP#** and 2222222222 represents the **FLI PP#**:

19 Local income tax	
	1111111111
	2222222222

- **Box 20:** The labels **DI PP#** and **FLI PP#** display in box 20 to identify the private plan numbers displayed in box 19:

20 Locality name	
DI PP#	
FLI PP#	

Note: The only FLI and DI information that can be changed with the Edit Quarter/Year End Forms process is the value of the amount in box 14. If you need to edit or remove information in box 19 or box 20, you can use the Mass Update process. Please contact Customer Support if you need assistance using Mass Update to make changes.

- The New Jersey Family Leave Insurance worker rate (NJB) has decreased to .06% for wages paid on or after January 1, 2011.
- The following FLS Tax Filing Service updates were made to the W2 data file:
 - The New Jersey Family Leave Insurance (NJ FLI) field was overwriting the local tax code when **Cancel** was selected when prompted for a FLI number. This resulted in the FLI account number or code displaying in the position for local tax code. This has been corrected so that the local tax code is no longer overwritten by the NJ FLI field.
 - The New Jersey Family Leave Insurance (NJB tax code) was printing on form W-2 in state income tax box 15 with a state identifier of *2. This has been corrected so that the NJB tax is now reported correctly as a local tax in box 20.

New Mexico

The Unemployment Insurance wage base increases to \$21,900 for 2011.

New York

Effective January 1, 2011, new New York City Exact Calculation Method tables will be effective for wages paid after December 31, 2010. Also, the New York City supplemental wage withholding rate (NYNY) will decrease from 4.75% to 4.25%.

North Carolina

The Unemployment Insurance wage base remains unchanged for 2011 at \$19,700.

North Dakota

The Unemployment Insurance wage base increases to \$25,500 for 2011.

Ohio

- A 2010 EFW2 magnetic media file has been created for the city of Westerville, Ohio as the city now requires W2 reporting on CD when reporting 250 or more employees.
- The Regional Income Tax Authority (RITA) has released the W2 file specifications for 2010 tax reporting. As they adhere to the EFW2 record standard, the same changes made to the EFW2 record for the HIRE act are also effective for Ohio municipalities: HIRE Act exempt wages are reported on the RO record in positions 100-110 and the RU record in positions 130-144.
- The cities listed below report income taxes to the Columbus Income Tax Division. When generating a local W-2 file for Ohio, select the Columbus Collection Group tax authority for these cities. .
 - Brice
 - Canal Winchester
 - Columbus
 - Groveport
 - Harrisburg
 - Marble Cliff
 - Obetz

Note that updates in the W2 file may be needed in the following cases:

- For Columbus, Ohio in the Employee record, positions 258-259 default to the “work” code. You need to update this in the file if any should be “courtesy” code.
- In the RS record, position 308 defaults to “C”. You must update this in the file if any should have a different code.
- Logan Elm 6502 School District (OH5H) has switched from a 1% tax on income to a 1% tax on earned income. As a result, the exemption amount in the allowance rate table has been updated to \$0 (from \$650), effective January 1, 2011.
- Northridge 4509 School District (OH4V) income tax will expire for wages paid after December 31, 2010. As a result, the withholding and allowance tables for this tax have been expired.

- The tax tables have been updated to report the following local taxes on the Regional Income Tax Agency (RITA) local W2 file as needed for 2010 annual W2 reporting. The following localities are effective as of January 1, 2011.

Tax Code	Municipality Code	County	Locality
OHZ(162	Allen	Cairo Village
OHEE	185	Geauga	Chardon City
OH#Q	031	Paulding	Antwerp Village

As of October 1, 2010, Huber Heights City (in Montgomery County) is reporting the taxes directly to the city and not to RITA.

- The following local tax setups have been updated.

Tax Code	County	Locality	Rate	Effective Date
OHKY	Athens	Athens Local Tax	1.75%	January 1, 2011
OHLB	Butler	Oxford Local Tax	2.0%	January 1, 2011
OH3G	Butler	Oxford (N/R) Local Tax	2.0%	January 1, 2011
OH5Y	Cuyahoga	Beachwood Local Tax	2.0%	January 1, 2011
OHA	Cuyahoga	Beachwood Local Tax	2.0%	January 1, 2011
OHYM	Cuyahoga	Beachwood (N/R) Local Tax	2.0%	January 1, 2011
OHJJ	Darke	Ansonia LSD Local Tax	1.75%	January 1, 2011
OHVI	Darke	Newton LSD Local Tax	1.75%	January 1, 2010
OHCI	Delaware	Delaware Local Tax	1.85%	January 1, 2011
OHLI	Franklin	Whitehall Local Tax	2.5%	January 1, 2011
OH3T	Franklin	Whitehall (N/R) Local Tax	2.5%	January 1, 2011
OH6U	Geauga	Ledgemont LSD Local Tax	1.25%	January 1, 2011
OHIB	Greene	Xenia Local Tax	2.25%	January 1, 2011
OHBI	Hamilton	Woodlawn Local Tax	2.0%	July 1, 2010
OH*6	Hardin	Kenton City SD	1.5%	January 1, 2011
OHDA	Hardin	Ridgemont LSD Local Tax	1.75%	January 1, 2011
OHQV	Huron	New London Local Tax	1.5%	January 1, 2011
OH4W	Huron	New London (N/R) Local Tax	1.5%	January 1, 2011
OHFM	Lake	Willoughby Hills Local Tax	2.0%	January 1, 2011
OHUF	Mahoning	Lowellville Local Tax	2.0%	January 1, 2011
OHLS	Mercer	Celina Local Tax	1.5%	January 1, 2011
OH2B	Mercer	Celina (N/R) Local Tax	1.5%	January 1, 2011
OHAL	Montgomery	Miamisburg Local Tax	2.25%	January 1, 2011
OH3A	Montgomery	Miamisburg (N/R) Local Tax	2.25%	January 1, 2011

Tax Code	County	Locality	Rate	Effective Date
OH93	North Pickaway	North Pickaway County JEDD Local Tax	2.5%	October 1, 2009
OHAU	Putnam	Continental LSD Local Tax	1.0%	January 1, 2011
OHCS	Shelby	Anna LSD Local Tax	1.25%	January 1, 2011
OHQQ	Summit	Macedonia Local Tax	2.25%	January 1, 2011
OH(7	Summit	Macedonia North Center TWP JEDD Local Tax	2.25%	January 1, 2011
OHCN	Summit, Portage	Mogadore Local Tax	2.25%	July 1, 2010
OH*Y	Summit, Portage	Mogadore (N/R) Local Tax	2.25%	July 1, 2010
OHHV	Wood	Bowling Green Local Tax	2.0%	January 1, 2011
OH2G	Wood	Bowling Green (N/R) Local Tax	2.0%	January 1, 2011

- The following local tax setups have been added.

Tax Code	County	Locality	Rate	Effective Date
OHA8	Allen	Elida Local Tax	0.75%	April 1, 2006
OHA5	Auglaize	Cridersville Local Tax	1.0%	April 1, 2004
OH#Z	Auglaize	Waynesfield Local Tax	1.0%	January 1, 2008
OH&9	Butler	West Chester JEDD Local Tax	1.0%	September 15, 2009
OH#8	Cuyahoga	Beachwood East JEDD Local Tax	2.0%	January 1, 2011
OH#9	Cuyahoga	Beachwood West JEDD Local Tax	2.0%	January 1, 2011
OH&8	Lake	Painesville Concord JEDD Local Tax	1.5%	January 1, 2010
OHA9	Logan	Russells Point Local Tax	1.0%	January 1, 2005
OH!S	Miami	Bethel LSD Local Tax	0.75%	January 1, 2011
OH#0	Paulding	Oakwood Local Tax	1.0%	January 26, 1996
OHD1	Paulding	Paulding Local Tax	0.50%	January 1, 2001
OH(5	Seneca	Hopewell Loudon LSD Local Tax	.5%	January 1, 2011
OH!T	Stark	Northwest LSD Local Tax	1.0%	January 1, 2011
OH&7	Wood	North Baltimore Henry JEDD Local Tax	1.0%	January 1, 2010

Oklahoma

- The Unemployment Insurance wage base increases to \$18,600 for 2011.
- Beginning with quarterly returns due after Jan. 1, 2011, Oklahoma will require all employers, and third-party administrators filing on behalf of clients with Oklahoma unemployment tax account numbers, to file and remit quarterly unemployment tax returns and payments electronically using EZ Tax Express on the Oklahoma Security Commission (OSE) website. To accommodate this change, the Oklahoma UI Quarterly Reporting file has been updated to include the T record.

Oregon

- Withholding tables have changed for wages paid on or after January 1, 2010. Changes include the following:
 - Increase to the personal exemption credit of \$179
 - Increase to the standard deduction of \$1,980 and \$3,960 (for single with less than three allowances or for married and single with three or more allowances, respectively)
 - Increase in federal tax withheld deduction to \$5,950
- The Unemployment Insurance wage base increases to \$32,300 for 2011.
- Tax rates for Tri-County Metropolitan Transportation District (tax code ORA) and Lane County Mass Transit District (tax code ORB) have changed, effective for wages paid on or after January 1, 2011:
 - TriMet Transit District Rate: 0.6918%
 - Lane Transit District Rate: 0.67%
- The Workers' Benefit Fund assessment, (tax code ORWC), will remain unchanged for 2011 at 2.8¢ per hour; the WBF is shared equally between the employee and employer.

Pennsylvania

- For the FLS Tax Filing Service W2 data file, Philadelphia locals were being reported on the line of the first state field reported on the Forms W-2, even if that state was not Pennsylvania. This has been corrected so that Philadelphia locals now are reported on Pennsylvania state W2s.
- Edgeworth Borough has enacted a Local Services Tax (PGBX) at the rate of \$52.00. Effective January 1, 2010, all employers located in Edgeworth Borough are required to withhold this tax from all employees, except those who file an exemption form and expect their earnings to be less than \$12,000.

Note: Make sure to **not** set up this tax for the exception employees. That is, those who file an exemption form and expect their earnings to be less than \$12,000.

- The following local tax setups have been updated:

Tax Code	County	Locality	Rate	Effective Date
PBKV	Centre	Bellefonte Boro LST (N/R) Note: This code combines \$47.00 for Bellefonte borough and \$5.00 for Bellefonte school district.	\$52.00	January 1, 2008

Rhode Island

- Withholding tables have changed for wages paid on or after January 1, 2010. Changes include a decrease in the withholding exemption to \$1,000 (from \$3,650 in 2009).
- The State Disability Insurance (SDI) wage base and withholding rates have been released, effective January 1, 2011:
 - The withholding rate will be 1.3%
 - The taxable wage base will be \$58,400.
- The Job Development Fund (RIB) wage base and withholding rates have been released, effective January 1, 2011:
 - The withholding rate will be .51%
 - The taxable wage base remains unchanged at \$19,000.

South Carolina

The Unemployment Insurance wage base increases to \$10,000 for 2011.

South Dakota

The Unemployment Insurance wage base increases to \$11,000 for 2011.

Utah

- The Unemployment Insurance wage base increases to \$28,600 for 2011.
- The following modification was made for the Utah Quarterly Tax and Wage File:

Issue: The Quarterly Tax and Wage File for Utah was not reporting correct amounts in the RS record in positions 203-213 (gross wages less section 125 deductions) and positions 214-224 (total wages less excess wages).

Resolution: The file now shows correct amounts for **gross wages less section 125 deductions** and **total wages less excess wages** (that is, capped taxable wages).

Vermont

- The Unemployment Insurance wage base increases to \$13,000 for 2011.

Virginia

- The Virginia Dept. of Taxation will no longer accept CD or diskette submission of annual W2 data, effective January 1, 2011. The Web Upload option will be the only electronic filing method. The Web Upload requires only the RE and RS records in the EFW2 filing format.
- The following changes have been made to the Virginia W2 file specifications:
 - The RA and RF records have been removed.
 - The RE and RS records were updated to the new specifications.
 - The popup windows for Contact Information and PIN Number have been removed as this information is no longer required.
 - A new popup for Agent Data has been added.

Washington

The Unemployment Insurance wage base increases to \$37,300 for 2011.

Wisconsin

The Unemployment Insurance wage base increases to \$13,000 for 2011.

Wyoming

The Unemployment Insurance wage base decreases to \$22,300 for 2011.

Payroll Updates

Health Savings Account

Reporting of Health Savings Account employer and employee contributions on the W2 has been corrected. Employee and employer contributions will now be correctly reported on the W-2 Forms and the Pre-Close W-2 Report regardless of whether or not the contributions are zero.

Changing SSN after creating W-2 file

Issue: After a W-2 file was created, the user changed the employee's SSN on their Demographics page, but the next W-2 file that was created did not reflect the changed SSN; it showed the original one.

Resolution: The following changes have been made to resolve this issue:

1. The Employee's SSN field on the Edit Quarter/Year-End Forms page is now enabled so you can change the SSN when necessary.
2. When you click **Apply** or **OK** to save the page, the system compares the SSN on the Edit Quarter/Year-End Forms page to the SSN on the employee's Demographics page.
3. If the SSNs do not match, a message displays:

The SSN on the employee's personal record, xxx-xx-xxxx, does not match the employee's SSN entered on this page. Would you like the employee's SSN on this page updated to xxx-xx-xxxx?

- Click **Yes** to update the SSN to match the SSN on the employee's personal record. The page is saved and the value is stored for the year the process is running for (no other years will be updated).
- Click **No** to keep the SSN as is and not updated. The page is saved.

Pre-Close Form 941 report and Form 941

Issue: As a result of changes made for the HIRE act, lines 6a and 6b on the Pre-Close Form 941 report and lines 6c and 6d on Form 941 were incorrect when multiple companies were selected to process at the same time.

Resolution: Processing multiple companies at the same time has been corrected. On Pre-Close Form 941 lines 6a (number of qualified employees first paid exempt wages/tips this quarter) and 6b (number of qualified employees paid exempt wages/tips this quarter) now report correct numbers. On Form 941 lines 6c and 6d (exempt wages/tips paid to qualified employees this quarter) report correct dollar amounts.

Creating a W-2 for a prior year

Issue: After applying **Product Update Q3 2010 (v9.03 Tax Update)**, the error “Variable ‘XNSCOPIES’ is not found; error 12” was returned when attempting to create an employee’s W-2 for a prior year.

Resolution: An error no longer occurs when creating an employee’s W-2 for a prior year.

Misleading message during Final Quarter Close

Issue: At the third step in a Final Quarter Close, the following warning message was received indicating that the process the user was running was a **Trial** Quarter Close:

“You must install the quarterly update before proceeding. Select Cancel to stop the **Trial** Quarter Close, then install the quarterly update. Select OK to ignore this warning and proceed with **Trial** Quarter Close.”

Resolution: When this same warning message appears, it will now reference the correct process: Final Quarter Close.

Error when creating Quarterly Tax and Wage File

Issue: A run-time error occurred in several scenarios during an attempt to create a magnetic media quarterly tax and wage file, after applying the Third Quarter 2010 update.

Resolution: Errors no longer occur when creating a Quarterly Tax and Wage file.

Sorting Forms W-2 with “Your Own Expression”

Issue: An “expression is invalid” error message was received when attempting to print or preview Forms W-2 when a user-created expression was used to sort the forms (by selecting Sort By Your Own Expression on the Specific Criteria tab).

Resolution: Expressions created for sorting Forms W-2 are now working correctly and no error message is received.

Benefit Coverage by Employee report

Issue: In version 9.03, this report was calculating the employee monthly premiums incorrectly. It calculated the first employee correctly, but all others were calculated as a running total. That is, the previous employee's premium total was added to the next employee's premiums, and so on.

Resolution: The report now calculates each employee's monthly premium individually without including any other employee's premiums.

Installation Instructions

Important:

You cannot install this quarterly update while you are in Trial Quarter Close.

If you have already run the Trial Quarter Close, you must restore the backup you made prior to the Trial Quarter Close, install this Q4 2010 Product Update (see page 27), and rerun the Trial Quarter Close. As a reminder, the Trial Quarter Close can be processed in two ways: you can run it manually (**Processes > Payroll > Run Trial Quarter Close**), or it is run automatically when you run the first payroll in the next quarter.

The Sage Abra Suite Q4 2010 Product Update is available for downloading from the Sage Web site at: http://www.sageabra.com/support_and_training/customer_logon

It includes the following items:

- Sage Abra Suite Q4 2010 Product Update version 9
- Release Notes for Sage Abra Suite Q4 2010 Product Update (this document)

To download and install from Support Plus Online

1. Prior to installation, back up your Sage Abra Suite system by using your external backup procedure. Make sure all users have exited Sage Abra Suite before beginning the backup and installation. This backup is necessary in the event that you encounter problems during the installation process.
2. Using an Internet browser, go to:
http://www.sageabra.com/support_and_training/customer_logon
3. Select **SupportPlus Online**.
4. Log on with your **User Name** and **Password**.
5. Click **Sage Abra HRMS Products-US**.
6. Click **Quarterly Tax Updates Available Here!**.
7. Follow the instructions on your screen to download **Abra Suite Q4 2010 Product Update** for version 9. Make sure you download the file to the machine where Sage Abra Suite Server is installed
8. Click **Open** and unzip the file to a disk in an area other than your Abra Suite directory; preferably in a temporary directory.

9. Double-click the file, **Abra Suite Q4 2010 Product Update**, and follow the instructions on the screen to update the server.
10. After the server update is installed, click **Finish**.
11. On each remote client workstation, do the following.

Note: If you are upgrading a system on which the **Q3 2010** product update has been applied, you do **not** need administrator privileges to install the client update. Otherwise, administrator privileges **are** required to install.

- a. Launch the Sage Abra Suite client. The client will automatically start upgrading.
 - b. When the upgrade is finished, click **OK** to the message **“You have installed a new version of Abra Suite and your files must be updated.”**
12. When the update is finished, again back up your Sage Abra Suite system using your external backup procedure. (This ensures that you have a backup of the new version of the software.)
 13. When the backup is complete, after the client update is complete, update the tax tables. For instructions, see [“To Run the Q4 2010 Tax Table Update”](#) on page 29.

To install from the CD-ROM

The Sage Abra Suite Fourth Quarter 2010 Product Update package includes the following items.

- CD-ROM with Sage Abra Suite Q4 2010 Product Update
 - Release Notes for Sage Abra Suite Q4 2010 Product Update (this document)
1. Prior to installation, back up your Sage Abra Suite system by using your external backup procedure. Make sure all users have exited Sage Abra Suite before beginning the backup and installation. This backup is necessary in the event that you encounter problems during the installation process.
 2. On the server, insert the Sage Abra Suite Q4 2010 Product Update CD-ROM into your CD-ROM drive. If **Autorun** is enabled on your system, the Sage Abra Suite dialog box opens. If the Sage Abra Suite dialog box does not open, browse to your CD-ROM drive.
 3. Double-click **Abra Suite Q4 2010 Product Update** (SageAbraSuite09_0709.exe) to start the installation.

4. After the update is installed on the server, on each remote client workstation, do the following:

Note: If you are upgrading a system on which the **Q3 2010** product update has been applied, you do **not** need administrator privileges to install the client update. Otherwise, administrator privileges **are** required to install.

- a. Launch the Sage Abra Suite client. The client will automatically start upgrading.
 - b. When the upgrade is finished, click **OK** to the message "You have installed a new version of Abra Suite and your files must be updated."
 - c. When file update is complete, the Logon page appears for you to log on to Abra Suite.
5. The installation program detects that a previous version of Sage Abra Suite was installed and proceeds to update your system.
 6. When the update is finished and the files are copied, launch Abra to complete the update. The following message appears: "You have installed a New Version and the Files must be Updated," click **Yes** to update the files.
 7. Back up your Sage Abra Suite system using your external backup procedure. This ensures that you have a backup of the new version of the software.
 8. If you are using Sage Payroll, after the update has finished, update the tax tables.

Run the Q4 2010 Tax Table Update

1. From the Navigation Pane, select **Setup > Payroll > System Tax Tables**. The System Tax Tables page opens.
2. Click **Apply Legislative Update** in the lower left corner of the page. The Update Legislative Tables dialog box opens and displays the following:
 - Federal, state, and local taxes that have changed since the last tax table update
 - Federal, state, and local taxes that have not been previously installed
 - Any tax that a Sage Abra Suite user has manually changed since the last update

Note: If a **Taxes** tab is disabled (grayed out), there are no taxes to update in that category (Federal, State, and Local).

3. Select the **Backup old tables to Taxback directory** check box. The system makes a copy of your current Tax Tables before it updates them with the new tables. A copy of the old tables is stored in the \DATA\TAXBACK directory of your Sage Abra Suite system.

4. Review the **Federal Taxes**, **State Taxes**, and **Local Taxes** tabs and select the taxes you want updated (**Federal Taxes** are automatically selected). Select the check box to the left of the individual tax. If you want to select all taxes in a category (Federal, State, or Local), select the check box to the left of the "Identifier" label. Clear this box to cancel selecting all taxes.

Note: When you select a state tax, the system automatically selects all local taxes that correspond to the state tax. You can then clear the selection for any taxes you do not want updated. Be aware that for any state that has only changed local taxes and not state taxes, the state code will not appear on the State Taxes page. To verify you have the latest updates for local taxes, you must go to the **Local Taxes** tab to view the localities available for update and select the appropriate local taxes for update.

5. When you have selected all the taxes you want updated, click **OK**. When the system is finished updating the taxes, the Update Legislative Tables dialog box closes. Abra Suite and the new tax table rates are now available for processing payrolls.