



2017 payroll rates/changes and things to do before your first payroll of the year:

NOTE: employee amounts must be cleared before making these rate changes and before your first payroll of the year. That can be most easily accomplished via PR-G's Clear employees/process W-2s later option. We highly recommend that you use that option even if you are otherwise ready to print/process your W-2 forms prior to your first payroll of the year.

Run the year end routines ONLY if your fiscal year coincides with the calendar year.

Payroll division changes: In SY-D, retrieve each active division (F2 to lookup or enter the division code), press ENTER and then click on PgDn (or press Page Down on your keyboard) and verify and make these changes as appropriate:

- (1) Employee (and employer) FICA rate remains at **6.2**;
- (2) The medicare limit maximum has increased from 118,500 to: **127,200***;
- (3) Make any state disability (SDI), SUTA (UI) or workers compensation rate changes that go into effect as of the new year, along with any other desired division based changes.

*The additional medicare tax withholding remains the same as in 2016 for wages paid in excess of \$200,000. There is nothing to update in the software for the corresponding rate or amount as long as you have have the 2015/2016 payroll updates released in January of 2016.

If you have any new or different global deductions or deductions with a change in tax deferred status, make those in SY-D as well.

Individual employee elections/changes: In PR-A, make any individual employee changes as requested or elected by employees (W-4 change requests, retirement/saving/cafeteria plan changes effective as of the first of the year, etc.

Income withholding tax changes: In PR-K, see USS and USM changes below. The USO remains at 4050 (the same as in 2016). Also make any state withholding tax changes if they apply.

**Percentage Method Tables for Income Tax Withholding
(For Wages Paid in 2017)**

USS in PR-K

USM in PR-K

TABLE 7—ANNUAL Payroll Period

Circular E Dec. 19, 2016

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$2,300		\$0		Not over \$8,650		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$2,300	—\$11,625	—\$2,300	\$0.00 plus 10%	\$8,650	—\$27,300	—\$8,650	\$0.00 plus 10%
\$11,625	—\$40,250	—\$11,625	\$932.50 plus 15%	\$27,300	—\$84,550	—\$27,300	\$1,865.00 plus 15%
\$40,250	—\$94,200	—\$40,250	\$5,226.25 plus 25%	\$84,550	—\$161,750	—\$84,550	\$10,452.50 plus 25%
\$94,200	—\$193,950	—\$94,200	\$18,713.75 plus 28%	\$161,750	—\$242,000	—\$161,750	\$29,752.50 plus 28%
\$193,950	—\$419,000	—\$193,950	\$46,643.75 plus 33%	\$242,000	—\$425,350	—\$242,000	\$52,222.50 plus 33%
\$419,000	—\$420,700	—\$419,000	\$120,910.25 plus 35%	\$425,350	—\$479,350	—\$425,350	\$112,728.00 plus 35%
\$420,700		—\$420,700	\$121,505.25 plus 39.6%	\$479,350		—\$479,350	\$131,628.00 plus 39.6%

Please contact us if you have any questions.
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 State tax links: <http://www.addsuminc.com/staxm.htm>