



# Dave Yost • Auditor of State

**TO: UAN ACCOUNTING & PAYROLL CLIENTS**  
**FROM: UAN STAFF**  
**DATE: JANUARY 12, 2011**  
**SUBJECT: 2011 TAX TABLE UPDATE OVERVIEW FOR VERSION 15.0**

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**\*THE 2011 TAX TABLE UPDATE CONTAINS THE FOLLOWING ENHANCEMENTS\***

## **PAYROLL**

1. The Federal Tax Tables for 2011 have been added.
2. The Social Security Wage base will remain at \$106,800 for 2011.
3. The Internal Revenue Code places limits on compensation upon which OPERS and OP&FPF retirement contributions may be taken and these limits are indexed annually. During 2010, contributions cannot be taken on earnable salary which exceeds \$245,000 for employees or elected officials who became members of OPERS on or after January 1, 1994. For those employees or elected officials who were OPERS members prior to January 1, 1994, contributions cannot be taken on earnable salary which exceeds \$360,000.
4. The 944 annual report has been updated for 2010.
5. A printing alignment issue with the 2 part vertical blank paper W-2 forms (*copies B, C, D, 1 and 2*) and using window envelopes has been resolved.

## **OTHER**

1. The GASB templates have been installed for 2010. The templates have not changed. The templates are located at My Documents -> GASB Templates -> 2010.
2. The 2010 Year End Procedures and 2010 Year End Checklist Quick Tips are now included in the UAN Quick Tips folder. The folder is located at My Documents -> UAN Quick Tips.

## **REMINDER**

The Social Security employer share is still 6.2%, however the new rate for the employee share is now 4.2%. Medicare rates are not changing.

UAN cannot change the rates automatically because certain entities may be using Social Security Fringe Benefit rather than Regular, or a combination of the two. It is critical that entities with Social Security employees change the rate after their last payroll paid in 2010 and before their first payroll after advancing into 2011. Otherwise, it may be necessary to adjust the wages later and refund the difference to the employees.

For entities that are impacted by this change, the following steps should be taken to adjust the Social Security Regular tax rate:

Step (A) Change Entity File Rate

1. Go to Payroll > Maintenance > Entity File > Withholding
2. Click [Edit]
3. Select Withholding ID 7 (Social Security – FICA)
4. Beside “**Employee Share**”, change the rate to **4.200**
5. Leave the “Employer Share” rate at 6.200
6. Click [Process]

Step (B) Change Employee Rates

1. Go to Payroll > Maintenance > Change Global Withholdings
2. Select Withholding ID 7 (Social Security – FICA)
3. If all employees have Social Security Regular\*, enter 4.200 under “Regular”
4. Click [Select All]\*
5. Click [Process]

\*Additional notes for entities that have Social Security Fringe Benefits:

1. If the employees have Social Security Fringe, ensure the Fringe amount is set to the appropriate rate, rather than setting the Regular amount entirely to 4.200. The Regular and the Fringe rate amounts must total to equal the employee goal of 4.200.
2. If some employees have Fringe and others do not, be sure to select only one group at a time rather than using the [Select All] button.