

Connect Tax Rate and WRS Rate Changes – 2019

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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.

The government has determined the following limits for 2019:

- Social Security wage base increases to \$132,900
- The contribution limit for flex spending accounts (FSA) will increase to \$2,700
- The contribution limit for Dependent Care flex spending accounts remains at \$5,000
- The contribution limit for health savings accounts (HSA) increases to \$3,500 for individual coverage and to \$7,000 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 \$19,000
- The catch-up limit for 401(k), 403(b) and 457 plans remains at \$6,000
- 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, 2019.

Please adjust your limits and withholding percentages accordingly.

Step 1 – Enter Changes for Social Security Limits

The Social Security limits have not changed. You may follow these steps to verify the proper limits are entered.

1. Open **Connect 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 2019 of **132,900.00**.
 - 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
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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: 132,900.00

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
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Employer 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: 132,900.00

Step 2 – Enter Changes for New Federal Withholding Rates

1. Open **Connect 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	13,500.00	0.00	10.0000
	13,500.00	43,275.00	970.00	12.0000
	43,275.00	88,000.00	4,543.00	22.0000
	88,000.00	164,525.00	14,382.50	24.0000
	164,525.00	207,900.00	32,748.50	32.0000
	207,900.00	514,100.00	46,628.50	35.0000
	514,100.00	999,999,999.99	153,798.50	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, enter the FWT Exemption Amount for **2019** of **4,200.00**.

Calculation table name: Federal - Single

Calculation Table Modifiers Notes

Modifiers 1-10 Modifiers 11-20

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

- Enter “Federal—Married” in the **Calculate Table Name** field.
- 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

- Add a new rate
- Remove the selected rate

Over	Not Over	Tax Amount	Tax Rate
0.00	11,800.00	0.00	.0000
11,800.00	31,200.00	0.00	10.0000
31,200.00	90,750.00	1,940.00	12.0000
90,750.00	180,200.00	9,086.00	22.0000
180,200.00	333,250.00	28,765.00	24.0000
333,250.00	420,000.00	65,497.00	32.0000
420,000.00	624,150.00	93,257.00	35.0000
624,150.00	999,999,999.99	164,709.50	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:

Tax amount:

Tax rate: %

- On the **Modifiers** tab, enter the FWT Exemption Amount for 2019 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

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 2019.

Illinois

Illinois' **Exemption Amount** is \$2,225.00 and the **Dependent Amount** is \$1,000.00. Tax rate changed to 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

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 \$2,225.00 and the **Dependent Amount** (usually in the **Modifier 2** field) to \$1,000.00.

Calculation table name: IL Married
 Calculation Table **Notes**

Calculation table name: IL Married

	Description	Type	Value
1:	Exemption Amount	Amount	2,225.00
2:	Dependent Amount	Amount	1,000.00

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

Indiana

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 set to 3.23.
Calculation table name: IN - Married

Calculation Table **Notes**

Calculation table name:

Rates **Modifiers**

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

4. Click on the **Modifiers** tab.
5. Change the **Exemption Amount** (usually in the **Modifier 1** field) to \$1,000.00 and the **Dependent Amount** (usually in the **Modifier 2** field) to \$1,500.00.
Calculation table name: IN - Married

Calculation Table **Notes**

Calculation table name:

Rates **Modifiers**

	Description	Type	Value
1:	Personal Exemption Amount	Amount <input type="text" value="v"/>	<input type="text" value="1,000.00"/>
2:	Dependent Exemption Amount	Amount <input type="text" value="v"/>	<input type="text" value="1,500.00"/>

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

Iowa

Iowa's state tax rate and standard deductions have changed for 2019. 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 Exempt

Calculation Table **Notes**

Calculation table name: IA NA - 0 or 1 Exempt

Rates **Modifiers**

Over	Not Over	Tax Amount	Tax Rate
.00	1,333.00	.00	.3300
1,333.00	2,666.00	4.40	.6700
2,666.00	5,331.00	13.33	2.2500
5,331.00	11,995.00	73.29	4.1400
11,995.00	19,992.00	349.18	5.6300
19,992.00	26,656.00	799.41	5.9600
26,656.00	39,984.00	1,196.58	6.2500
39,984.00	59,976.00	2,029.58	7.4400
59,976.00	999,999.00	3,516.98	8.5300

4. Click on the **Modifiers** tab.
5. 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 \$1,690.00.

Calculation table name: IA NA - 0 or 1 Exempt

Calculation Table **Notes**

Calculation table name: IA NA - 0 or 1 Exempt

Rates **Modifiers**

	Description	Type	Value
1:	Personal Exemptions	Number	.00
2:	1st/2nd Exemption Credit	Amount	40.00
3:	Subsequent Exempt Credit	Amount	.00
4:	% of Federal Tax	Percent	100.00
5:	Standard Deduction Amount	Amount	1,690.00

6. Enter "IA NA – 2 Exempt" in the **Calculation table name** field at the top.
7. Repeat steps 3 – 4 above.
8. 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 \$4,160.00.
9. Click **Close**. The changes will be saved.

Minnesota

Minnesota's state tax rate has changed for 2019. 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 **Notes**

Calculation table name: MN Single

Rates **Modifiers**

Over	Not Over	Tax Amount	Tax Rate
.00	2,400.00	.00	.0000
2,400.00	28,920.00	.00	5.3500
28,920.00	89,510.00	1,418.82	7.0500
89,510.00	166,290.00	5,690.42	7.8500
166,290.00	999,999.00	11,717.65	9.8500

4. Click on the **Modifiers** tab.
5. The **Exemption Amount** did not change from **\$4,250**. Verify that this is your **Exemption Amount**.

Calculation table name: MN Single

Calculation Table **Notes**

Calculation table name: MN Single

Rates **Modifiers**

	Description	Type	Value
1:	Exemption Amount	Amount	4,250.00

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 **Notes**

Calculation table name: MN Married

Rates **Modifiers**

Over	Not Over	Tax Amount	Tax Rate
.00	9,050.00	.00	.0000
9,050.00	47,820.00	.00	5.3500
47,820.00	163,070.00	2,074.20	7.0500
163,070.00	282,200.00	10,199.33	7.8500
282,200.00	999,999.00	19,551.04	9.8500

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

10. The **Exemption Amount** did not change from **\$4,250**. Verify that this is your **Exemption Amount**.

Calculation table name: MN Married

Calculation Table **Notes**

Calculation table name: MN Married

Rates **Modifiers**

	Description	Type	Value
1:	Exemption Amount	Amount	4,250.00

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

Michigan

Michigan's **Exemption Amount** is \$4,400.00 and the tax rate is 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.

Calculation table name: MI Married

Calculation Table Modifiers Notes

Calculation table name: MI Married

Tasks	Over	Not Over	Tax Amount	Tax Rate
<ul style="list-style-type: none"> Add a new rate Remove the selected rate 	0.00	999,999.00	0.00	4.2500

4. Click on the **Modifiers** tab.
5. Change the **Exemption Amount** to \$4,400.00.

Calculation table name: MI Married

Calculation Table Modifiers Notes

Modifiers 1-10 Modifiers 11-20

	Description	Type	Value
Modifier 1:	Exemption Amount	Amount	4,400.00

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

Ohio

Ohio's state tax rate has changed for 2019. 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

Rates Modifiers

Over	Not Over	Tax Amount	Tax Rate
.00	5,000.00	.00	.0054
5,000.00	10,000.00	26.88	.0108
10,000.00	15,000.00	107.50	.0215
15,000.00	20,000.00	295.63	.0269
20,000.00	40,000.00	618.13	.0323
40,000.00	80,000.00	1,585.63	.0376
80,000.00	100,000.00	4,058.13	.0430
100,000.00	999,999,999.99	7,390.63	.0538

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

Per our research, it does not appear that Wisconsin has any tax rate changes for 2019. Please use the following to verify the tax table setup.

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 Notes

Calculation table name: WI Single

Rates Modifiers

Over	Not Over	Tax Amount	Tax Rate
.00	5,730.00	.00	.0000
5,730.00	15,200.00	.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	9,999,999.00	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 Notes

Calculation table name: WI Single

Rates Modifiers

	Description	Type	Value
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 **Notes**

Calculation table name: WI Married

Rates **Modifiers**

Over	Not Over	Tax Amount	Tax Rate
.00	7,870.00	.00	.0000
7,870.00	18,780.00	.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	9,999,999.00	14,765.35	7.6500

- Click on the **Modifiers** tab.
- The **Exemption Amount** did not change from **\$22.00**. Verify that this is your **Exemption Amount**.

Calculation table name: WI Married

Calculation Table **Notes**

Calculation table name: WI Married

Rates **Modifiers**

	Description	Type	Value
1:	Exemption Amount	Amount	22.00

- 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 2019. 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 – 6.55%

Employer Required – 6.55%

Elected

Employee Required – 6.55%

Employer Required – 6.55%

Protective with Social Security

Employee Required – 6.55%

Employer Required – 10.55%

Protective without Social Security

Employee Required – 6.55%

Employer Required – 14.95%

To change the rates, do this:

1. Open **Connect 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 Business – Employer information

<http://www.irs.gov/businesses/index.html?navmenu=menu1>

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

<http://taxes.state.mn.us/Pages/index.aspx>

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/channels/other/business.stm>

Wisconsin Department of Revenue

<http://www.revenue.wi.gov/>

Wisconsin Retirement Rates:

<http://etfonline.wi.gov/ETFCalculatorWeb/etf/internet/employer/ETFemployerrates.jsp>