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Year End 2010 - Payroll for North America

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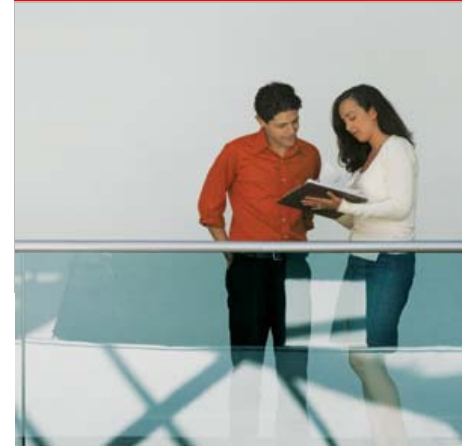
The development, release, and timing of any features or functionality described for Oracle's products remains at the sole discretion of Oracle.

Agenda

- 2010 U.S. Reporting Requirements
- Reminders
- Quarterly Reporting Changes
- U.S. Year-End Delivery Schedule
- 2010 Canadian Reporting Changes
- Canadian Year-End Delivery Schedule
- Looking Ahead to 2011
- Additional Information
- Q&A



2010 U.S. Reporting Requirements



Form W-2

- No layout changes for Form W-2s
- Wisconsin Advance Earned Income Credit
 - New functionality was delivered in 09-F to track WI EIC in tax class 'C'
 - The tax is tracked as a 'negative' tax
 - In the YE load (TAX910LD), negative tax for tax class 'C' are converted to positive amounts and loaded into box 14(I)
 - Box 14 will report positive EIC tax as "WEIC"

Form W-2, W-2AS, W-2GU and W-2VI

- Report HIRE Act exempt wages and tips
 - New functionality delivered in 10-C to track the employer HIRE exempt wages (tax class '8') and tips (tax class '9')
 - The taxable gross and tax are tracked as 'negative' amounts
 - In the YE load (TAX910LD), the negative gross will be converted to a positive gross and loaded into box 12CC
 - HIRE exempt wages and tips will be reported on the W-2s (US, AS, GU and VI) in box 12CC

2010 Instructions for Forms W-2 and W-3

<http://www.irs.gov/pub/irs-pdf/iw2w3.pdf>

2010 Instructions for Forms W-2AS, W-2GU, W-2VI, and Form W-3SS

<http://www.irs.gov/pub/irs-pdf/iw3ss.pdf>

Form W-2c

- No layout changes for Form W-2c (US, AS, GU or VI)
 - PNA supports the W-2c (rev 02/2009)
- Modifications will be delivered in 11-A to support the reporting of corrections to HIRE exempt wages and tips

[Instructions for Forms W-2c and W-3c \(Rev. April 2010\)](#)

<http://www.irs.gov/pub/irs-pdf/iw2cw3c.pdf>

Federal EFW2 Record Changes

- A new field, *HIRE Exempt Wages and Tips*, has been added to the RO Employee Record (positions 100-110) and the RU Total Record (positions 130-144)
- Changes do not apply to the Employment Code Household (H) and are valid for tax year 2010 only

[Specifications for Filing Form W2 Electronically](http://www.ssa.gov/employer/efw/10efw2.pdf)

<http://www.ssa.gov/employer/efw/10efw2.pdf>

Federal EFW2c Record Changes

- A new field, *Originally Reported HIRE Exempt Wages and Tips*, has been added to the RCO Employee Record (positions 189-199) and the RCU Total Record (positions 251-265).
- A new field, *Correct HIRE Exempt Wages and Tips*, has been added to the RCO Employee Record (positions 200-210) and the RCU Total Record (positions 266-280).
- Changes do not apply to the Employment Code Household (H) and are valid for tax year 2010 only.

[Specifications for Filing Form W2c Electronically --Correction of W-2 Information](http://www.ssa.gov/employer/efw/10efw2c.pdf)
<http://www.ssa.gov/employer/efw/10efw2c.pdf>

State and Local EFW2 Changes

- Most states and locals have not posted their 2010 EFW2 reporting requirements yet.
- Typically, the process begins in November and continues into January.
- Oracle has documented the changes we know about to date, but expect more changes to be announced.
- New requirements will be addressed in upcoming tax updates.

Alabama EFW2 Changes

- Modify reports to accept 10 digit Alabama EIN in State Employer Account Number (Alabama Withholding Tax Account Number), positions 248-257
 - Numbers below 700,000 , right justify and zero fill
 - Numbers 700,000 and above, have 'R' followed by nine digits [http://www.revenue.alabama.gov/Withholding/Form_10\(07-09\).pdf](http://www.revenue.alabama.gov/Withholding/Form_10(07-09).pdf)
 - In 8.81 and above, modifications will be done in VALIDEIN.SQC, which is used by TAX910ER.SQR and TAX960ST.SQR.
 - In 8.01 and 8.31, modifications will be done in TAX960ST.
- 2010 specifications have not been posted yet

Arkansas EFW2 Changes

- *Supplemental Data Field 2*, positions 413-487 of the Code RS record is required
 - This field contains the eleven (11) digit State of Arkansas ID number as reported on the state registration and monthly coupons
 - For wage withholding, add "00" to the end of FEIN
- Mandatory requirement for 2010 reporting

www.arkansas.gov/dfa/income_tax/documents/Mag_Media_2010.pdf

Maine EFW2 Changes

- RW Record is now mandatory
 - PeopleSoft added the record in 2008
- RS Record changes:
 - The *reporting period*, positions 197-202 is no longer required
 - The location of the Maine withholding account number has been moved to positions 248-267 from positions 338-348
 - The instructions for reporting state wages in positions 276-286 have been modified to clarify that only Maine source wages should be reported in this field

<http://www.maine.gov/revenue/magmedia/w2and1099specs.htm>

Wisconsin EFW2 Changes

- Populate *Other State Data*, positions 298-307 on the RS record with WI EIC (Advance Earned Income Credit)

New EFW2 Files Added for YE 2010

- City of Ravenna, OH
- Berkheimer Tax Administrator, PA
- For a complete list of all supported agencies, see the Year End guide delivered in 10-E

Form W-2PR, W-2cPR & EFW2CPR file

- Report HIRE Act exempt wages (tax class '8') and tips (tax class '9') on the W-2PR, W-2cPR, and Puerto Rico Annual EFW2CPR file
- W-2PR and W-2cPR
 - Box 24 was added to forms
 - Report HIRE exempt wages and tips in box 24
- Annual File
 - 2010 electronic filing requirements (EFW2CPR) have not been posted yet, but we anticipate the HIRE Act exempt wages and tips will be added

<http://www.hacienda.gobierno.pr/publicaciones/publicacion.html>

Form 1099-R

- No layout changes for Form 1099-R
- No changes to the list of states participating in the IRS Combined Federal/State Filing Program for reporting Form 1099-R data

2010 General Instructions for Forms 1099, 1098, 5498, and W-2G
<http://www.irs.gov/pub/irs-pdf/i1099gi.pdf>

2010 Instructions for Forms 109-9R and 5498
<http://www.irs.gov/pub/irs-pdf/i1099r.pdf>

Publication 1220, Specifications for Filing Forms 1098, 1099, 5498, and W2-G, Electronically (Rev. Proc. 2010-30)
<http://www.irs.gov/pub/irs-pdf/p1220.pdf>

Form 1042-S and Annual File

- No layout changes for Form 1042-S

Instructions for Form 1042-S

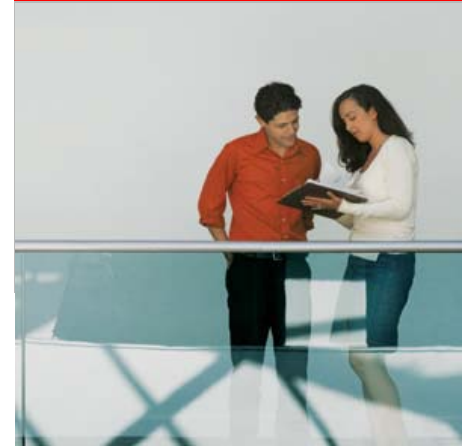
<http://www.irs.gov/pub/irs-pdf/i1042s.pdf>

Form 1042-S Foreign Person's U.S. Source Income Subject to
Withholding

<http://www.irs.gov/pub/irs-pdf/f1042s.pdf>

- Annual file requirements for 2010 are not available for yet

Reminders



Reminder on running the UPD8132xx_03.dms Script in 10-E

- Be sure to manually add the 1/1/10 Tax Form Defns for all tax forms before applying Tax Update 10-E.
- **Then** run upd8132xx_03.dms.
 - Adds Tax Form Definitions for box 12CC for W-2, W-2AS, W-2GU and W-2VI
 - Adds Tax Form Definitions for box 14 (I) for WI EIC
 - Contains Print Parameters for the US, AS, GU and VI forms.
- **NOTE:** The 2010 Tax Form Defns must be added prior to running the script. If the script is run first, there will be orphan rows for 12CC and 14I. These rows must be deleted via SQL, then rerun the script.
- Reminders added to the following docs: Special Notes for 10-E, Year End Processing Guide and Install documentation

XMLP PDF Bulk File Issue with PT 8.50.10 (9.1 and 9.0)

- Note added to tax update notes

XMLP PDF Bulk File Issue with PT 8.50.10

For customers on the PeopleTools Product Patch 8.50.10 running the XMLP versions of year-end forms or slips, the generated PDF bulk file contained only the last employee in the batch; records for the remainder of the employees were missing from the file.

This issue is resolved in PeopleTools 8.50.11. For more details, please use the following link to refer to the Patch Notes for Report ID 1954857000 (Save XMLP Global Properties page to enable new psxp_pdf_optimized property).

https://psft-updates.oracle.com/ice/Resolutions/834841/PT85010UserDoc_Rev6.htm

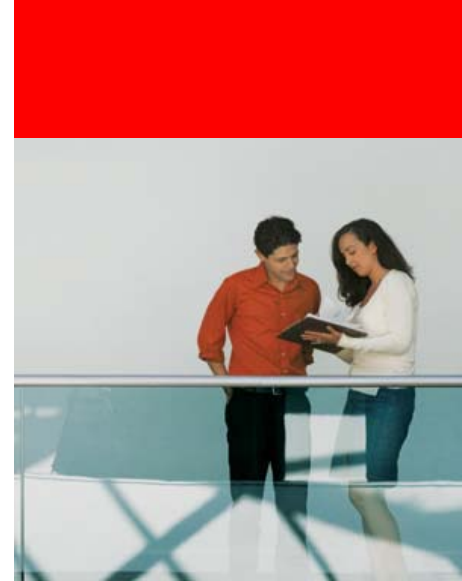
- This issue is resolved in PeopleTools 8.50.11. For more details, please use the following link to refer to the Patch Notes for Report ID 1954857000 (Save XMLP Global Properties page to enable new psxp_pdf_optimized property).

https://psft-updates.oracle.com/ice/Resolutions/834841/PT85010UserDoc_Rev6.htm

Year-End Modifications to Support 11.2 Dollar Amounts, 9.1 only

- PNA can report up to 99 Billion (\$99,999,999,999.99) on XMLP forms, previously was 99 Million (\$99,999,999.99) for US, AS, GU and VI W-2s and W-2cs
 - 2009 XMLP templates were redelivered in 10-D
 - 2010 XMLP templates will be delivered in 10-E
- Puerto Rico does not use XMLP processing, so large amounts can be printed in W-2PR and W-2cPR preprinted forms.
 - 2009 Print Params delivered in 10-D
 - 2010 Print Params delivered in 10-F (other changes expected)

Quarterly Reporting Changes



CA Quarterly Reporting Changes

- TAX810CA.SQR: CA implementing quarterly reporting changes for 2011
 - Requirements have not been posted yet

PA Quarterly Reporting Changes

- TAX810PA.SQR: Effective 4th quarter 2010 diskettes and tapes no longer accepted; electronic filing required
- PA run control pages
 - Will be removed in 8.01, 8.31 and 8.81 - no longer needed
 - In 8.9 and higher, the run control page has already been removed in a previous tax update as part of a clean-up project
- Unemployment Employer Account Number now has different edits and must be 7 digits

PA Quarterly Reporting Changes Continued

- Previous magnetic media specific fields should now be blank filled (even though PA initially indicated these fields would be ignored)
- B Record, location 6-14, FEIN should be reported instead of PA UC Account.
- It was also determined that the FEIN should be reported on the E Record in location 6-14 and the PS program was reporting the PA UC Account number instead.

U.S. Year-End Delivery Schedule



Tax Update 10-D Year-end Deliverables (US)

Posted by Monday, August 23

- In 8.9 and up, script delivered to update US Tax Form Definition table to use as “starting point” for 2010 reporting
 - **Only run by first-time users to establish 2009 rows**
 - Detailed instructions can be found Tax Update Notes 10-D; and Year End Processing 2010: U.S., Puerto Rico, and U.S. Territories guide

Tax Update 10-E Year-End Deliverables (US)

Posted by Monday, October 25

- Year End Processing 2010: U.S., Puerto Rico, and U.S. Territories guide
- SQRs changes for W-2 and Federal EFW2 file
- 2010 U.S. Tax Form Definitions (box 12CC and 14(I))
- 2010 Tax Form Print Parameters
- 9 and 9.1: Updates to support U.S. W-2 and W-2c PDFs for year-end 2010
 - PDF templates for W-2, W-2AS, W-2GU, W-2VI and W-2c
 - XMLP Data Source and XMLP Report Definitions for these templates
 - Tax Form XMLP Options for Form ID W-2, W-2AS, W-2GU, W-2VI and W-2c

Tax Update 10-F Year-End Deliverables (US)

Posted by Friday, December 10

- Quarterly Reporting Changes
- State and Local EFW2 file changes
- U.S. Tax changes
- W-2PR reporting changes to support the HIRE Act reporting

Tax Update 11-A Year-End Deliverables (US)

Posted by Friday, January 14

- W-2c and W-2cPR reporting changes to support corrections to the HIRE exempt wages and tips data
- Any new January 1, 2010 changes
- Outstanding state and local EFW2 changes

2010 Canadian Reporting Requirements



T4 Slip Changes

- Reporting requirements for Retiring Allowances has been moved from the T4A to the T4 slip
- The codes to report these payments will be:
 - Code 66 – Eligible Retiring Allowances
 - Code 67 – Non-eligible Retiring Allowances
 - Code 68 – Status Indian – Eligible Retiring Allowances
 - Code 69 – Status Indian – Non-eligible Retiring Allowances
- They will be reported in the ‘Other Information’ area of the T4 slip
- Another new code – Code 86 – Security Options Election

T4A Slip Changes

- New format for the slip
 - Box numbers changed from 2-digits to 3-digits
 - Fixed financial fields
 - Box 016 – Pension or superannuation
 - Box 022 – Income Tax Deducted
 - Fixed non-financial fields
 - Box 012 – Social Insurance Number
 - Box 013 – Recipient's Account Number
 - Footnotes have been replaced by codes to be reported in the 'Other Information' area of the slip
 - Retiring Allowances are now reported on the T4 slip
- New fixed box – 048 – Fees for Services

RL-1 Slip

- No layout changes to the RL-1 slip
- New requirement from Revenue Quebec - always report the amount in Box G – Pensionable Earnings

RL-2 Slip

- No layout changes to the RL-2 slip

Canadian Year-End Delivery Schedule



Tax Update 10-E Year-End Deliverables (Canada)

Posted by Monday, October 25

- Removed standard tractor feed print option for the RL-1 and RL-2 slips
- Changed any reference from 'magnetic' media for T4 and T4A creation to 'electronic'
- Removed CD-ROM or DVD as a reporting format option for RL slip data
- Changed terminology for Business Number to Payroll Account Number in non-year end and year-end tables and reports

Tax Update 10-F Year-End Deliverables (Canada)

Posted by Friday, December 10

- SQR changes for annual reporting
- Year End Processing 2010: Canada guide
- 2010 Tax Form Print Parameters
- 2010 Tax Form Definition/Footnotes
- 9 and 9.1, Updates to support T4 and T4A for year-end 2010
 - 2010 Canadian Year-End Form PDF Templates
 - 2010 Canadian Tax Form Options changes
- In 8.9 and up, script delivered to update Canadian Tax Form Definition Table to use as “starting point” for 2010 reporting
 - Only run by first-time users to create 2009 rows
- Canadian tax rate changes and formula revisions for 2011

Tax Update 11-A Year-End Deliverables (Canada)

Posted by Friday, January 14

- Late notification of tax rates and provincial changes
- Any year-end related changes

Looking Ahead to 2011



HIRE Act Expires December 31st, 2010

- There has been some discussion on extending the HIRE Act.
- If the HIRE Act expires on 12/31/10, we will deliver a new Federal Tax row effective 1/1/11 without the rows for tax class '8' and '9'.
- Customers should add a new Job row, eff 1/1/11 and change the FICA Status from 'FICA exempt' to 'Subject' prior to the first payroll in 2011.

Federal & State Withholding Tax Rate Changes Effective January 1st, 2011

- Federal and Wisconsin Advance Earned Income Credit **DISCONTINUED** as of Jan. 1st, 2011
- Indiana has not officially announced if IN AEIC will be discontinued. However, it is based on the Federal EIC amount, so unless IN changes the formula, the IN EIC can't be calculated.
- Kentucky withholding tax change - standard deduction increased from \$2,210 to \$2,240
- Rhode Island tax withholding changes

Social Security Remains Unchanged for 2011

- The Social Security Wage Base remains at \$106,800.
- Social Security taxes will be withheld at the rate of 6.2 percent (up to \$6,621.60 of employee wages).
- Medicare taxes continue to be withheld at a rate of 1.45 percent on all wages

State Minimum Wage Rate Changes Effective January 1st, 2011

State	Old Rate	New Rate
Colorado:	\$7.24	\$7.36 (proposed)
Ohio	\$7.30	\$7.40
Oregon	\$8.40	\$8.50
Montana	\$7.25	\$7.35
Vermont	\$8.06	\$8.15
Washington	\$8.55	\$8.67

State UI taxable Wage Base Changes Effective January 1st, 2011

State	Old Base	New Base
Iowa	\$24,500	\$24,700
Mississippi	\$7000	\$14,000
Montana	\$26,000	\$26,300
Nevada	\$27,000	\$26,600 (decrease)
New Jersey UI/TDI/FLI	\$29,700	\$29,600 (decrease)
New Mexico	\$20,800	\$21,900
Oklahoma	\$14,900	\$18,600
South Carolina	\$7000	\$10,000
Vermont	\$10,000	\$13,000
Washington	\$36,800	\$37,300
Wyoming	\$22,800	\$22,300 (decrease)

Ohio Local Tax Changes Effective January 1st, 2011

- Ohio municipality local income tax rate changes
 - Lowellville
 - Miamisburg
- Ohio school district tax changes
 - Bethel
 - Ledgemont
 - Northwest
 - Kenton
 - Anna

Additional Local Tax Changes Effective January 1st, 2011

- Pennsylvania Local Earned Income Tax Rate (EST)
- Baltimore, MD

2011 Tax Update Schedule

2011 Tax Release Schedule -All

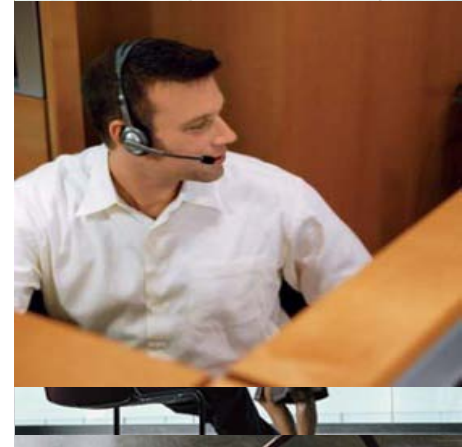
Tax Update	Scheduled	Supported Release
11-A	Friday, January 14	8 SP1*, 8.3 SP1*, 8.8 SP1+, 8.9+, 9, 9.1
11-B	Monday, March 28	8 SP1*, 8.3 SP1*, 8.8 SP1+, 8.9+, 9, 9.1
11-C	Monday, June 13	8 SP1*, 8.3 SP1*, 8.8 SP1+, 8.9+, 9, 9.1
11-D	Monday, August 22	8 SP1*, 8.3 SP1*, 8.8 SP1+, 8.9+, 9, 9.1
11-E	Monday, October 24	8 SP1*, 8.3 SP1*, 8.8 SP1+, 8.9+, 9, 9.1
11-F	Friday, December 9	8 SP1*, 8.3 SP1*, 8.8 SP1+, 8.9+, 9, 9.1

Note: Tax updates marked with an asterisk (*) are only available to customers who have purchased Oracle's North American Payroll Update Package. Learn more about the Oracle's North American Payroll Update Program [Note:739145.1](#).

Note: Tax updates marked with a plus sign (+) are only available to customers who have purchased Extended Support. Learn more about Oracle's Extended Support Program in the PeopleSoft Support Policy [Note:739140.1](#) documents.

- <https://support.us.oracle.com/oip/faces/secure/km/DocumentDisplay.jspx?id=739313.1>

Additional Information



Documentation and Websites

- Tax Update notes in 10-E, 10-F and 11-A
- Year End Processing 2010: U.S., Puerto Rico, and U. S. Territories (10-E)
- Year End Processing 2010: Canada (10-F)

- My Oracle Support Knowledge Base
 - Patches and Updates, Knowledge Base

- RR Donnelly website for PeopleSoft customers
 - Tax form information
<http://www.rrdonnelley.com/wwwPeopleSoft/home.asp>

Year-End Training Classes

- One day classes starting in November.



ORACLE Applications
UNIVERSITY Course Release **ANNOUNCEMENT**

Activity Name (Click for CAT record)	PeopleSoft Year-End Payroll 2010 - U.S. Rel 9.1 Ed 1 PRV PeopleSoft Year-End Payroll 2010 - U.S. Rel 9.1 Ed 1 LVC PeopleSoft Year-End Payroll 2010 - Canada Rel 9.1 Ed 1 PRV PeopleSoft Year-End Payroll 2010 - Canada Rel 9.1 Ed 1 LVC
Course Description	(US) D68019GC10 D68021GC10 (Canada) D68370GC10 D68017GC10



Q&A

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