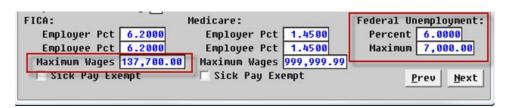
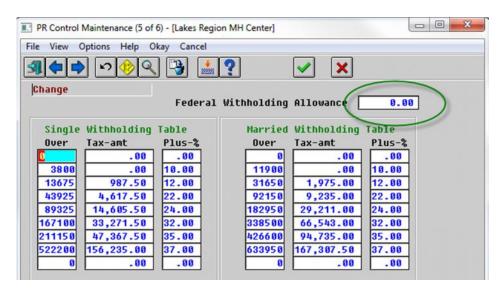
Quantum Software – Payroll Changes for 2020

There have been a few changes since 2019. First, the Maximum Wages for FICA Wages has been increased to \$137,700. The percentages stay the same. The Maximum Wages for FUTA is also \$7,000 with a 6% rate.



Secondly, the most significant change in 2020 is the Employee W4 form. Instead of calculating Federal Withholding Taxes using Federal Withholding Allowances, the Government is using more tables. There are a different set of tables to be used for employees hired on or after January 1, 2020. Please note that the Federal Withholding Allowance in your PR Control File (screen 5) should be set to zero.



Due to changes in the law, taxpayers can no longer claim personal exemptions or dependency exemptions. Quantum has always had the feature to add more dollars to the calculated FWT but now has the ability to subtract dollars from the employee's calculated FWT. This gives the employee the ability to control their FWT calculation, adjusting for whatever personal situations that need to be accommodated (such as a second job).

Employees hired before 2020 do not have to submit a new W4 form. For these employees, you will continue to calculate FWT as before (just with the Federal Withholding Allowance set to zero). The IRS Publication 15-T allows employers to estimate withholding based on the W4 form submitted before the 2020 redesign.

YOU WILL NEED A SOFTWARE UPDATE FROM GENEVA TO ENTER NEW FWT TABLE FIGURES