

What's New in Elite Salon & Spa Payroll™, Release 3.8.1 (for 2012)

1. New U.S. Form 941 for 2012

2. Information about the [Additional Questions for Federal Form 941]

There are two questions that will not automatically populate on the Form 941. In Part 3 of Form 941, if you check either the box on Line 17 for “you are a seasonal employer” or the box on Line 18 for “your business has closed”, you will also need to manually check these boxes on the final U.S. Form 941 after you have printed it.

Note that if you check either of these boxes, the program will pop up a warning about needing to manually check this on the final printed form.

What's New in Elite Salon & Spa Payroll™, Release 3.8.0 (for 2012)

1. New U.S. Form 940 for 2011

Elite Salon & Spa Payroll, Release 3.8.0 includes U.S. Form 940 for 2011.

The due date for filing U.S. Form 940 for 2011 is January 31, 2012.

If you had to pay state unemployment tax in more than one state – or if you paid wages in a state that is subject to CREDIT REDUCTION – you will need to complete Schedule A (a supplemental form to U.S. Form 940).

The following screen appears in Release 3.8.0 just before you are about to print U.S. Form 940. In this screen, you can indicate the state(s) in which you were required to pay state unemployment in 2011 and the amount of FUTA taxable wages for each state. Data entered here is later displayed on Schedule A.

In this example, the employer's FUTA wages for 2011 was \$132,419.72. The program calculates this amount for the employer. At this point, the employer will need to select the state(s) in which he or she paid state unemployment contributions.

Employer's Annual Federal Unemployment (FUTA) Tax Return

Year: Filing Date: State unemployment tax payments made:

1. Did you pay unemployment contributions to only one state? Yes No

Please check the box for the state in which you were required to pay state unemployment tax.
Your total FUTA wages for 2011 was \$132,419.72.

- | | | | | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <input type="checkbox"/> AK | <input type="checkbox"/> HI | <input type="checkbox"/> MI | <input type="checkbox"/> NV | <input type="checkbox"/> UT |
| <input type="checkbox"/> AL | <input type="checkbox"/> IA | <input type="checkbox"/> MN | <input type="checkbox"/> NY | <input type="checkbox"/> VA |
| <input type="checkbox"/> AR | <input type="checkbox"/> ID | <input type="checkbox"/> MO | <input type="checkbox"/> OH | <input type="checkbox"/> VT |
| <input type="checkbox"/> AZ | <input type="checkbox"/> IL | <input type="checkbox"/> MS | <input type="checkbox"/> OK | <input type="checkbox"/> WA |
| <input type="checkbox"/> CA | <input type="checkbox"/> IN | <input type="checkbox"/> MT | <input type="checkbox"/> OR | <input type="checkbox"/> WI |
| <input type="checkbox"/> CO | <input type="checkbox"/> KS | <input type="checkbox"/> NC | <input type="checkbox"/> PA | <input type="checkbox"/> WV |
| <input type="checkbox"/> CT | <input type="checkbox"/> KY | <input type="checkbox"/> ND | <input type="checkbox"/> RI | <input type="checkbox"/> WY |
| <input type="checkbox"/> DC | <input type="checkbox"/> LA | <input type="checkbox"/> NE | <input type="checkbox"/> SC | <input type="checkbox"/> PR |
| <input type="checkbox"/> DE | <input type="checkbox"/> MA | <input type="checkbox"/> NH | <input type="checkbox"/> SD | <input type="checkbox"/> VI |
| <input type="checkbox"/> FL | <input type="checkbox"/> MD | <input type="checkbox"/> NJ | <input type="checkbox"/> TN | |
| <input type="checkbox"/> GA | <input type="checkbox"/> ME | <input type="checkbox"/> NM | <input type="checkbox"/> TX | |

2. Social Security Tax Rate for Employees.

For the year 2011, U.S. Congress reduced the *employee* tax rate for social security from 6.2% to 4.2%. Then, in December 2011, Congress voted to extend the employee social security rate of 4.2% through February 29, 2012. Release 3.8.0 uses the employee tax rate of 4.2%.

The *employer* tax rate for social security remains unchanged at 6.2% through February 29, 2012.

Employee		
Tax	%	Wage Base
Social Security	4.20	\$110,100.00
Medicare	1.45	No Limit
UD Tax 1	0.000000	\$0.00
UD Tax 2	0.000000	\$0.00

Employer		
Tax	%	Wage Base
Social Security	6.20	\$110,100.00
Medicare	1.45	No Limit

3. Increased Wage Base for Social Security

The wage base for social security was \$106,800.00 in 2011. For 2012, the wage base is increased to \$110,100.00. Release 3.8.0 uses the 2012 wage base.

4. Updated Federal Withholding Taxes

The formula for calculating federal income tax has been updated for 2012.

5. Updated the U.S. Form W3 for 2011

U.S. Form W3 for 2011, which is a supplement to U.S. Form W2, has changed slightly from the prior year's form.

6. **Updated State Withholding Taxes**

The formulas for calculating state taxes have been updated for 2012 for the following states:

California

Connecticut

Delaware

District of Columbia (DC)

Hawaii

Idaho

Indiana

Kentucky

Maine

Maryland

Massachusetts

Michigan (Several cities changed taxes, state tax remains unchanged.)

Minnesota

New Mexico

New York (includes updated tables for New York City and Yonkers)

North Dakota

Oklahoma

Oregon

Pennsylvania (Several cities changed taxes, state tax remains unchanged.)

Rhode Island

Vermont

What's New in Elite Salon & Spa Payroll™, Release 3.7.4 (for 2011)

1. Removal of the Message that Launches when Running the Program

For the year 2011, U.S. Congress reduced the *employee* tax rate for social security from 6.2% to 4.2% for employees. The *employer* tax rate for social security remained unchanged at 6.2% for 2011 (and is unchanged through February 29, 2012)

In anticipation that Congress would return the *employee* tax rate to 6.2% effective January 1, 2012, Release 3.7.3-A was previously designed to warn the software user to no longer use Release 3.7.3-A after December 31, 2011.

However, Congress decided at the last moment (in December 2011) to extend the *employee* social security rate of 4.2% through February 29, 2012. Consequently, software users of the Elite Salon & Spa Payroll software program may continue using Release 3.7.3-A after all during the month of January 2012.

The purpose of this Release 3.7.4 is to remove the January 1st warning message that launches each time the Elite Salon & Spa Payroll software program is run.

Release 3.8.0 will be available approximately January 17, 2012. It is highly recommended to install Release 3.8.0 prior to filing Form 940 (FUTA) for 2011 to reflect the 2011 format, tax law changes and tax calculations. The due date for filing the 2011 Form 940 is January 31, 2012. Release 3.8.0 will also include the new 2012 tax formulas for federal and state withholding taxes.

What's New in Elite Salon & Spa Payroll™, Release 3.7.3 (for 2011)

2. FUTA Tax Rate Reduced to 0.6% for the Last Two Quarters of 2011

The Internal Revenue Service has reduced FUTA tax for employers from the minimum rate of 0.8% to 0.6% for quarter three and four of 2011. Tax for quarter three is due October 31, 2011; tax for quarter four of 2011 is due January 31, 2012. Please be aware that this particular release (Release 3.7.3) does not include the annual U.S. Form 940 (FUTA) for 2011. You will need to order a newer release in January 2012 which will include the new 940 form for 2011. Such form must be filed by all employers by January 31, 2012.

3. Alabama State Tax Formulas

Release 3.7.3 corrects a previous error when calculating state withholding tax for Alabama.

What's New in Elite Salon & Spa Payroll™, Release 3.7.2 (for 2011)

3. New U.S. Form 941 for 2011

4. Information about the [Additional Questions for Federal Form 941]

A new line has been added for reporting social security and Medicare taxes on unreported tips. Prior to 2011, the 3121(q) liability was reported on the line "Current quarter's adjustments for tips and group-term life insurance." Please consult your tax advisor for more information.

What's New in Elite Salon & Spa Payroll™, Release 3.7 (for 2011)

7. New U.S. Form 940 for 2010

This tax form must be filed by taxpayers by January 31, 2011.

8. Information about the [Employer's Annual Federal Unemployment (FUTA) Tax Return] Screen

Two new states are subject to the credit reduction, South Carolina and Indiana. A state that has not repaid money it borrowed from the federal government to pay unemployment benefits is called a *credit reduction state*. Currently, our program allows the user to enter paid wages subject to the unemployment tax laws for **Michigan only**. For South Carolina and Indiana, please consult your tax advisor for more information.

The screenshot shows a software window titled "Employer's Annual Federal Unemployment (FUTA) Tax Return". At the top, there are input fields for "Year: 2010", "Filing Date: 01/13/2011", and "State unemployment tax payments made: \$0.00". Below these are six numbered questions with radio button options for "Yes" and "No".

1. Did you pay unemployment contributions to only one state? Yes No
Check the box for every state in which you were required to pay state unemployment tax this year.
 AK CO GA IN MD MS NH OH SC VA WY
 AL CT HI KS MI MT NJ OK SD VT PR
 AR DC IA KY MN NC NM OR TN WA VI
 AZ DE ID LA MO ND NV PA TX WI
 CA FL IL MA ME NE NY RI UT WV

2. Were all wages that were taxable for FUTA tax also taxable for your state's unemployment tax (SUTA)? Yes No

3. Were ALL of your taxable FUTA wages excluded from state unemployment tax? Yes No

4. Were SOME of your taxable FUTA wages excluded from state unemployment tax? Yes No

5. Did you pay any state unemployment tax late? Yes No

6. Did you pay wages in a state that is subject to CREDIT REDUCTION? Yes No
(Michigan) Total taxable FUTA wages paid in MI

At the bottom of the window are four buttons: "Default", "Prey" (with a left arrow), "Print" (with a green checkmark), and "Cancel" (with a red X).

9. Updated Social Security Tax Amount for Employees.

The employee tax rate for social security is 4.2% for employees for 2011. The employer tax rate for social security remains unchanged at 6.2% for 2011.

The screenshot shows a dialog box titled "Other Taxes Setup" with two sections: "Employee" and "Employer". Each section contains a table of tax settings.

Tax	%	Wage Base
Social Security	4.20	\$106,800.00
Medicare	1.45	No Limit
UD Tax 1	0.000000	\$0.00
UD Tax 2	0.000000	\$0.00

Tax	%	Wage Base
Social Security	6.20	N/A
Medicare	1.45	N/A

At the bottom of the dialog box are two buttons: "Accept" (with a green checkmark icon) and "Cancel" (with a red X icon).

10. Unchanged Wage Base for Social Security

The wage base for social security is \$106,800.00 unchanged for 2011.

11. Updated Advanced Earned Income Tax Credit (EIC)

Legislation signed into law on August 10, 2010 repeals the Advanced Earned Income Credit. Recipients will not receive Advance EIC on their paychecks after December 31, 2010. The EIC has been disabled in this release.

12. Updated Federal Withholding Taxes

The formula for calculating federal income tax has been updated for 2011.

13. Updated State Withholding Taxes

The formulas for calculating state taxes have been updated for 2011 for the following states:

Arizona (New withholding tables were implemented June 2010; however, users must manually enter the percentage rates within the [Employee Information] screen for each employee.)

California

Colorado

District of Columbia

Hawaii

Indiana

Kentucky

Maine

Maryland

Michigan (Several cities changed taxes, state tax remains unchanged.)

Minnesota

Missouri

New Mexico

New York City

North Dakota

Oklahoma

Oregon

Pennsylvania (Several cities changed taxes, state tax remains unchanged.)

Rhode Island

Vermont