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"Educating Georgia's Future"

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## MEMORANDUM

**TO:** PCGenesis System Administrators

**FROM:** Steven Roache, Senior Information Systems Manager

**SUBJECT:** Release 20.04.00 – Calendar Year 2020 Year-End Closing Procedures /  
Miscellaneous Updates / Installation Instructions

This document contains the PCGenesis software release overview and installation instructions for *Release 20.04.00*.

PCGenesis supporting documentation is provided at:

<http://www.gadoe.org/Technology-Services/PCGenesis/Pages/default.aspx>

### **December, 2020 Payroll Completion Instructions**

***Install this release after completing the December 2020 payroll(s). Install this release before executing F4 – Calculate Payroll and Update YTD for the January 2021 payroll.***

***A PCGenesis E-mail User List Is Available***

The Georgia Department of Education has created an e-mail user list for PCGenesis. PCGenesis users can join the list by sending a blank e-mail to:

[join-pcgenesis@list.doe.k12.ga.us](mailto:join-pcgenesis@list.doe.k12.ga.us)

After joining the PCGenesis user list, users can take advantage of discussion forums by sending e-mails to:

[pcgenesis@list.doe.k12.ga.us](mailto:pcgenesis@list.doe.k12.ga.us)

An e-mail sent to [pcgenesis@list.doe.k12.ga.us](mailto:pcgenesis@list.doe.k12.ga.us) will broadcast the e-mail to all PCGenesis users enrolled in the group. Those PCGenesis districts and RESAs that join the user list will be able to share ideas, discuss problems, and have many more resources available for gaining insight into PCGenesis operations. Join today!



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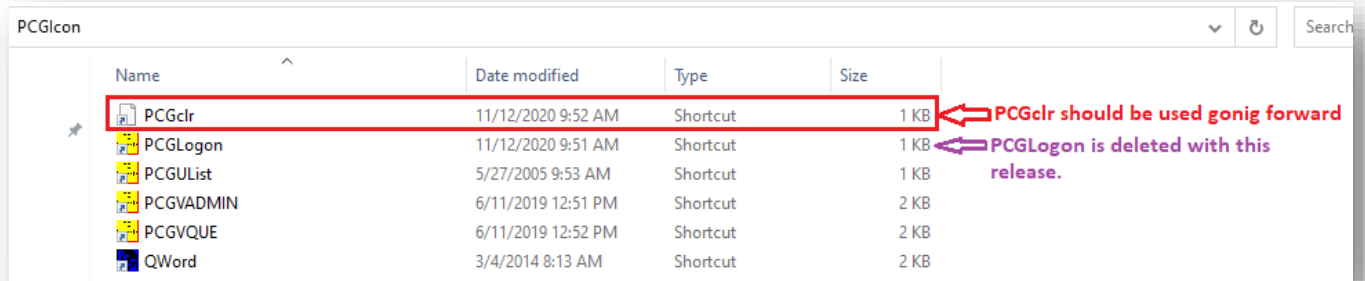
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## Section A: Overview of Release


### A1. PCGenesis System Enhancements

#### A1.1. Delete old PCGLogon Icon and Object Module LOGONC


This release deletes the old *PCGLogon* icon and corresponding *K:\UNIACU\SHELL\LOGONC* program module. As a result, users are required to stop using  PCGLogon (the old **PCGLogon** icon). The  PCGLogon icon runs the program *K:\UNIACU\SHELL\LOGONC* which is also being deleted by this release.

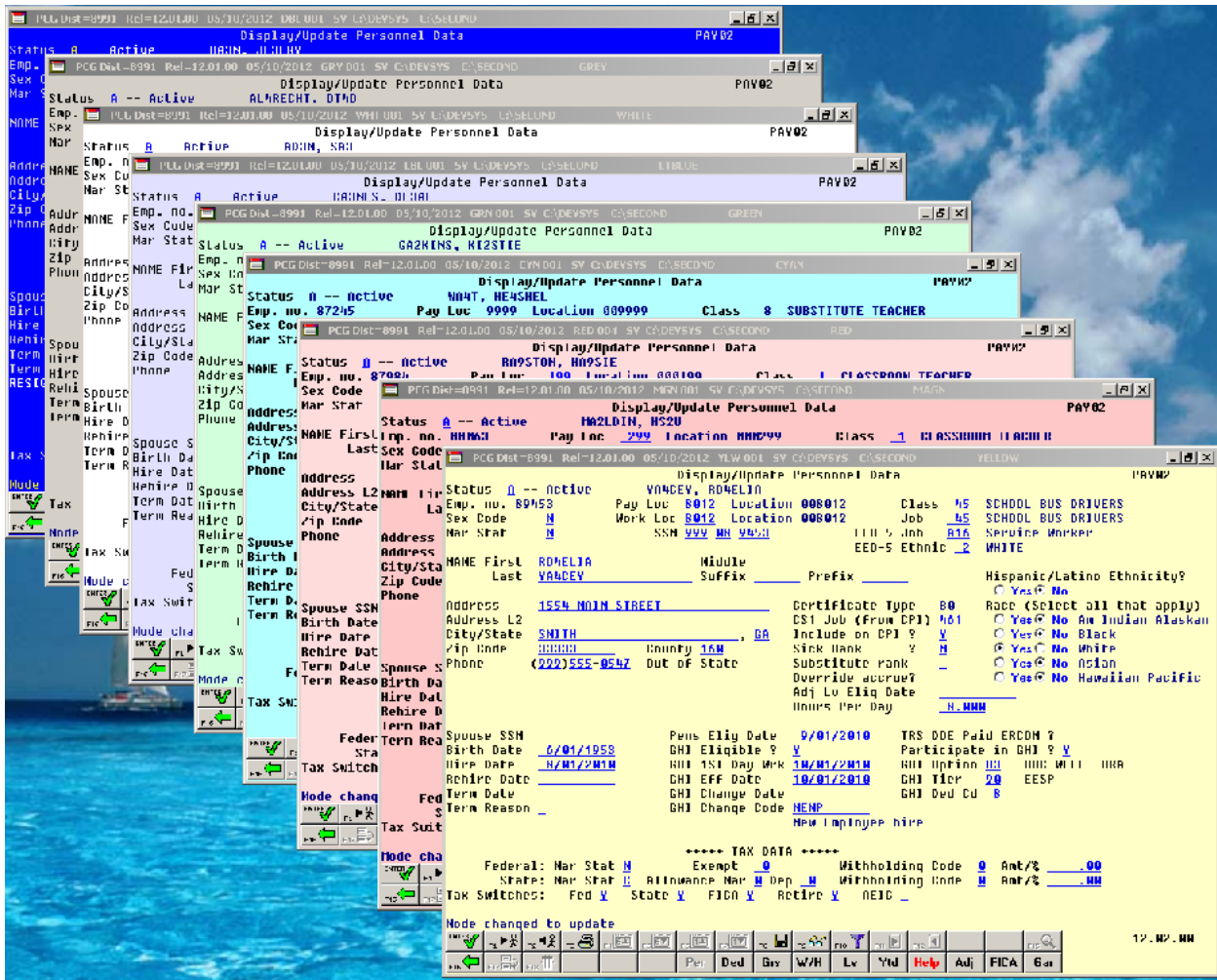


Going forward, all PCGenesis users must add this **required** PCG shortcut to their **workstation** desktop:

PCGenesis login screen: *K:\PCGIcon\ *

**NOTE:** No action is required if the *PCGclr* icon is already being used on your desktop.

The  PCGclr makes screen background color options available to all users. The various background color options are shown below:



Each site has the option to continue with the current dark blue background color for their PCGenesis screens, or the system administrator can change the default background color to one of the colors shown above. In addition, the system administrator has the ability to give control to individual users, and to allow users to select their own personal background screen color.

Documentation, with instructions for implementing the new background color options for PCGenesis screens, has been included in this release. The documentation can be located at:

[https://www.gadoe.org/Technology-Services/Enterprise-Systems-and-Applications/PCGenesis/Documents/UI\\_Set\\_Site\\_Color\\_Opt.pdf](https://www.gadoe.org/Technology-Services/Enterprise-Systems-and-Applications/PCGenesis/Documents/UI_Set_Site_Color_Opt.pdf)

## ***A1.2. PCGenesis Reorganization Daily Task***

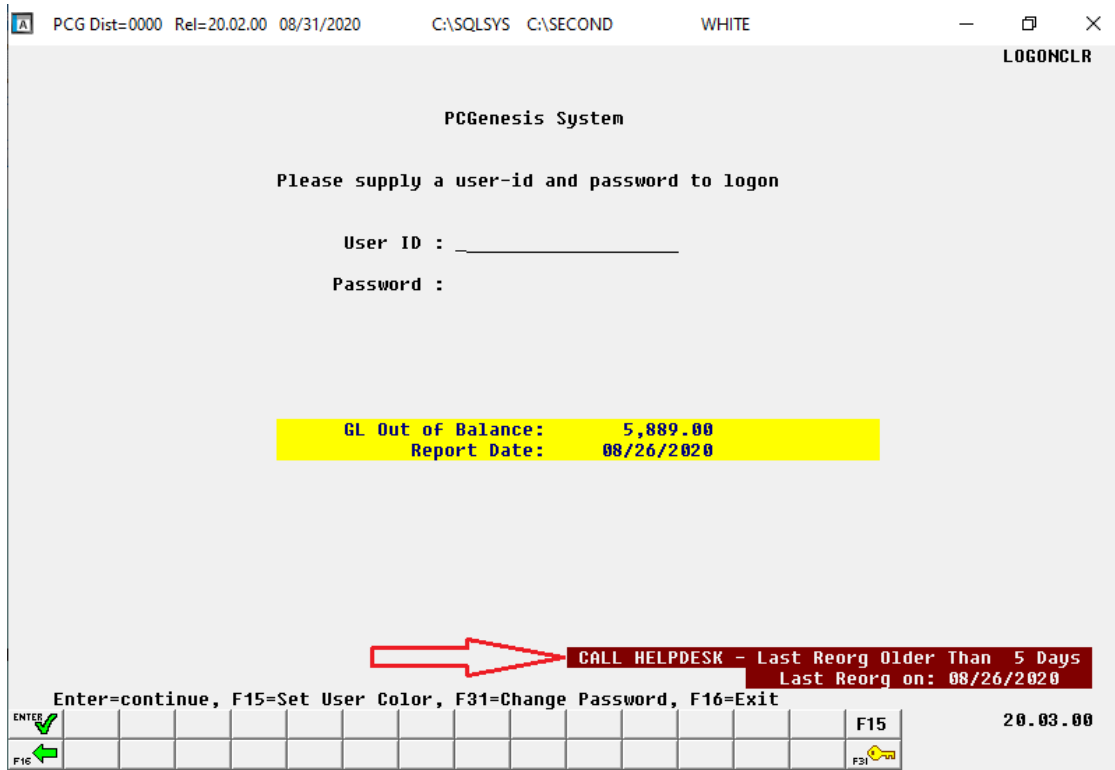
The PCGenesis Reorganization job has been updated to execute the SQL command **UPDATE STATISTICS** for all tables in the PCGenesis database. *SQL Server* statistics are essential for the query optimizer to prepare an optimized and cost-effective execution plan. These statistics provide distribution of column values to the query optimizer, and it helps *SQL Server* to estimate the number of rows (also known as cardinality). The query optimizer should be updated regularly. Improper statistics might mislead the query optimizer to choose costly operators such as index scan over index seek and it might cause high CPU, memory and IO issues in *SQL Server*. Improper statistics might also face blocking, deadlocks that eventually causes trouble to the underlying queries, resources.

Please refer your IT staff to *Section B: PCGenesis Backup / Reorganization / Restore, Topic 2: How To Schedule the PCGenesis Reorganization Job* at the following Ga DOE website for instructions on setting up the reorganization batch job:

<https://www.gadoe.org/Technology-Services/PCGenesis/Pages/Technical-System-Operations-Guide.aspx>

The reorganization task is **K:\Backup\PCGREORG.BAT**. The PCGenesis reorganization task creates a copy of **K:\SECOND** as **K:\SECONDX** and reorganizes all indexed files. The reorganization task also creates a copy of the *SQL Server* PCGenesis database (**PCGenesisDB**) as **PCGenesisDBX.BAK** after rebuilding the receipt and receivable clone tables. The scheduled task creates a recap report which allows the user to verify that the reorganization process has completed successfully. The recap report is created in the **K:\UCTPRINT\#SPLPRT** directory with the filename **REOGnnnn**. If the General Ledger is out of balance, an additional report is created with the filename **GBALnnnn**.

If the reorganization batch job has not run successfully for at least three days, the logon screen will display an error message in red, as shown below. If this message appears on the PCGenesis logon screen, inform your IT staff immediately!



The PCGenesis administrator must ensure that the reorganization task runs successfully every day. Any failure that affects the integrity and availability of PCGenesis data is unacceptable. The PCGenesis reorganization task improves PCGenesis reliability and data integrity by reorganizing all PCGenesis indexed files. The reorganization task also creates a daily restore point that remains on the PCGenesis server for quick access. This restore point often provides the Ga DOE Helpdesk with a quick and easy way to recover from a data issue.

### A1.3. Backup of PCGenesis Data

**This information must be forwarded to your Technology Representative or you may not have everything you need for a successful restore of your PCGenesis production data.**

Going forward, PCGenesis data will be split between files contained in the directory **K:\SECOND** and the new *SQL Server* database table located in **K:\PCGSQLdb**. Therefore, it is very important to backup **K:\PCGSQLdb** and **K:\SECOND** during the nightly data backup. One directory cannot be backed up without the other directory, and they must be maintained together. To create a complete data backup of the PCGenesis system, the two directories need to be backed up together.

**Starting with release 19.04.00, K:\SECOND cannot be restored without also restoring the PCGenesisDB database. These two entities must be kept in sync, otherwise receipts, receivables, and investments will be lost.**

The following directories are needed for disaster recovery:

- **K:\SECOND** – PCG payroll & financial data
- **K:\PCGSQldb** – The *PCGenesisDB* database for the PCGenesis production data, and the *VQueueDB* database for the *VerraDyne* print queue data
- **K:\UCTARCHIVE** – Archived PCGenesis reports in pdf format
- **K:\UCTPRINT** – PCGenesis report files currently in the print queue

**Prior** to running a backup of the **K:\PCGSQldb** directory...

- School districts must stop the *VerraDyne Queue Service* and the *SQL Express* services for the backup to successfully run to completion.
- The following commands should be entered in the command prompt for *Windows* or added to the backup bat file to stop the services:

**NET STOP VQueueService**

**NET STOP MSSQL\$SQLEXPRESSPCG**

**After** the **K:\PCGSQldb** directory backup has completed – Start Services

- The following commands should be entered in the command prompt for *Windows* or added to the backup bat file to start the services:

**NET START MSSQL\$SQLEXPRESSPCG**

- (Make sure to **wait at least 2 minutes** for **SQLEXPRESSPCG** to start before trying to start **VQueueService**)

**NET START VQueueService**



## A2. Payroll System

### A2.1. 2021 FICA and Federal Income Tax Withholding Updates

The FICA parameters have been updated for calendar year 2021. The FICA wage limit has increased to \$142,800.00 for 2021. This release automatically updates the FICA tables into PCGenesis.

The Federal withholding tax parameters have been updated for calendar year 2021. The **Federal Exemption Amount** has been increased to \$4,300 from \$4,200. The **2020 W-4 Married Exemption Amount** has been increased to \$12,900 from \$12,600. The **2020 W-4 Married Single Amount** has been increased to \$8,600 from \$8,400. This release automatically updates the 2021 Federal withholding tax tables into PCGenesis.

Refer to *Appendix D: Reprint of IRS Publication 15-T for 2021* in this document for additional information on Federal tax withholding formulas and tables.

### A2.2. Update W-2 Box and Code (W2CD) Table in Alpha Description File

The *Alpha Description File* (F2, F9, F2) has been updated with a new W-2 **box 14**, code **14M**, code **14N**, and code **14O** table entries in the **W2CD** table. This release automatically updates the **W2CD** codes into PCGenesis. **Box 14**, code **14M**, code **14N**, and code **14O** are now available when creating a *W-2 Adjustment Record* (Record Type ‘W’) on the *Add Earnings History Record* screen (F2, F10, F1).

W2CD Code	W-2 Label	Description
<b>14M</b>	EPSL 1-3	EPSL Reasons 1 - 3 (100% pay)
<b>14N</b>	EPSL 4-6	EPSL Reasons 4 - 6 (2/3 pay)
<b>14O</b>	EFML 5	FFCRA EFMLE Reason 5 (2/3 pay)

**Reporting Requirements as Described in IRS Notice 2020-54:** In order to provide self-employed individuals who also receive wages or compensation as employees with the information they need to properly claim any qualified sick leave equivalent or qualified family leave equivalent credits for which they are eligible, this notice requires employers to report to employees the amount of qualified sick leave wages and qualified family leave wages paid to the employees under sections 7001 or 7003 of the Families First Act, respectively. Employers must separately state the total amount of qualified sick leave wages paid pursuant to paragraphs (1), (2), or (3) of section 5102(a) of the EPSLA, qualified sick leave wages paid pursuant to paragraphs (4), (5), and (6) of section 5102(a) of the EPSLA, and qualified family leave wages paid pursuant to section 3102(b) of the EFMLEA. Employers must separately state each of these wage amounts either on Form W-2, Box 14 or on a separate statement.

Once the Alpha Description File codes of **14M**, **14N**, and **14O** are in the system, the payroll administrator can input the Covid leave wage amounts on an *Earnings History W-2 Adjustment* (F2, F10, F1) record, as shown below. It is a manual process to enter these amounts into the system.



## A2.3. Calendar Year 2020 1095-C Form Processing

IRS Form 1095-C for ACA has been redesigned to accommodate a new **Plan Start Month** field and new fields related to individual coverage health reimbursement arrangement (HRA) plans.

### What’s New for ACA Form 1095-C?

**Extension of due date for furnishing statements.** The due date for furnishing Form 1095-C to individuals is extended from January 31, 2021, to March 2, 2021. See *Notice 2020-76* and *Extensions of time to furnish statements to recipients*.

**Individual coverage health reimbursement arrangement (HRA).** For plan years beginning on or after January 1, 2020, employers may offer HRAs integrated with individual health insurance coverage or Medicare, subject to certain conditions (individual coverage HRAs). On September 30, 2019, the IRS and the Department of the Treasury issued proposed regulations clarifying the application of the employer shared responsibility provisions in section 4980H to individual coverage HRAs and providing proposed safe harbors for the application of those provisions to individual coverage HRAs. Generally, taxpayers are permitted to rely on the proposed regulations. Form 1095-C has been modified to add new codes for reporting offers of individual coverage HRAs and new lines for reporting required information. See the Instructions for *Part II* of Form 1095-C.

**Plan start month.** The **Plan Start Month** is required for the 2020 Form 1095-C. The **Plan Start Month** can be entered when selecting the *Print Employer Copy of 1094-C & 1095-C’s* (F2, F4, F6) option, or when selecting the *Print 1094-C & Employee 1095-C’s & Create File* (F2, F4, F7) option, as shown below.

PCG Dist=8991 Rel=20.04.00 12/11/2020 PCG 001 SV C:\SQLSYS C:\SECOND WHITE

PRINT 1094-C AND 1095-C's AND CREATE FILE

W-2 YEAR: 2020  
Plan start month: \_\_\_\_\_

	1094-C, PART III, COL B TOTAL FULL-TIME EMP'S		1094-C, PART III, COL C TOTAL EMP COUNT		1094-C, PART III, COL E (NO LONGER APPLICABLE)
	CALCED	OVERRIDE	CALCED	OVERRIDE	
JAN	0	0	586	0	
FEB	0	0	589	0	
MAR	0	0	589	0	
APR	0	0	587	0	
MAY	0	0	583	0	
JUN	0	0	582	0	
JUL	0	0	581	0	
AUG	0	0	578	0	
SEP	0	0	545	0	
OCT	0	0	546	0	
NOV	0	0	546	0	
DEC	0	0	546	0	

TOTAL 1095-C FORMS PRINTED: 0  
TOTAL 1095-C FORMS FILED ON BEHALF OF EMPLOYER: 0

1094-C, PART II, LINE 22  
A. QUALIFYING OFFER METHOD  
B. RESERVED (NO LONGER APPLICABLE)  
C. RESERVED (NO LONGER APPLICABLE)  
D. 98% OFFER METHOD

\*\*\*\* The Override Totals will be printed on the final IRS forms \*\*\*\*

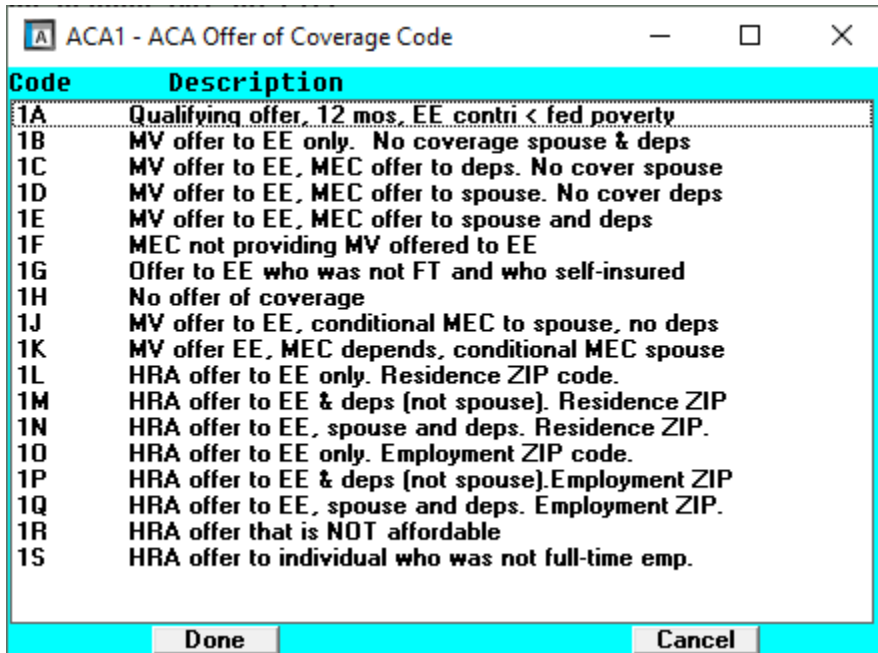
ENTER = Continue, F17 = Copy Calced Totals to Override Totals, F16 = Exit Program

20.04.00

ENTER F1 F2 F3 F4 F5 F6 F7 F8 F9 F10 F11 F12 F13 F14 F15 F16 F17 F18 Help

The Alpha Description File (F2, F9, F2) has been updated with a new **ACA Offer of Coverage Codes 1L – 1S** entries in the **ACA1** table. This release automatically updates the **ACA1** codes into PCGenesis. The **ACA Offer of Coverage Codes 1L – 1S** are now available when entering data on the **ACA Employee Data** screen (F3, F1, F3).

ACA1 Code	Description
<b>1L</b>	HRA offer to EE only. Residence ZIP code.
<b>1M</b>	HRA offer to EE & deps (not spouse). Residence ZIP
<b>1N</b>	HRA offer to EE, spouse and deps. Residence ZIP.
<b>1O</b>	HRA offer to EE only. Employment ZIP code.
<b>1P</b>	HRA offer to EE & deps (not spouse).Employment ZIP
<b>1Q</b>	HRA offer to EE, spouse and deps. Employment ZIP.
<b>1R</b>	HRA offer that is NOT affordable
<b>1S</b>	HRA offer to individual who was not full-time emp.



## ***A2.4. PCGenesis Software ID for 2020 ACA Reporting to the IRS***

IRS Publication 5164, *Test Package for Electronic Filers of Affordable Care Act (ACA) Information Returns (AIR) Processing Year 2021* contains general and program specific testing information for use with ACA Assurance Testing System (AATS). AATS refers to both the process and the system used to test software and electronic transmissions prior to accepting forms into the Production AIR System. Software Developers must pass IRS AATS scenarios for the forms and tax year that the software package will support. *IRS Publication 5164, Test Package for Electronic Filers of Affordable Care Act (ACA) Information Returns (AIR) (Processing Year 2021)* can be viewed at the following link: <https://www.irs.gov/pub/irs-pdf/p5164.pdf>.

According to *IRS Publication 5164*, Software Developers need a new Software ID for each tax year and each ACA Information Return Type they support. The software information must be updated yearly on the ACA Application for TCC. Annual AATS testing is required for Software Developers.

**NOTE:** At the time of this release, the PCGenesis development team has recertified the PCGenesis application for ACA reporting.

## ***A2.5. Applying for a TCC ID for the IRS AIR System***

The IRS system that accepts ACA file transmissions, the AIR system, is brand-new. Anyone who already has e-filing credentials with the IRS, and now intends to submit ACA files, must go through **an entirely new registration process in order to gain access to the AIR system.** Credentials with the FIRE system for 1099 returns will not work for transmissions of ACA returns.

**NOTE:** Those Georgia school districts that used PCGenesis to complete their ACA reporting in 2019 should already have two individuals who applied for and received their TCC IDs required for the IRS AIR system. Those individuals who received a TCC ID must not let their E-Services IDs expire. Once a TCC ID has been established, the user should update their E-Services ID every few months. If the TCC ID has expired, the individual will need to reapply by following the steps outlined below. Therefore, IRS AIR users should be sure to test their E-Services ID EARLY!!!

Here is the IRS.gov link for registering for the TCC account.

<https://www.irs.gov/Tax-Professionals/e-services---Online-Tools-for-Tax-Professionals>

**Step 1. Apply for e-services IDs.** At least two people must register for two separate e-services IDs. For this, each person will need to enter their personal, exact adjusted gross income on the IRS records for their Social Security Number. Each person will choose a user ID, password, and PIN, as well as answers to various security questions. Please screenshot the answers to these security questions.

If your adjusted gross income checks out, you can start the application for the e-services login ID, and you will see a menu item for applying for the TCC code. The IRS will mail each user a code in 10 days to your IRS address on file to confirm the e-services ID. At this point, you can start, but not complete the TCC application. The TCC application can't be completed until you confirm the e-services user ID with the confirmation code sent in the U.S. postal mail.

Advice: Please write down the password, PIN, and exact answers to all security questions. If you accidentally lock your ID after 3 incorrect tries, and don't have your PIN and ALL the exact answers to the security questions, you will have to re-do *Step 1* and wait another 10 days for the confirmation in the mail. Calling IRS will not help if you forgot anything you originally entered.

**Step 2. Apply for AIR TCC code.** This is the code necessary for IRS ACA file submission. The TCC application needs a minimum of two people who have completed *Step 1*. One person has to be a high level in the organization.

## ***A2.6. Submitting ACA Test Files to the IRS for First-Time Users***

The information published below is obtained from *IRS Publication 5164, Test Package for Electronic Filers of Affordable Care Act (ACA) Information Returns (AIR) (Processing Year 2021)*. This IRS publication can be viewed at the following link: <https://www.irs.gov/pub/irs-pdf/p5164.pdf>.

**NOTE:** According to *IRS Publication 5164*, transmitters (Georgia school districts and RESAs) are required to complete communication testing to transmit information returns to the IRS only for the first year in which they will transmit returns. **This means that Georgia school districts who used PCGenesis to complete their ACA reporting in 2019 will NOT need to redo the ACA test file submissions in 2020 for 2020 ACA reporting.**

### **Required Step: Submitting ACA Test Files to the IRS**

***For first-time users of the PCGenesis ACA software, this step must be completed before production ACA files can be submitted to the IRS.***

**Transmitters and Issuers** must use approved software to perform a communications test with the IRS for ACA reporting. PCGenesis is an approved software package for submission of 1095-C forms. Issuers are only required to successfully complete the communication test once.

### **Why Is Testing Required?**

The purpose of required testing prior to Production is to ensure that:

- The IRS can receive and process the electronic information returns.
- Software Developers, Transmitters, and Issuers can send electronic information returns and retrieve Acknowledgments.
- Software Developers, Transmitters, and Issuers use the correct format and electronic filing specifications for the AIR system.

**Action Required:**

Any PCGenesis School District or RESA that will be submitting ACA XML test transmission files to the IRS must access the GaDOE documentation website at:

<http://www.gadoe.org/Technology-Services/PCGenesis/Pages/default.aspx>

to obtain the instructions for submitting the test files. Refer to the *Payroll System Operations Guide, Section D: Monthly/Quarterly/Annual/Fiscal Report Processing, Topic 4: Processing Annual Reports - 1095-C Statement Processing, Submitting ACA Test Files to the IRS* for detailed instructions.

PCGenesis supplies the two XML files which are required for testing. The two files have the following naming conventions and can be found in the **K:\SECOND\PERDATA** directory:

- 1 MANIFEST\_1094C\_Request\_XXXXX\_20201109T010101001Z.xml
- 2 1094C\_Request\_XXXXX\_20201109T010101001Z.xml

Where: **XXXXX** represents the school district's **TCC ID**.

The user must rename the two files replacing the **XXXXX** with the school district's **TCC ID**. Then, the user must follow the instructions in the *Payroll System Operations Guide, Section D: Monthly/Quarterly/Annual/Fiscal Report Processing, Topic 4: Processing Annual Reports - 1095-C Statement Processing, Submitting ACA Test Files to the IRS, Section A2. Uploading Test .xml Files to the IRS Website* of the PCGenesis documentation.

Your site will not be able submit your regular production ACA 1095-C transmission files to the IRS until your TCC ID has passed the communications step.

## ***A2.7. Calendar Year 2020 W-2 Form Processing***

Calendar year 2020 Internal Revenue Service (IRS) W-2 forms have not changed from 2019.

The installation of Release 20.04.00 makes calendar year **2021** W-2 forms available for employees terminating and requesting W-2's for calendar year 2021. The 2021 W-2 form is available on the *Print Blank W-2 Form* menu (F2, F4, F11).

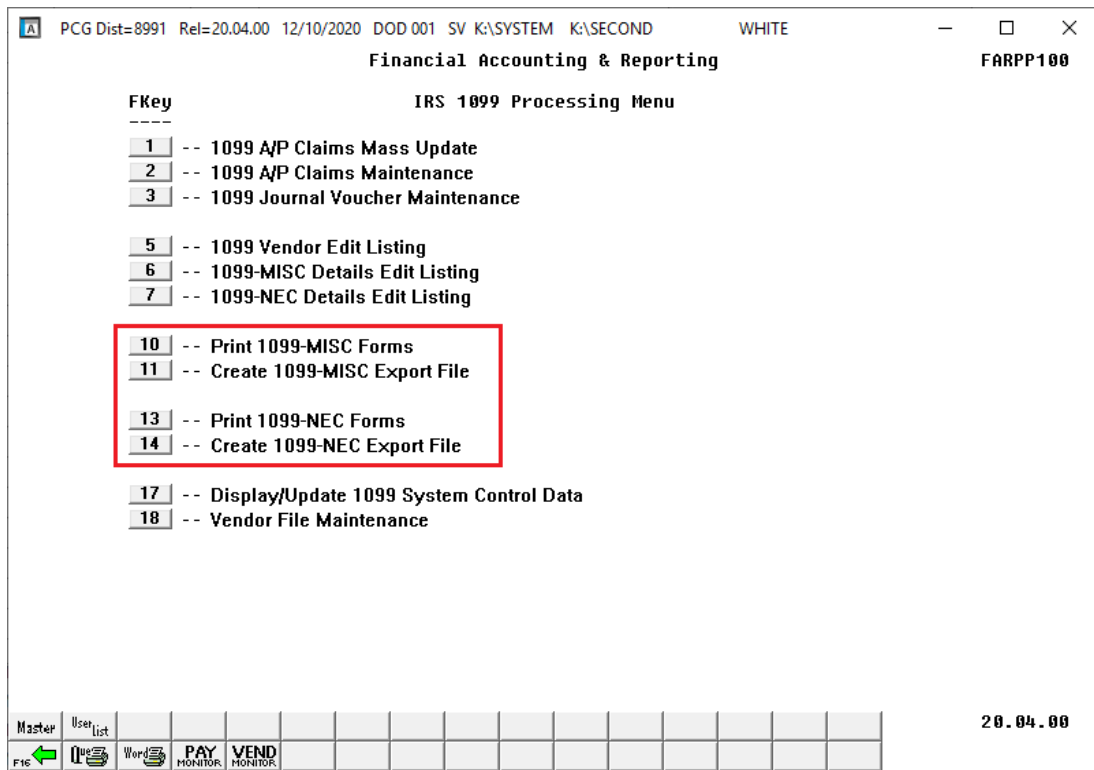


## A3. Financial Accounting and Reporting (FAR) System

### A3.1. New IRS Form and File 1099-NEC

New for 2021, the IRS has moved **nonemployee compensation** (Amount Code 7) to its own form, the 1099-NEC. With Release 20.04.00, PCGenesis supports the 1099-NEC form and transmission file. New options for the 1099-NEC are available on the *IRS 1099 Processing Menu* (F1, F12, F10). The 1099-NEC form has been created by the IRS to report **nonemployee compensation**. School districts should make plans to purchase the new 1099-NEC forms, if necessary.

Refer to *Appendix C: Supported 1099-NEC Form – Example* in this document to see a sample of the new 2020 1099-NEC Form.



**Amount Code 7** will continue to be used to indicate nonemployee compensation amounts on claims and journal vouchers. The PCGenesis programs will put **Amount Code 7** amounts in box 1 of the 1099-NEC form and file. All other amount codes will continue to be reported on a 1099-MISC form.

Amount Indicators (Y/N):		
1 - Rents	N	2 - Royalties
4 - Fed income tax w/h	N	5 - Fishing boat
<b>7 - Nonemployee comp</b>	<b>Y</b>	8 - Lieu of dividends
B - Parachute payments	N	C - Legal services
E - Section 409A income	N	3 - Other income
		6 - Medical payments
		9 - Not applicable
		D - Section 409A deferrals



**NOTE about Legal Services (Amount Code C):**

Amounts flagged as Legal Services using **Amount Code C** on claims and journal vouchers in PCGenesis will continue to print in box 10 of the 1099-MISC form. Any confusion about which legal fees should print in box 10 of the 1099-MISC form as opposed to box 1 of the 1099-NEC form should be discussed with the school district’s tax attorney. The definition of legal services as related to the 1099-MISC and the 1099-NEC is detailed below. Generally, you must report attorneys' fees in box 1 of Form 1099-NEC, and you must report gross proceeds to corporations that provide legal services in box 10 of Form 1099-MISC.

**1099-MISC, Box 10, Amount Code C. Gross Proceeds Paid to an Attorney:** Enter gross proceeds of \$600 or more paid to an attorney in connection with legal services (regardless of whether the services are performed for the payer).

Gross proceeds paid to attorneys. Under section 6045(f), report in box 10 payments that:

- Are made to an attorney in the course of your trade or business in connection with legal services, but not for the attorney’s services, for example, as in a settlement agreement;
- Total \$600 or more; and
- Are not reportable by you in box 1 of Form 1099-NEC.

Generally, you are not required to report the claimant's attorney's fees. For example, an insurance company pays a claimant's attorney \$100,000 to settle a claim. The insurance company reports the payment as gross proceeds of \$100,000 in box 10. However, the insurance company does not have a reporting requirement for the claimant's attorney's fees subsequently paid from these funds. These rules apply whether or not:

- The legal services are provided to the payer;
- The attorney is the exclusive payee (for example, the attorney's and claimant's names are on one check); or
- Other information returns are required for some or all of a payment under another section of the Code, such as section 6041.

**1099-NEC, Box 1, Amount Code 7. Nonemployee Compensation as related to attorney fees:**

For each person in the course of your business to whom you have paid the following during the year:

- At least \$600 in:
  1. Services performed by someone who is not your employee (including parts and materials) (box 1);
  2. Cash payments for fish (or other aquatic life) you purchase from anyone engaged in the trade or business of catching fish (box 1); or
  3. **Payments to an attorney (box 1).** The term “attorney” includes a law firm or other provider of legal services. Attorneys' fees of \$600 or more paid in the course of your trade or business are reportable in box 1 of Form 1099-NEC, under section 6041A(a)(1), and should be flagged with **Amount Code 7** in PCGenesis.

## **1099 MISC vs 1099 NEC Filing Information**

In mid-2019, the IRS released a tentative draft of a new form tied to 1099 filing: the 1099 NEC. Subsequently, the 1099-NEC was adopted by the IRS for 2020 reporting. This form is designed to alleviate some confusion associated with 1099-MISC filing dates. Below, the crucial differences between form 1099-MISC vs 1099-NEC are outlined below.

### **What’s the Purpose of the New Form?**

First and foremost, the 1099-NEC is designed to replace Box 7 on the 1099-MISC. Legislation in 2015 caused the deadline for Box 7 information to change from March 31 to January 31, but the due date for non-Box 7 1099-MISC forms remained March 31. In essence, this change created two separate deadlines for the same form – and a lot of confusion.

The new 1099-NEC form replaces 1099-MISC box 7 altogether as a new form for reporting nonemployee compensation. 1099-MISC will be used for all other types of miscellaneous compensation.

### **Form 1099 MISC for 2019 Filing**

Currently, the 1099-MISC is among the most popular forms used by the IRS. It reports the total earnings a person receives, typically if they are self-employed or independent contractors. Clients send out 1099-MISCs every year in place of W-2 forms, which are used for traditional employees and employers. However, the 1099-MISC is also used as a catch-all form for all other types of income, including awards, proceeds, and prizes. This makes the form more complicated than one might expect, pointing up the need for a separate form designed specifically for nonemployment compensation.

### **What’s the Difference?**

The answer to 1099-MISC versus 1099-NEC is nonemployment compensation. Also known as self-employment income, this is income received from a payer who classifies you, the payee, as an independent contractor rather than an employee. By instituting the 1099-NEC, the IRS streamlines income reporting for all self-employed people.

While the due date confusion on the current 1099-MISC is the primary cause of the IRS’s decision to draft a 1099-NEC, the increasing amount of independent contractor labor could also be to blame. With more workers using this form, it seems likely that many are making a mistake when it comes to filing deadlines. If you’re nervous about correctly filing 1099-NEC or 1099-MISC, a software program can alleviate some stress.

### **What’s New for Form 1099-NEC?**

The PATH Act, P.L. 114-113, Div. Q, sec. 201, accelerated the due date for filing Form 1099-NEC that includes nonemployee compensation (NEC) from February 28 **to January 31** and eliminated the automatic 30-day extension for forms that include NEC. **Beginning with tax year 2020, use Form 1099-NEC to report nonemployee compensation.**

## A3.2. Calendar Year 2020 1099-MISC Form Processing

IRS Form 1099-MISC has been redesigned. Due to the creation of Form 1099-NEC, the IRS has revised Form 1099-MISC and rearranged box numbers for reporting certain income. Changes in the reporting of income and the form's box numbers are listed below. Printing the IRS Form 1099-MISC is available on the *IRS 1099 Processing Menu* (F1, F12, F10, F10). Changes in the reporting of income and the form's box numbers are listed below:

- Payer made direct sales of \$5,000 or more (checkbox) in box 7.
- Crop insurance proceeds are reported in box 9.
- Gross proceeds to an attorney are reported in box 10.
- Section 409A deferrals are reported in box 12.
- Nonqualified deferred compensation income is reported in box 14.
- Boxes 15, 16, and 17 report state taxes withheld, state identification number, and amount of income earned in the state, respectively.

The PCGenesis programs will put **Amount Code 7** amounts on the 1099-NEC form and file. All other amount codes will continue to be reported on a 1099-MISC form. (See the important note about Legal Services (**Amount Code C**) in *Section A3.1* above.)

Amount Indicators (Y/N):					
1 - Rents	N	2 - Royalties	N	3 - Other income	Y
4 - Fed income tax w/h	N	5 - Fishing boat	N	6 - Medical payments	N
7 - Nonemployee comp	Y	8 - Lieu of dividends	N	9 - Not applicable	
B - Parachute payments	N	C - Legal services	Y	D - Section 409A deferrals	N
E - Section 409A income	N				

### ***A3.3. Fix Bug with Vendor Drop Down List***

A problem has been corrected with *Vendor Drop Down List Box*. The problem was caused by release 20.03.00. When using the vendor drop down and typing a partial name, the list of vendors would display. Scrolling forward through the list worked correctly. However, if any vendor had an apostrophe in the name field, and the user tried to scroll previous, the vendor list would repeat the vendor name multiple times, and the system would hang. This problem has been corrected.

### ***A3.4. Fix Performance Issues When Posting Receipts***

The conversion of the receipt and receivables files to the PCGenesis *SQL Server* database caused performance to be slow when working with receipts and receivables. Release 20.04.00 addresses these performance issues by fine-tuning the SQL algorithms.

Going forward, PCGenesis data will be split between files contained in the directory **K:\SECOND** and the new *SQL Server* database table located in **K:\PCGSQLdb**. Therefore, it is very important to backup **K:\PCGSQLdb** and **K:\SECOND** during the nightly data backup. One directory cannot be backed up without the other directory, and they must be maintained together. To create a complete data backup of the PCGenesis system, the two directories need to be backed up together.

With release 20.04.00, **K:\SECOND** must be restored with the **PCGenesisDB** database. These two entities must be kept in sync, otherwise receipt, receivable, and vendor records will be lost. Call the help desk when any data needs to be restored.

### ***A3.5. Create School Food Service DE-106 File with .txt Suffix***

An upgrade to the web browsers that interface with GA DOE portal caused an error message when users tried to upload the *School Food Service DE-106 File* (F1, F9, F1, F9) to the portal. The GA DOE portal would not recognize the *School Food Service DE-106 File* as a text file because the file name did not end in *.txt*. This problem has been corrected, and now the PCGenesis program creates the file name with the *.txt* suffix at the end of the name. For example, the filename will be created as:

*K:\SECOND\GOSEND\DE106ccyymmddd.txt* where *ccyymm* represents the year and month of the DE-106 file, and *ddd* represents the district ID.

## Section B: Installation Instructions for Release 20.04.00 Software

### B1. Perform a PCGenesis Full Backup

Proceed to section B2. *Verify Windows Security Group GENUSERS* in this document if these two conditions are met:

1. The prior evening’s full system backup of the entire **K:** drive was successful.
  - In addition to its current labeling, also label the prior evening’s backup media as “**Data Backup Prior to Release 20.04.00**”.
  - Continue to use the backup in the normal backup rotation.
2. No work has been done in PCGenesis since the prior backup.

Otherwise, continue with the instructions in section B1. *Perform a PCGenesis Full Backup* if these two conditions are not met.

Step	Action
1	<b>Verify all users are logged out of PCGenesis.</b>
2	<p>Stop the VerraDyne Queue Service (<b>VQueueService</b>) and the SQL Express Service (<b>SQLEXPRESSPCG</b>) prior to running a full backup of the entire <b>K:</b> PCGenesis disk drive or else the backup will not run to completion.</p> <p>If the <i>Uspool</i> background task has not yet been removed from the from “<i>All Users Startup</i>”, close <i>Uspool</i> at the server. <i>Uspool</i> must be permanently removed and should no longer be running on the server.</p>
3	Perform a <b>PCG Full Backup</b> to CD or DVD or USB.
4	When the PCGenesis backup completes, label the backup CD or DVD or USB “ <b>Full System Backup Prior to Release 20.04.00</b> ”.
5	<p><b>Start the SQL Express Service: <b>SQLEXPRESSPCG must be running before starting the release installation.</b></b> If <i>SQL Server</i> is not running, the <b>PCGenesisDB</b> cannot be updated during the release installation. If you run a full backup prior to installing the release and <i>SQL Server</i> has been stopped, the following commands can be executed to restart <b>SQLEXPRESSPCG</b>.</p> <ul style="list-style-type: none"> <li>• The following commands should be entered in the command prompt for <i>Windows</i> or added to the backup bat file to start the services.</li> <li>• <b>NET START MSSQL\$SQLEXPRESSPCG</b></li> </ul>
6	Proceed to B2. <i>Verify Windows Security Group GENUSERS</i> .

## **B2. Verify Windows Security Group GENUSERS**

The DOE is continuing the conversion of PCGenesis data tables into a *SQL Server* database in the 20.04.00 release.

### Operating System Requirements for the PCGenesis Database

1. Prior to release 19.01.00, the PCGenesis document *New Server Installation Checklist* recommended setting up **GENUSERS** as the Windows Server security group for all PCGenesis users, but this requirement was not enforced. Please refer to *Page 2, Step 4* in the following document:

[http://www.gadoe.org/Technology-Services/PCGenesis/Documents/Tech\\_A1\\_New\\_Server\\_Install.pdf](http://www.gadoe.org/Technology-Services/PCGenesis/Documents/Tech_A1_New_Server_Install.pdf)

**Starting with release 19.01.00, the security user group GENUSERS is now required.**

2. Please forward this notice to your IT support team and ask them to verify the setup of **GENUSERS** on your PCGenesis Windows Server. If **GENUSERS** is not the current security group for PCGenesis users, please have the IT staff set up **GENUSERS** as directed in the document referenced above.

If you have any questions or need further assistance, please contact the Technology Management Customer Support Team by logging into the MyGaDOE Portal and clicking on the Help Desk Portal link and entering your request there.

To Login to the MyGaDOE portal please follow this link: <https://portal.doe.k12.ga.us/Login.aspx>

## B3. Install PCGenesis Release 20.04.00

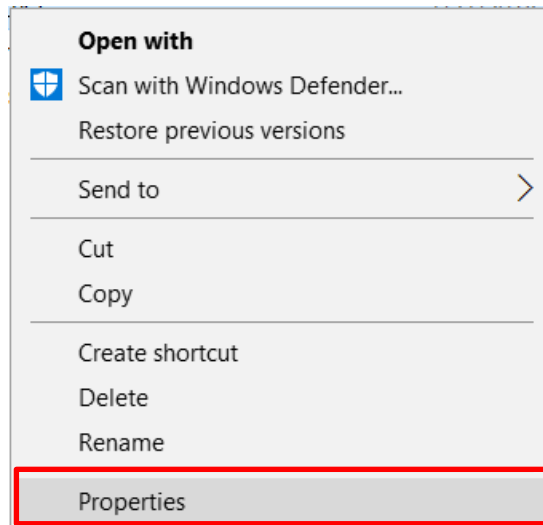
### FROM THE PCGENESIS SERVER

#### Important Note

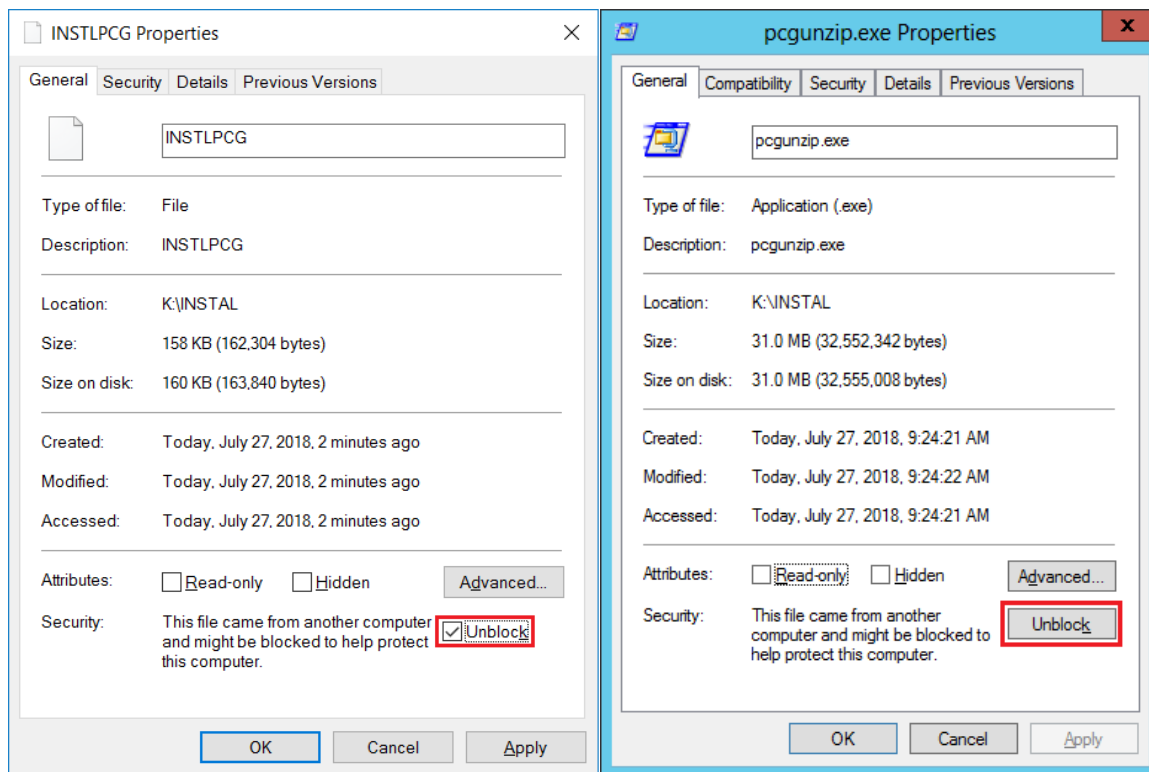
**The person installing the PCGenesis release must be a member of the system administrator security group on the PCGENESIS server!**

Step	Action
1	<b>NOTE:</b> The person installing the PCGenesis release must be a member of the system administrator security group on the PCGenesis server. This is required to properly install the <i>PCGenesisDB</i> database components contained in this release.
2	<b>Start the SQL Express Service:</b> <b>SQLEXPRESSPCG must be running before starting the release installation.</b> If <i>SQL Server</i> is not running, the <i>PCGenesisDB</i> cannot be updated during the release installation.
3	<b>Verify all users are logged out of PCGenesis.</b>
4	Open <b>Windows® Explorer</b> .
5	Navigate to the <b>K:\INSTAL</b> directory.
6	Verify <b>PCGUNZIP.EXE</b> , <b>RELINSTL.BAT</b> , and <b>INSTLPCG</b> display. <i>If PCGUNZIP.EXE and RELINSTL.BAT and INSTLPCG do not display, return to the MyGaDOE Web portal, and detach the files from the Web portal again.</i>
7	<p style="text-align: center;"><b>*** ALERT ***</b></p> <p>After downloading the files we need to make sure they are not blocked, otherwise when we unzip, ALL the files will all be blocked. This is a new security feature of the Windows Server 2012 / 2016 operating system.</p> <p>To check whether the files have been blocked, <b>right-click</b> on each of the downloaded files and select <b>Properties</b>. If you see a security message at the bottom, as shown below, you will need to click the '<b>Unblock</b>' button. This is a very important step!</p> <p>For each of the downloaded files in <b>K:\INSTAL</b>, right-click on the filename and select '<b>Properties</b>'.</p>


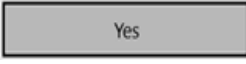
After right-clicking on each file, select the ‘Properties’ option:

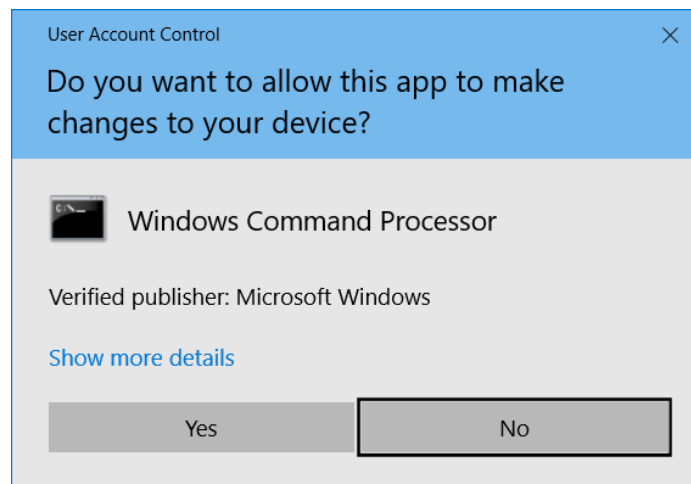


Depending on the version of the Windows operating system, the following screen displays:

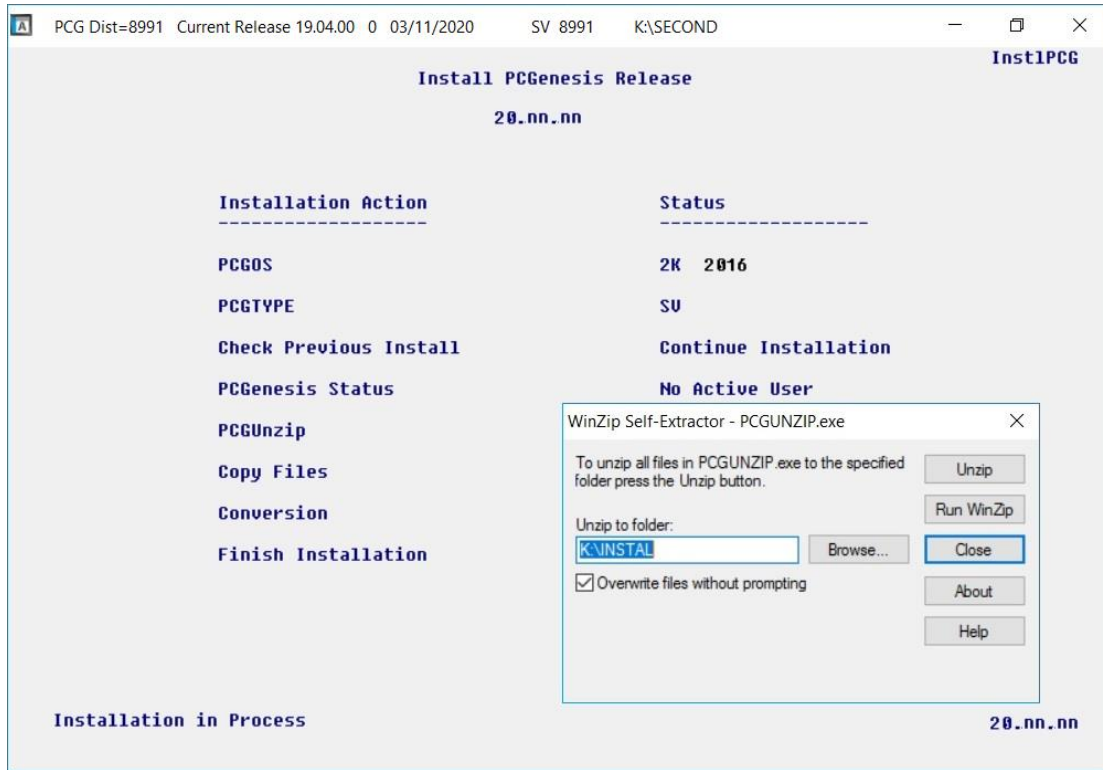




Step	Action
<p><b>8</b></p>	<p>Check the bottom of the ‘<i>Properties</i>’ dialog box to see if the following <b>security</b> warning is displayed:</p> <p><i>“This file came from another computer and might be blocked to help protect this computer.”</i></p> <p>If the option is presented, select  (<b>Unblock</b>) or check <input checked="" type="checkbox"/> the box to the left of <b>Unblock</b>.</p> <p>Do this for each of the files in the <b>K:\INSTAL</b> directory.</p>
<p><b>9</b></p>	<p>Right-click <b>RELINSTL.BAT</b> and select <b>Run as administrator</b> to perform the installation.</p>
<p><b>10</b></p>	<p>If the message “<i>Do you want to allow this app to make changes to your device?</i>” is displayed, select  (<b>Yes</b>) to continue.</p> <p><i>Next, a release installation status screen will display showing the release steps as they are completed.</i></p>



A screen will display showing the progress of the installation:

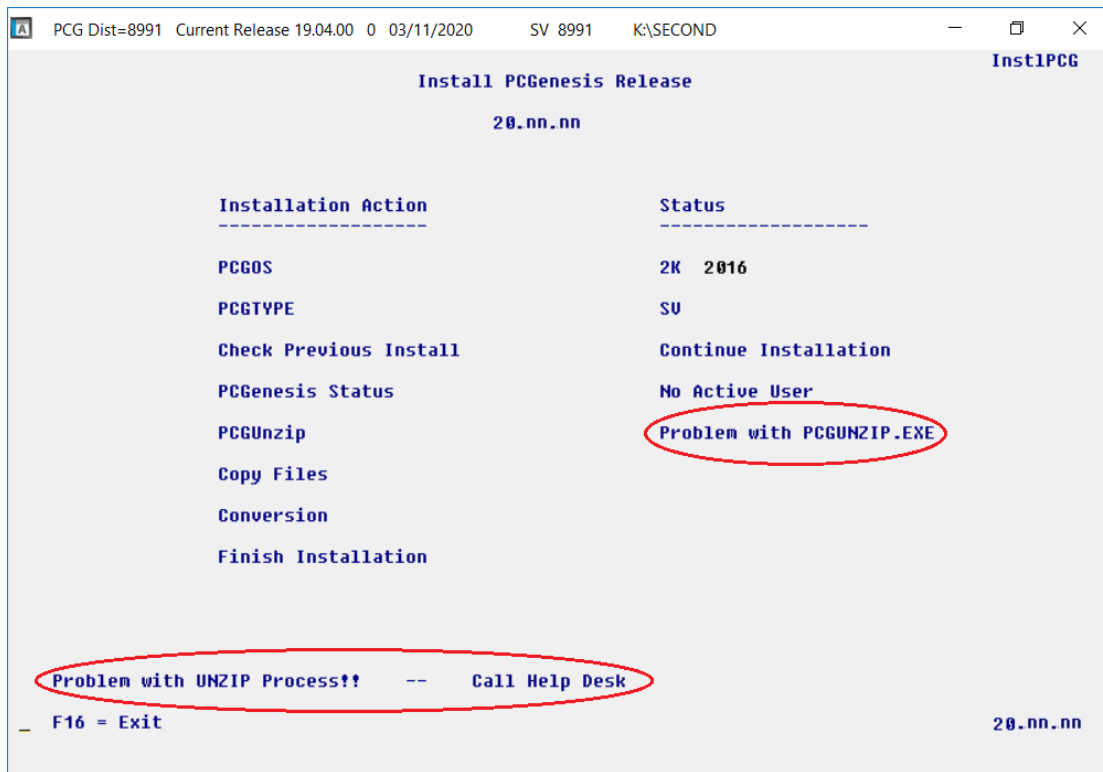


For PCGenesis Release 20.04.00 successful installations, the following message displays:



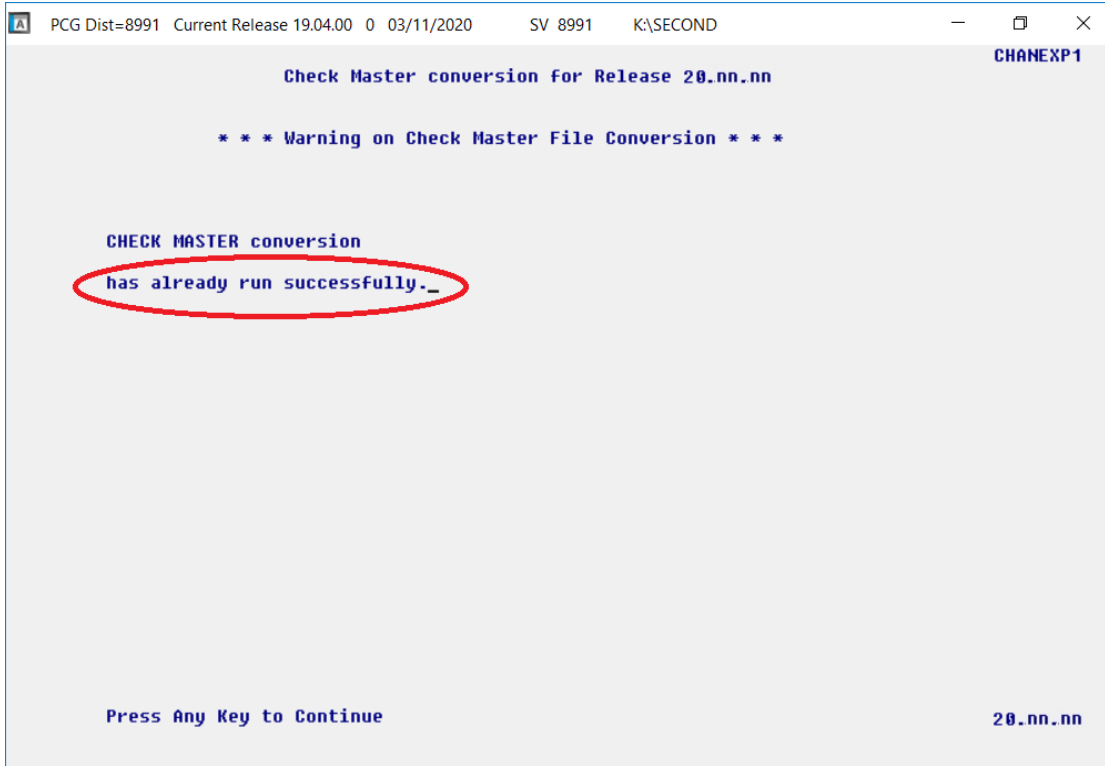
Step	Action
11	Select <b>Enter</b> to close the window.
12	<p><b>If the installation was successful:</b> Proceed to B4. <i>Verify Release 20.04.00 Was Successfully Installed.</i></p> <p><b>If the installtion was unsuccessful:</b> Proceed to <i>Step 13.</i></p>

A problem message displays if an error occurred:



Step	Action
13	Select <b>F16</b> to close the window.
14	Return to the <i>MyGaDOE</i> Web portal, and detach the files again.
15	<i>Contact the Technology Management Customer Support Team for additional assistance if needed. A description of the error will display with instructions to call the Help Desk.</i>

A warning message will display if the release installation is repeated:



A warning message will display if the release installation is repeated, but in this case, the installation is considered successful. In this instance, select any key to continue:

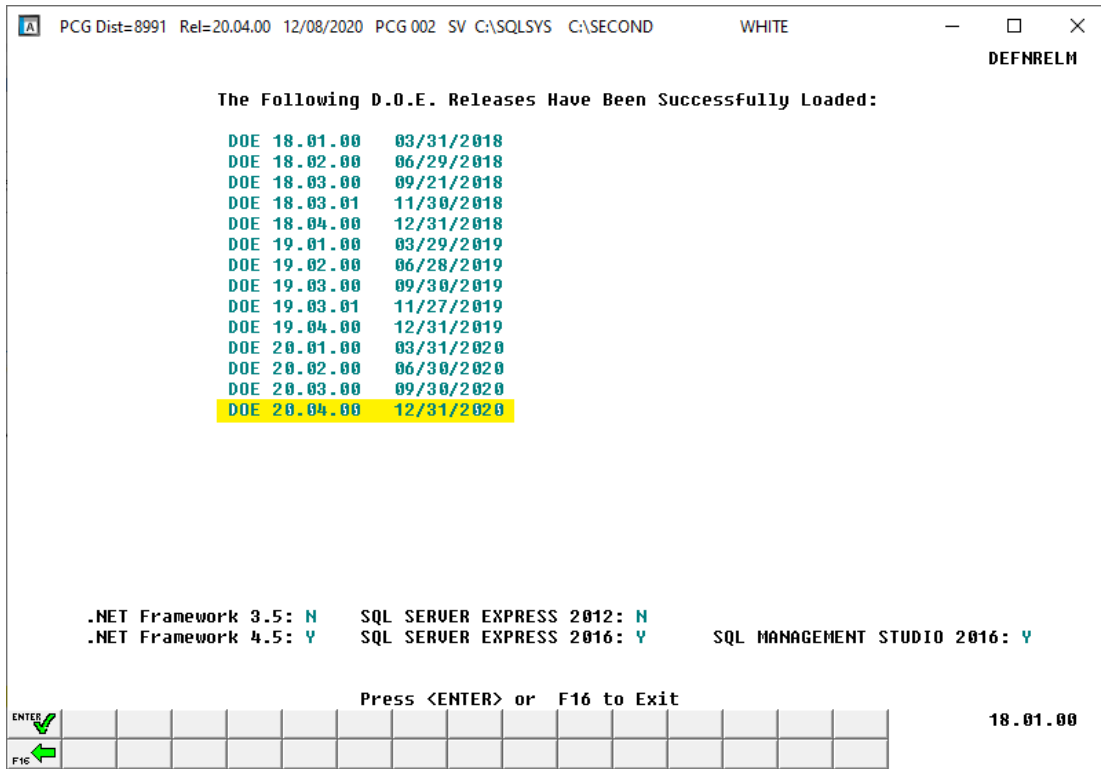



<b>Step</b>	<b>Action</b>
<b>16</b>	Proceed to <i>B4</i> . <i>Verify Release 20.04.00 Was Successfully Installed.</i>

## B4. Verify Release 20.04.00 Was Successfully Installed


Step	Action
1	Log into PCGenesis.
2	From the <i>Business Applications Master Menu</i> , select <b>30</b> (F30 - System Utilities).
3	From the <i>System Utilities Menu</i> , select <b>17</b> (F17 - Display Current Release Number).

The following screen displays:



Step	Action
4	Verify <b>Release 20.04.00</b> displays. <i>The number of releases and the release installation date displayed may not correspond with the preceding screenshot example. This is acceptable as long as DOE 20.04.00 displays. If Release 20.04.00 does not display, contact the Technology Management Customer Support Center for assistance.</i>
5	Select  (Enter).
6	Log off the PCGenesis server.
7	Verify users remain logged out of PCGenesis.

## B5. Perform a PCGenesis Full Backup After Release 20.04.00 is Installed

Step	Action
<b>1</b>	<b>Verify all users are logged out of PCGenesis.</b>
<b>2</b>	<p>Stop the VerraDyne Queue Service (<b>VQueueService</b>) and the SQL Express Service (<b>SQLEXPRESSPCG</b>) prior to running a full backup of the entire <b>K:</b>\ PCGenesis disk drive or else the backup will not run to completion.</p> <p>If the <i>Uspool</i> background task has not yet been removed from the from “<i>All Users Startup</i>”, close <i>Uspool</i> at the server. <i>Uspool</i> must be permanently removed and should no longer be running on the server.</p>
<b>3</b>	Perform a <b>PCG Full Backup</b> to CD or DVD or USB.
<b>4</b>	When the PCGenesis backup completes, label the backup CD or DVD or USB “ <b>Full System Backup After Release 20.04.00</b> ”.
<b>5</b>	Restart the SQL Express Service ( <b>SQLEXPRESSPCG</b> ). After waiting <u>at least two minutes</u> , restart the <b>VQueueService</b> in  <a href="#">View local services</a> ( <b>View local services</b> ).

## Section C: After PCGenesis Release 20.04.00 Has Been Installed

### C1. Verify Contents of the End-of-November Backup

This step is very, very important! The PCGenesis development team wants to ensure that all school districts are creating a backup of the PCGenesis data, including the contents of the **PCGSQldb** database directories as well as the **SECOND** data. Our concern is that school districts do not have a good backup of the database data, in which case you may not realize that you have an incomplete backup and *a critical problem*. School districts are under increasing pressure from hackers and malware attacks and therefore, it is nothing short of imperative that you can recover your PCGenesis data in case of an attack, or other data center catastrophe. To that end, please follow the steps below.

Step	Action
1	<p><b>Verify you have a weekly full backup of K: that you retain for at least 4 weeks.</b></p> <p>Include a <b>full backup</b> of <b>K:\*.*</b> in the site’s standard server backup process</p> <ul style="list-style-type: none"> <li>▶ Recommend <b>full backup</b> of <b>K:\*.*</b> <u>every night</u> if possible                             <ul style="list-style-type: none"> <li>• Minimum of one full backup of <b>K:\*.*</b> every week <b>(Required)</b></li> <li>• Retain at least 4 weeks of <b>K:\*.*</b> <b>(Required)</b></li> </ul> </li> </ul>
2	<p><b>Verify you have a daily data backup of K:\SECOND\*. * and K:\PCGSQldb\*. * that you retain for at least 4 weeks</b></p> <p>Daily data backup of <b>K:\SECOND\*. *</b> <u>and</u> <b>K:\PCGSQldb\*. *</b> <b>(Required)</b></p> <ul style="list-style-type: none"> <li>• Use of CD, DVD, or USB is recommended</li> <li>• Nightly backup following each work day</li> <li>• Nightly media may remain under control of PCG administrator</li> <li>• Proper security and offsite storage measures <b>(Required)</b></li> <li>• Retain daily backups of <b>K:\SECOND\*. *</b> <u>and</u> <b>K:\PCGSQldb\*. *</b> for 4 weeks <b>(Required)</b></li> <li>• Retain one daily backup each month of <b>K:\SECOND\*. *</b> <u>and</u> <b>K:\PCGSQldb\*. *</b> for at least one year <b>(Required)</b></li> </ul>
3	<p>Request your IT representative obtain the November 30<sup>th</sup> backup of PCGenesis data. Obtain either the weekly <b>full backup of K:</b> or the <b>daily data backup of K:\SECOND\*. *</b> <u>and</u> <b>K:\PCGSQldb\*. *</b>, but make sure it is the end-of-<u>November 2020</u> backup.</p>



Step	Action
4	<p>Verify that this file exists on the November 30<sup>th</sup>, 2020 backup:                      For Windows Server 2012, 2016, or 2019:                          K:\PCGSQldb\MSSQL13.SQLEXPRESSPCG\MSSQL\DATA\PCGenesisDB.mdf</p> <p><b>If this file does not exist on your backup media, you will <u>not</u> be able to recover all your PCGenesis data!!!</b></p>
5	<p>Verify that this directory exists on the November 30<sup>th</sup>, 2020 backup, including all subdirectories and files within this directory:                          K:\SECOND</p>
6	<p>If you do not have both <b>PCGenesisDB.mdf</b> and <b>K:\SECOND</b>, you will <u>not</u> be able to recover from a data center catastrophe! Make sure your IT team immediately corrects this situation.</p> <p>Follow this link to the <i>PCGenesis Technical System Operations Guide</i>:  <a href="https://www.gadoe.org/Technology-Services/PCGenesis/Pages/Technical-System-Operations-Guide.aspx">https://www.gadoe.org/Technology-Services/PCGenesis/Pages/Technical-System-Operations-Guide.aspx</a></p> <p>Review the information in <i>Section B: PCGenesis Backup / Reorganization / Restore</i>.</p>
7	<p>If your district’s backup procedures needed to be remediated, create a new backup by following the instructions in <i>Step 6</i> and then start this procedure over again at <i>Step 1</i> to verify the backup.</p>



<b>PAYROLL: Section D: Monthly/Quarterly/Annual/Fiscal Report Processing, Topic 3: Processing Annual Reports - W-2 Statement Processing and Topic 4: Processing Annual Reports - 1095-C Statement Processing</b>		
<b>10</b>	Process calendar year 2020 W-2 statements. (F2, F4) <i><u>Do not set up for January payroll until all W-2s are verified.</u> It may be necessary to run another December payroll to make W-2 corrections.</i>	
<b>11</b>	Process calendar year 2020 1095-C statements. (F2, F4)	
<b>FAR: Section M: Calendar and Fiscal Year-End Processing, Topic 1: Processing 1099 Vendor Information.</b>		
<b>12</b>	Process calendar year 2020 Form 1099-MISC statements. (F1, F12, F10)	
<b>13</b>	Process calendar year 2020 Form 1099-NEC statements. (F1, F12, F10)	

## Appendix B: Supported 1095-C Form - Example

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-2251	<b>2020</b>	Form <b>1095-C</b>	<b>Employer Provided Health Insurance Offer and Coverage</b>										
APPLICABLE LARGE EMPLOYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		<b>Employee Offer of Coverage</b>		<b>Employee's Age on January 1</b>											
		<b>Plan Start Month</b> (enter 2-digit no.):	<b>14 Offer of Coverage</b> (enter required code)	<b>15 Employee Required Contribution</b> (see instructions)	<b>16 Section 4980H Safe Harbor &amp; Other Relief</b> (enter code, if applicable)	<b>17 ZIP Code</b>									
		All 12 Months	\$	\$	\$	\$									
Do not attach to your tax return. Keep for your records. Go to <a href="http://www.irs.gov/Form1095C">www.irs.gov/Form1095C</a> for instructions and the latest information.		Jan	\$	\$	\$	\$									
		Feb	\$	\$	\$	\$									
EMPLOYEE'S name, address, ZIP/postal code & country		Mar	\$	\$	\$	\$									
		Apr	\$	\$	\$	\$									
APPLICABLE LARGE EMPLOYER'S identification number (EIN)		May	\$	\$	\$	\$									
		Jun	\$	\$	\$	\$									
EMPLOYEE'S social security number (SSN)		Jul	\$	\$	\$	\$									
		Aug	\$	\$	\$	\$									
APPLICABLE LARGE EMPLOYER'S identification number (EIN)		Sep	\$	\$	\$	\$									
		Oct	\$	\$	\$	\$									
APPLICABLE LARGE EMPLOYER'S identification number (EIN)		Nov	\$	\$	\$	\$									
		Dec	\$	\$	\$	\$									
Covered Individuals If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee.															
(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 mos.	(e) Months of coverage											
18				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
19															
20															
21															
22															
23															
24															
25															
26															
27															
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33															
34															
35															

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Department of the Treasury - IRS

CAA B95CFPREC NTF 2/24/20 0 B1095CPORT

# Appendix C: Supported 1099-NEC Form - Example

7171		<input type="checkbox"/> VOID		<input type="checkbox"/> CORRECTED			
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.				OMB No. 1545-0118			
				<b>2020</b>			
				Form 1099-NEC			
1 Nonemployee compensation				<b>Copy A</b> For Internal Revenue Service Center  File with Form 1096.  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2020 General Instructions for Certain Information Returns.</b>			
\$							
PAYER'S TIN		RECIPIENT'S TIN		2			
RECIPIENT'S name				3			
Street address (including apt. no.)				4 Federal income tax withheld			
				\$			
City or town, state or province, country, and ZIP or foreign postal code							
				FATCA filing requirement			
				<input type="checkbox"/>			
Account number (see instructions)		2nd TIN not.		5 State tax withheld	6 State/Payer's state no.	7 State income	
		<input type="checkbox"/>		\$		\$	
				\$		\$	
Form <b>1099-NEC</b>		41-0852411		www.irs.gov/Form1099NEC		Department of the Treasury - Internal Revenue Service	
<b>Do Not Cut or Separate Forms on This Page</b>				<b>Do Not Cut or Separate Forms on This Page</b>			

7171		<input type="checkbox"/> VOID		<input type="checkbox"/> CORRECTED			
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.				OMB No. 1545-0118			
				<b>2020</b>			
				Form 1099-NEC			
1 Nonemployee compensation				<b>Copy A</b> For Internal Revenue Service Center  File with Form 1096.  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2020 General Instructions for Certain Information Returns.</b>			
\$							
PAYER'S TIN		RECIPIENT'S TIN		2			
RECIPIENT'S name				3			
Street address (including apt. no.)				4 Federal income tax withheld			
				\$			
City or town, state or province, country, and ZIP or foreign postal code							
				FATCA filing requirement			
				<input type="checkbox"/>			
Account number (see instructions)		2nd TIN not.		5 State tax withheld	6 State/Payer's state no.	7 State income	
		<input type="checkbox"/>		\$		\$	
				\$		\$	
Form <b>1099-NEC</b>		41-0852411		NEC5110		www.irs.gov/Form1099NEC	
				Department of the Treasury - Internal Revenue Service			

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# Appendix D: Reprint of IRS Publication 15-T for 2021

## 1. Percentage Method Tables for Automated Payroll Systems

to figure federal income tax withholding. This method works for Forms W-4 for all prior, current, and future years. This method also works for any amount of wages. If the Form W-4 is from 2019 or earlier, this method works for any number of withholding allowances claimed.

If you have an automated payroll system, use the worksheet below and the Percentage Method tables that follow

### Worksheet 1. Employer's Withholding Worksheet for Percentage Method Tables for Automated Payroll Systems


Keep for Your Records 

Table 3	Semiannually	Quarterly	Monthly	Semimonthly	Biweekly	Weekly	Daily
	2	4	12	24	26	52	260

**Step 1. Adjust the employee's payment amount**

- 1a Enter the employee's total taxable wages this payroll period ..... 1a \$ \_\_\_\_\_
- 1b Enter the number of pay periods you have per year (see Table 3) ..... 1b \_\_\_\_\_
- 1c Multiply the amount on line 1a by the number on line 1b ..... 1c \$ \_\_\_\_\_

If the employee **HAS** submitted a Form W-4 for 2020 or later, figure the Adjusted Annual Wage Amount as follows:

- 1d Enter the amount from Step 4(a) of the employee's Form W-4 ..... 1d \$ \_\_\_\_\_
- 1e Add lines 1c and 1d ..... 1e \$ \_\_\_\_\_
- 1f Enter the amount from Step 4(b) of the employee's Form W-4 ..... 1f \$ \_\_\_\_\_
- 1g If the box in Step 2 of Form W-4 is checked, enter -0-. If the box is not checked, enter \$12,900 if the taxpayer is married filing jointly or \$8,600 otherwise ..... 1g \$ \_\_\_\_\_
- 1h Add lines 1f and 1g ..... 1h \$ \_\_\_\_\_
- 1i Subtract line 1h from line 1e. If zero or less, enter -0-. This is the **Adjusted Annual Wage Amount** ..... 1i \$ \_\_\_\_\_

If the employee **HAS NOT** submitted a Form W-4 for 2020 or later, figure the Adjusted Annual Wage Amount as follows:

- 1j Enter the number of allowances claimed on the employee's most recent Form W-4 ..... 1j \_\_\_\_\_
- 1k Multiply line 1j by \$4,300 ..... 1k \$ \_\_\_\_\_
- 1l Subtract line 1k from line 1c. If zero or less, enter -0-. This is the **Adjusted Annual Wage Amount** ..... 1l \$ \_\_\_\_\_

**Step 2. Figure the Tentative Withholding Amount**

based on the employee's Adjusted Annual Wage Amount; filing status (Step 1(c) of the 2020 or later Form W-4) or marital status (line 3 of Form W-4 from 2019 or earlier); and whether the box in Step 2 of 2020 or later Form W-4 is checked.

**Note.** Don't use the Head of Household table if the Form W-4 is from 2019 or earlier.

- 2a Enter the employee's **Adjusted Annual Wage Amount** from line 1i or 1l above ..... 2a \$ \_\_\_\_\_
- 2b Find the row in the appropriate **Annual** Percentage Method table in which the amount on line 2a is at least the amount in column A but less than the amount in column B, then enter here the amount from column A of that row ..... 2b \$ \_\_\_\_\_
- 2c Enter the amount from column C of that row ..... 2c \$ \_\_\_\_\_
- 2d Enter the percentage from column D of that row ..... 2d \_\_\_\_\_ %
- 2e Subtract line 2b from line 2a ..... 2e \$ \_\_\_\_\_
- 2f Multiply the amount on line 2e by the percentage on line 2d ..... 2f \$ \_\_\_\_\_
- 2g Add lines 2c and 2f ..... 2g \$ \_\_\_\_\_
- 2h Divide the amount on line 2g by the number of pay periods on line 1b. This is the **Tentative Withholding Amount** ..... 2h \$ \_\_\_\_\_

**Step 3. Account for tax credits**

- 3a If the employee's Form W-4 is from 2020 or later, enter the amount from Step 3 of that form; otherwise enter -0- ..... 3a \$ \_\_\_\_\_
- 3b Divide the amount on line 3a by the number of pay periods on line 1b ..... 3b \$ \_\_\_\_\_
- 3c Subtract line 3b from line 2h. If zero or less, enter -0- ..... 3c \$ \_\_\_\_\_

**Step 4. Figure the final amount to withhold**

- 4a Enter the additional amount to withhold from the employee's Form W-4 (Step 4(c) of the 2020 or later form or line 6 on earlier forms) ..... 4a \$ \_\_\_\_\_
- 4b Add lines 3c and 4a. This is the amount to withhold from the employee's wages this pay period ..... 4b \$ \_\_\_\_\_



### 2021 Percentage Method Tables for Automated Payroll Systems

STANDARD Withholding Rate Schedules <small>(Use these if the Form W-4 is from 2019 or earlier, or if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 is NOT checked)</small>					Form W-4, Step 2, Checkbox, Withholding Rate Schedules <small>(Use these if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 IS checked)</small>				
If the Adjusted Annual Wage Amount (line 2a) is:		The tentative amount to withhold is:	Plus this percentage	of the amount that the Adjusted Annual Wage exceeds—	If the Adjusted Annual Wage Amount (line 2a) is:		The tentative amount to withhold is:	Plus this percentage	of the amount that the Adjusted Annual Wage exceeds—
At least—	But less than—				At least—	But less than—			
A	B	C	D	E	A	B	C	D	E
<b>Married Filing Jointly</b>					<b>Married Filing Jointly</b>				
\$0	\$12,200	\$0.00	0%	\$0	\$0	\$12,550	\$0.00	0%	\$0
\$12,200	\$32,100	\$0.00	10%	\$12,200	\$12,550	\$22,500	\$0.00	10%	\$12,550
\$32,100	\$93,250	\$1,990.00	12%	\$32,100	\$22,500	\$53,075	\$995.00	12%	\$22,500
\$93,250	\$184,950	\$9,328.00	22%	\$93,250	\$53,075	\$98,925	\$4,664.00	22%	\$53,075
\$184,950	\$342,050	\$29,502.00	24%	\$184,950	\$98,925	\$177,475	\$14,751.00	24%	\$98,925
\$342,050	\$431,050	\$67,206.00	32%	\$342,050	\$177,475	\$221,975	\$33,603.00	32%	\$177,475
\$431,050	\$640,500	\$95,686.00	35%	\$431,050	\$221,975	\$326,700	\$47,843.00	35%	\$221,975
\$640,500		\$168,993.50	37%	\$640,500	\$326,700		\$84,496.75	37%	\$326,700
<b>Single or Married Filing Separately</b>					<b>Single or Married Filing Separately</b>				
\$0	\$3,950	\$0.00	0%	\$0	\$0	\$6,275	\$0.00	0%	\$0
\$3,950	\$13,900	\$0.00	10%	\$3,950	\$6,275	\$11,250	\$0.00	10%	\$6,275
\$13,900	\$44,475	\$995.00	12%	\$13,900	\$11,250	\$26,538	\$497.50	12%	\$11,250
\$44,475	\$90,325	\$4,664.00	22%	\$44,475	\$26,538	\$49,463	\$2,332.00	22%	\$26,538
\$90,325	\$168,875	\$14,751.00	24%	\$90,325	\$49,463	\$88,738	\$7,375.50	24%	\$49,463
\$168,875	\$213,375	\$33,603.00	32%	\$168,875	\$88,738	\$110,988	\$16,801.50	32%	\$88,738
\$213,375	\$527,550	\$47,843.00	35%	\$213,375	\$110,988	\$268,075	\$23,921.50	35%	\$110,988
\$527,550		\$157,804.25	37%	\$527,550	\$268,075		\$78,902.13	37%	\$268,075
<b>Head of Household</b>					<b>Head of Household</b>				
\$0	\$10,200	\$0.00	0%	\$0	\$0	\$9,400	\$0.00	0%	\$0
\$10,200	\$24,400	\$0.00	10%	\$10,200	\$9,400	\$16,500	\$0.00	10%	\$9,400
\$24,400	\$64,400	\$1,420.00	12%	\$24,400	\$16,500	\$36,500	\$710.00	12%	\$16,500
\$64,400	\$96,550	\$6,220.00	22%	\$64,400	\$36,500	\$52,575	\$3,110.00	22%	\$36,500
\$96,550	\$175,100	\$13,293.00	24%	\$96,550	\$52,575	\$91,850	\$6,646.50	24%	\$52,575
\$175,100	\$219,600	\$32,145.00	32%	\$175,100	\$91,850	\$114,100	\$16,072.50	32%	\$91,850
\$219,600	\$533,800	\$46,385.00	35%	\$219,600	\$114,100	\$271,200	\$23,192.50	35%	\$114,100
\$533,800		\$156,355.00	37%	\$533,800	\$271,200		\$78,177.50	37%	\$271,200