PAYROLL YEAR END 2022

Dynamics GP

12/8/2022

Your presenter

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Agenda

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Field of study: Specialized knowledge and applications

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Payroll year-end learning objectives

By the end of this session, you will:

- Understand year-end service pack and tax table updates
- Review what's changed
- Understand how to prepare to close payroll
- Learn payroll year-end procedures

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Installing the update

Installing the year-end update

- Verify if companion/third party products require a year-end update that is compatible with the Dynamics GP update.
- Download and install “2022 Year End Update” – this must be processed on the server and all workstations where GP is installed.
- This update is cumulative and includes all previous service packs and hot fixes:
  - U.S. Year-End Update for Microsoft Dynamics GP | Microsoft Learn

    ***Email gpsupport@rsmus.com for assistance from RSM on installing the YE update*
- Documentation available on Microsoft Docs site:
  - https://docs.microsoft.com/en-us/dynamics-gp/payroll/us-year-end
- The year-end update can be installed anytime after its release date (11/15/2022), and prior to running the Payroll year-end close end routine to create the year end wage file.

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What’s changed?

What's changed – payroll year-end

2022 year-end update is inclusive of the October 2022 release and prior modern life cycle releases

- 1095-C Employee ACA form has instructional changes only (back page)

Updates on filing W-2's

- 2022 filing deadline to SSA is 01/31/2022
- Beginning in 2022, if you send 100 or more W-2's, you must file electronically
- In ***2023***, that limit is lowered to 10!!!!

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What’s changed – 2023 tax tables round #1

For 2023 tax table update round #1, target release is 12/16/2022.

Changes in round #1 update:

- Federal changes
- FICA Social Security limit $160,200 (from 2022 limit of $147,000)

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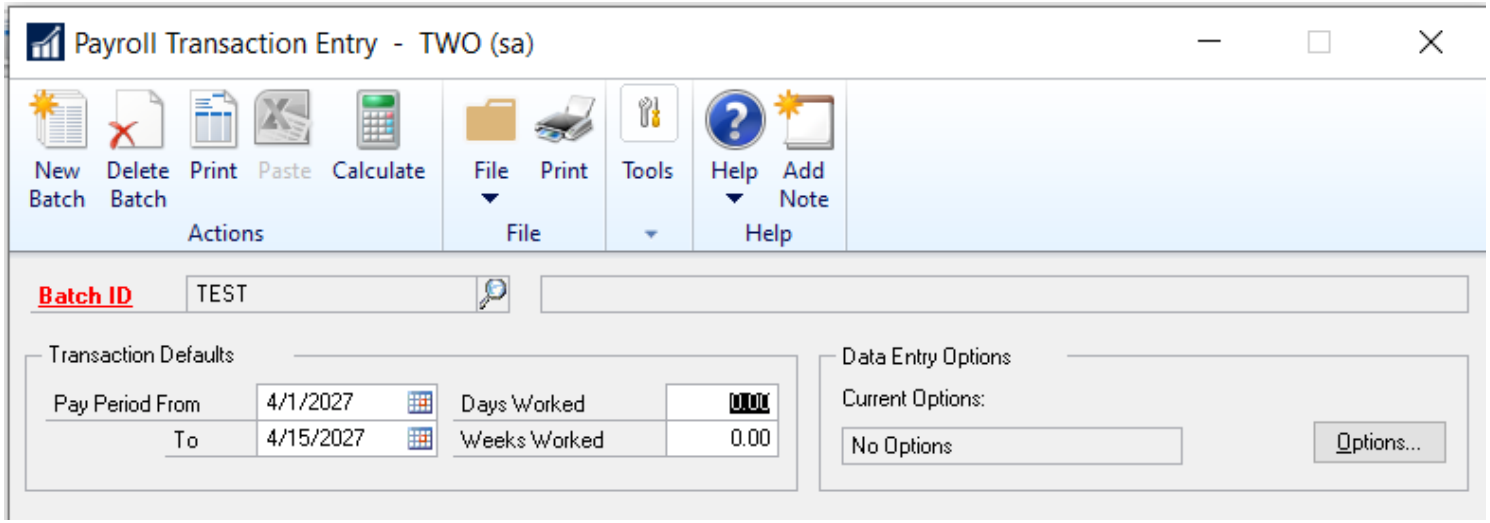
New payroll/HR features

No new payroll features in the October 2022 (18.5) release

Recap of October 2021 (18.4) new features:

- Saving payroll batch defaults in transaction entry
  - This new feature will save your transaction defaults on a per batch window, allowing you to close the window. The window will remember the default selections from the last time you worked in the batch.
  - https://community.dynamics.com/gp/b/dynamicsgp/posts/microsoft-dynamics-gp-october-2021---saving-payroll-batch-default-in-transaction-entry



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October 2021 release – new payroll/HR features

Copy and paste from Excel into payroll transaction entry

- https://community.dynamics.com/gp/b/dynamicsgp/posts/microsoft-dynamics-gp-october-2021---copy-and-paste-payroll-transactions-from-excel

Formatting Tips:

Column	Description	Required	Accepted Values
A	Employee ID	Yes	15 Character Max; Must exist in company;
B	Trx Type	Yes	Pay Code, Deduction, or Benefit;
C	Code	Yes	6 Character Max; Must be assigned to employee;
D	Amount	No	Number must be between 0 and 9999.99; Cannot be negative;
E	Pay Rate	No	Number must be between 0 and 999999999.99; Decimal Places must follow Payroll Setup. Must be blank for Salary, Benefits and Deductions;
F	Department	No	6 Character Max; Must exist in company;
G	Position	No	6 Character Max; Must exist in company;
H	Date From	No	MM/DD/YYYY Date format;
I	Date To	No	MM/DD/YYYY Date format;

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October 2021 release – new payroll/HR features

Copy and paste from Excel into payroll transaction entry defaults

- The amount, pay rate, department and position fields will default from the employee's record if left blank.
- Date from and date to will default from the values in the payroll transaction entry window if left blank.
- Benefit and deduction tax types will use the amount field for the dollar amount or percentage you paste. Pasting a blank amount will use the default value from the employee's setup for that code.
- Salary pay codes will always use a payroll salary adjustment type of reduced hours and will reduce the employee's salary by the number of hours entered in the amount column of the excel spreadsheet.
- Columns that are not available in the Excel format to be copied will use the defaults for the employee from the user interface. Example – state and local tax codes will default from the employee tax maintenance window and cannot be pasted, defaulting like they would if manually keying a new transaction line.

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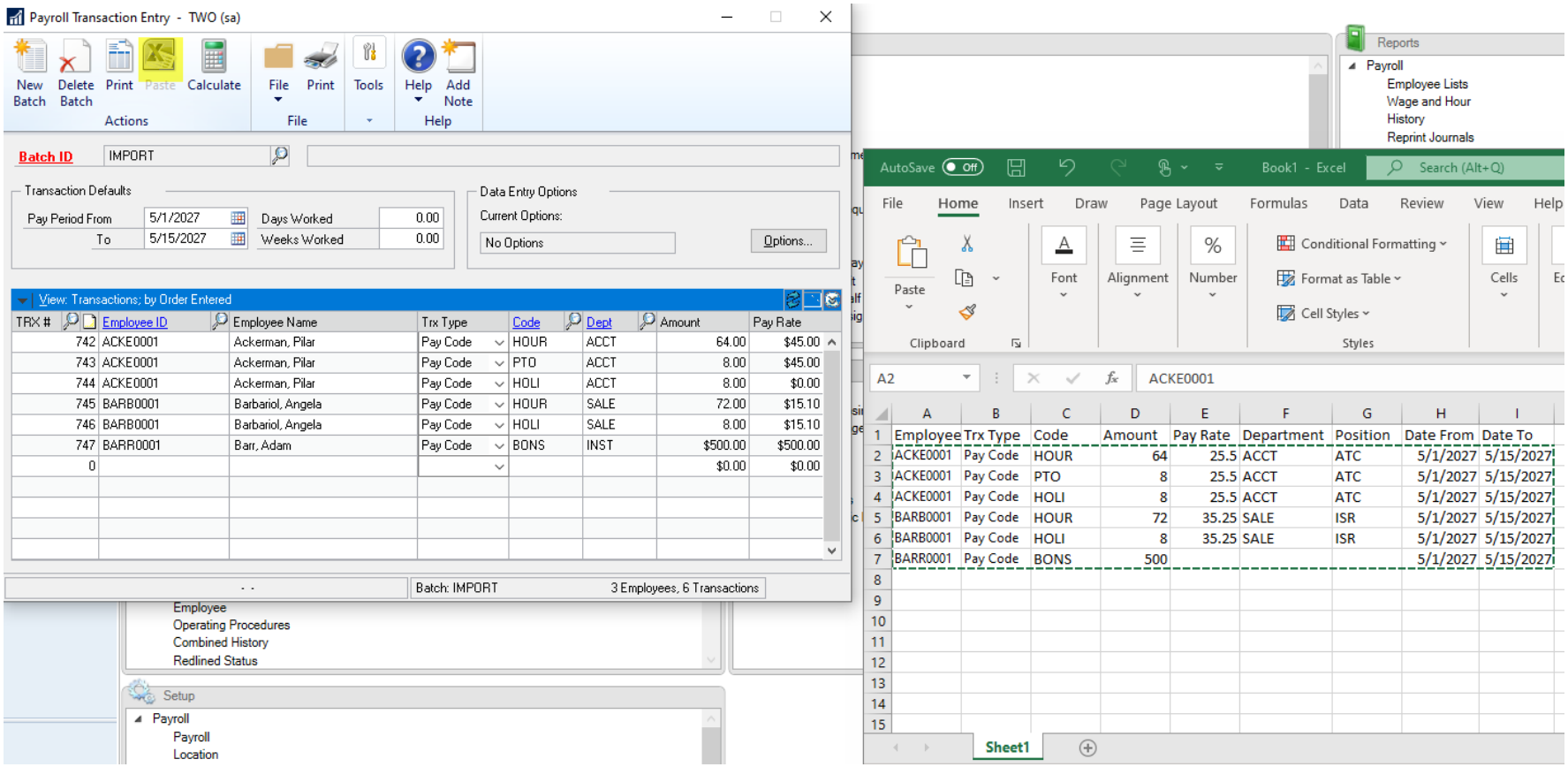
October 2021 release – new payroll/HR features

Copy and Paste from Excel into Payroll Transaction



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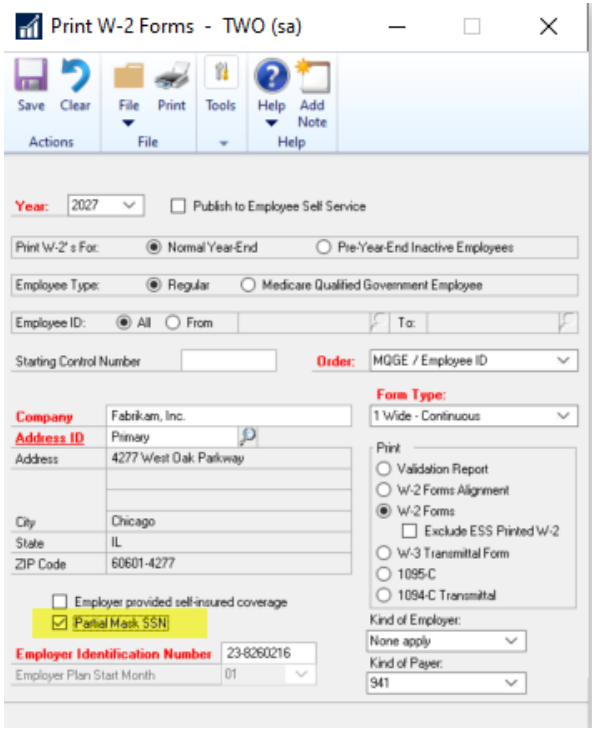
October 2021 release – new payroll/HR features

Partially mask SSN on W-2s:

- New checkbox on the print W-2 window
- When marked, the first 5 characters of the social security number will print with an X, only the last 4 characters will display on the W-2
- https://community.dynamics.com/gp/b/dynamicsgp/posts/microsoft-dynamics-gp-october-2021---masking-employee-ssn-on-w2



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October 2021 release – new payroll/HR features

SafePay will pull the employee's name printed on the actual payroll check/stored in check history vs the employee's name from the employee master tables

- https://community.dynamics.com/gp/b/dynamicsgp/posts/microsoft-dynamics-gp-october-2021---safepay-employee-name-from-check

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Additional information

Microsoft product team year-end blog series:

- Microsoft Dynamics GP - 2022 Year-End Blog Series Schedule!! - Microsoft Dynamics GP Community

Landing page for GP Oct. 2022 release - what's new:

- Microsoft Dynamics GP October 2022 - Feature Blog Series Schedule! - Microsoft Dynamics GP Community

W2 wage & tax statement data source guide:

- https://docs.microsoft.com/en-us/dynamics-gp/payroll/w-2-statement

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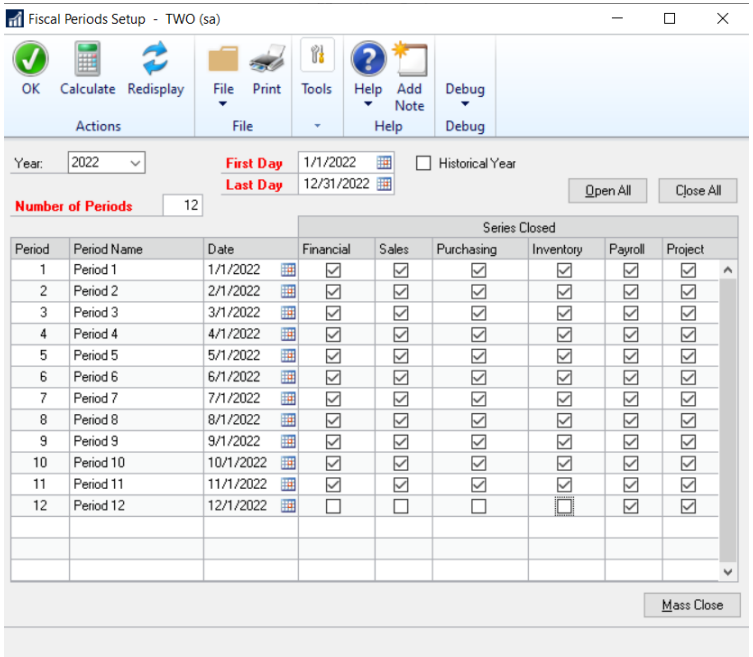
Preparing to close the payroll year

Closing fiscal periods

Administration area page >> setup >> company >> fiscal periods

- Mark payroll periods as closed
- Prevents transactions from being posted to closed periods or years



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Set up a new fiscal year*

Administration area page >> setup >> company >> fiscal periods

- Type in year to be created
- Enter number of periods
- Verify first and last dates
- Calculate
- Change period beginning dates and period names as needed
- Update period names to calendar month names (optional)

** A new Fiscal Year may already be setup – only required once per company*

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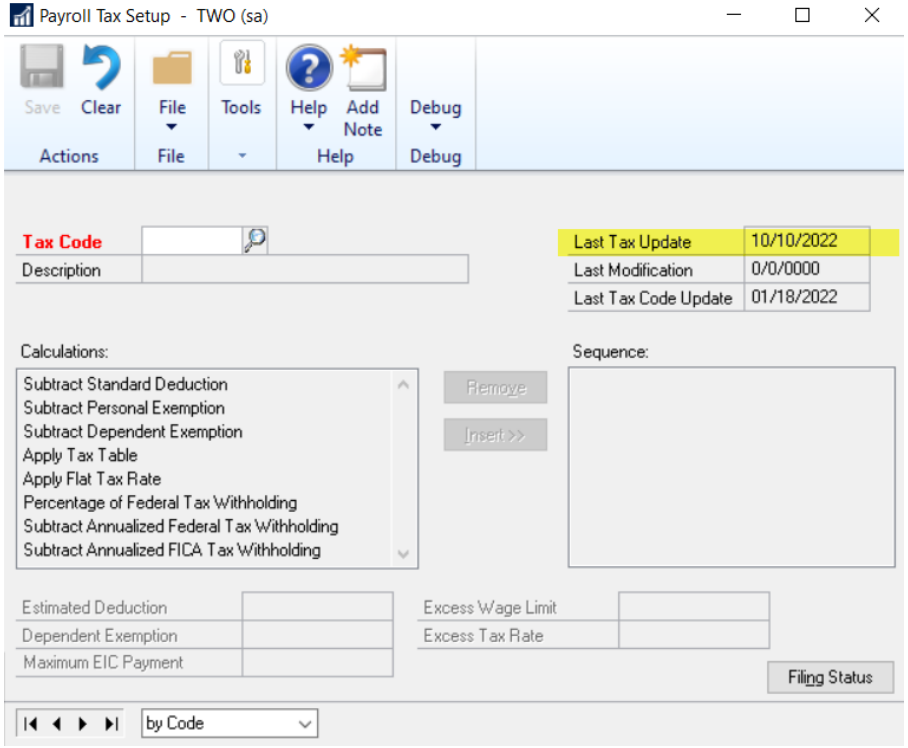
Verify date of last tax table update

Administration area page >> setup >> system >> payroll tax

- Last tax update from Microsoft was 10/10/2022, however your date may be different if you did not apply all rounds of updates.

  ***Note – the last tax code update field does not have any relevance to year end or tax table status*



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Verify Dynamics GP version and last year-end update date

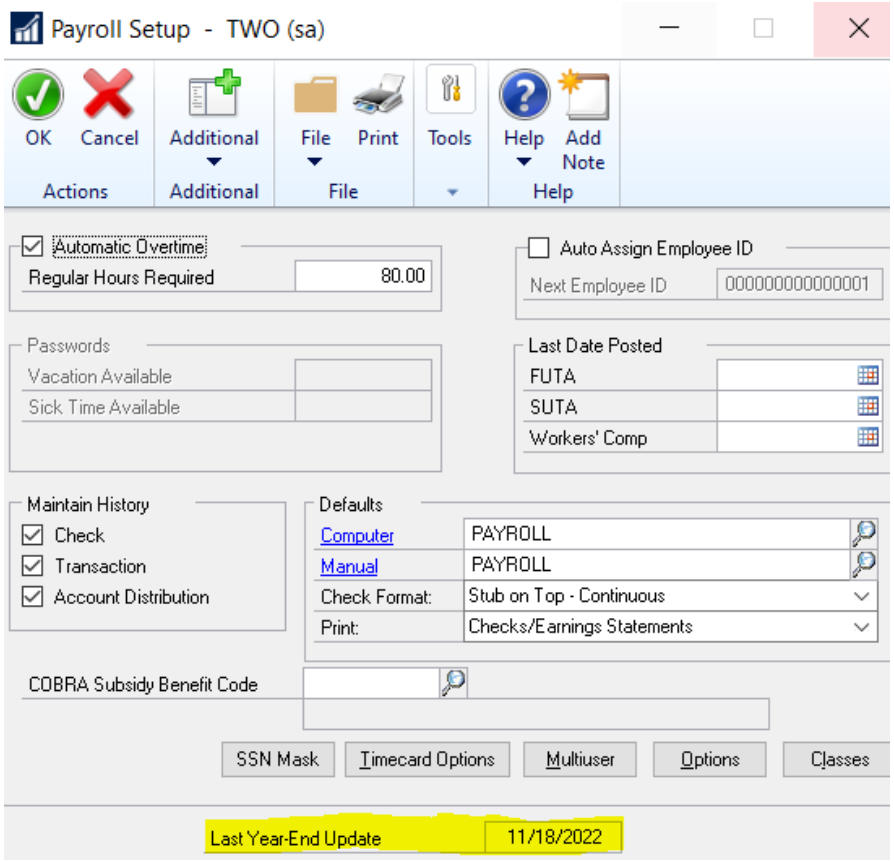
GP = 18.5.1596

Last year-end update = 11/18/2022

Option 1: To verify your last year-end update

HR & payroll area page >> setup >> payroll >> payroll, review “last year-end update” date

***Note: this is only accurate if you are viewing from the computer that processed the year-end update service pack (likely the server)*



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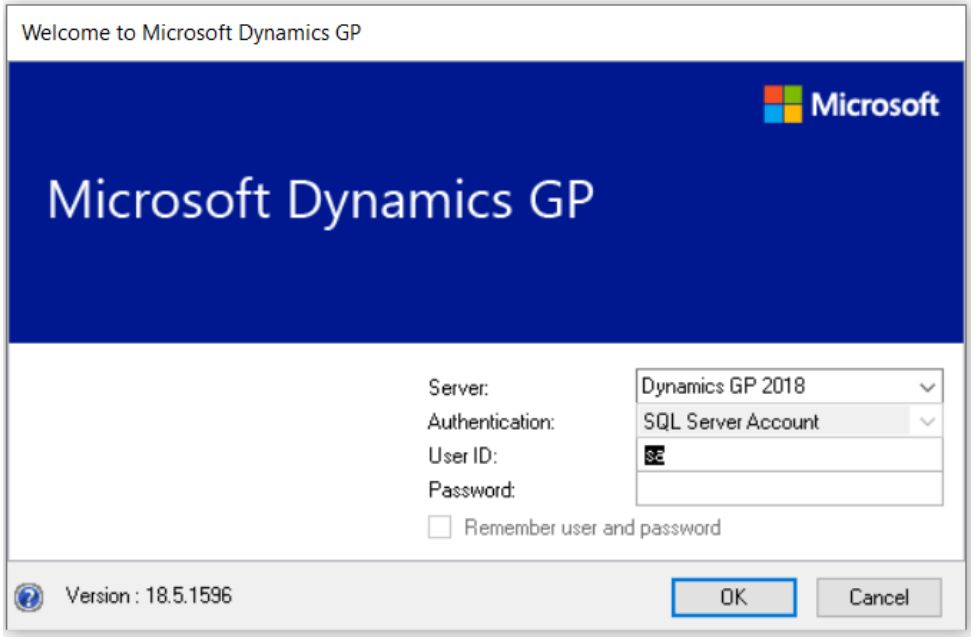
Verify Dynamics GP version and last year-end update date (cont.)

GP = 18.5.1596

Last year-end update = 11/18/2022

Option 2:

When you launch GP from any workstation where the update has been installed (which should be any/all active workstations), the version number will display on the bottom left of the initial login window – verify this matches the version numbers above.



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Payroll pre-closing steps

- Complete 2022 pay runs
- Print and verify period-end reports
- Print and verify quarter-end reports

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Payroll pre-closing steps (cont.)

Before completing the 2022 year-end payroll close process:

- Verify appropriate W-2 checkboxes are marked
  - Retirement plan box for each employee (especially new 2022 employees)
  - HR & payroll area page >> cards >> payroll >> tax
- Verify benefits and deductions are setup with the proper W-2 box and label information
- If using GP to produce 1095-Cs, confirm ACA-related information is configured correctly
- All noncash taxable benefits should be included in a 2022 payroll run or entered as manual checks before closing the year
- Verify employer state ID number
  - HR & payroll area page >> setup >> payroll >> tax ID

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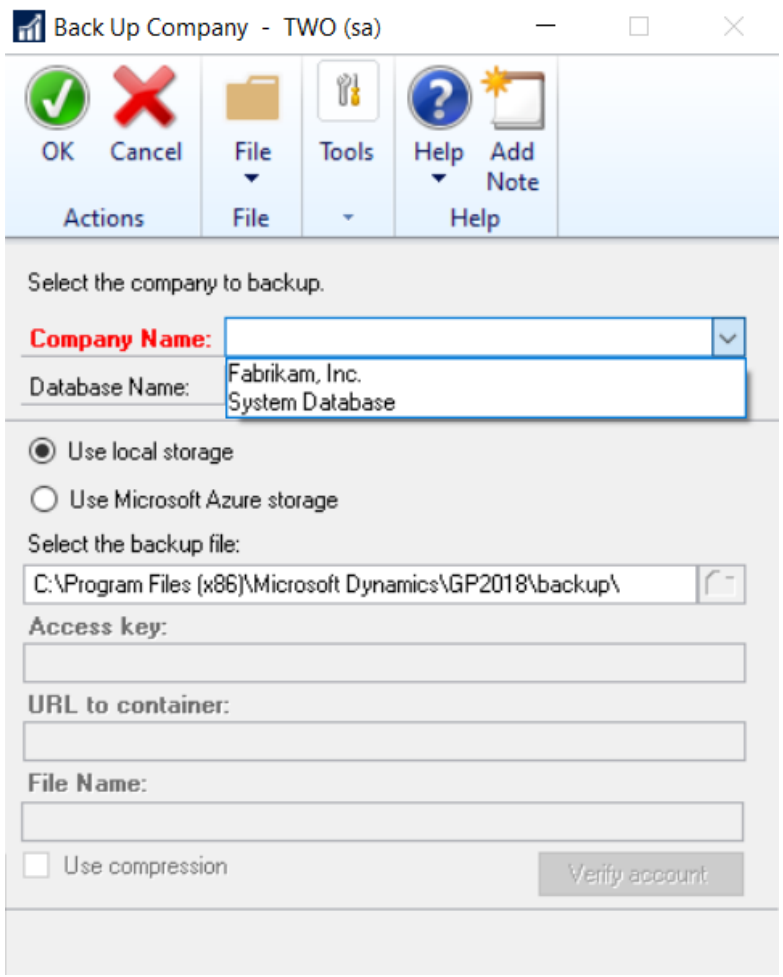
Backups

Make a SQL backup (Dynamics and all company databases)

or…

Initiating database backups from within Dynamics GP

- Must be on the server and logged in as the sa user
- No other users can be logged into GP
- Back up Dynamics (system) and all company databases
- Microsoft Dynamics GP drop-down menu >> maintenance >> backup



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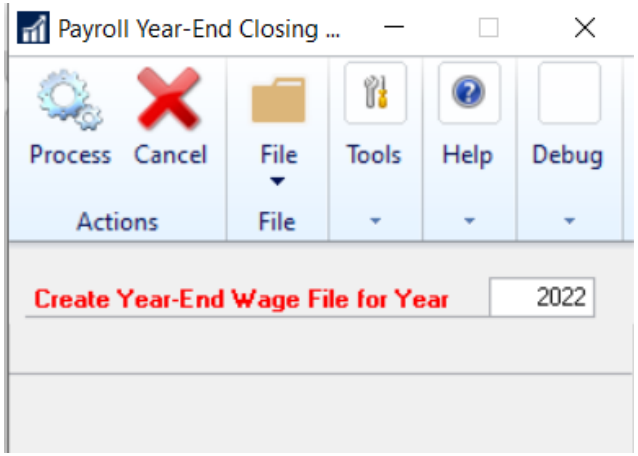
Payroll year-end procedures

Closing a year: creating the year-end wage file

- Open the payroll year-end closing window
  - HR & payroll area page >> routines >> payroll >> year-end closing
- Enter the calendar year to close
- Choose process
- Year-end wage file will be created*



*Note: this can be performed multiple times to review data, then remove the year-end file to continue processing current year (2022) payrolls

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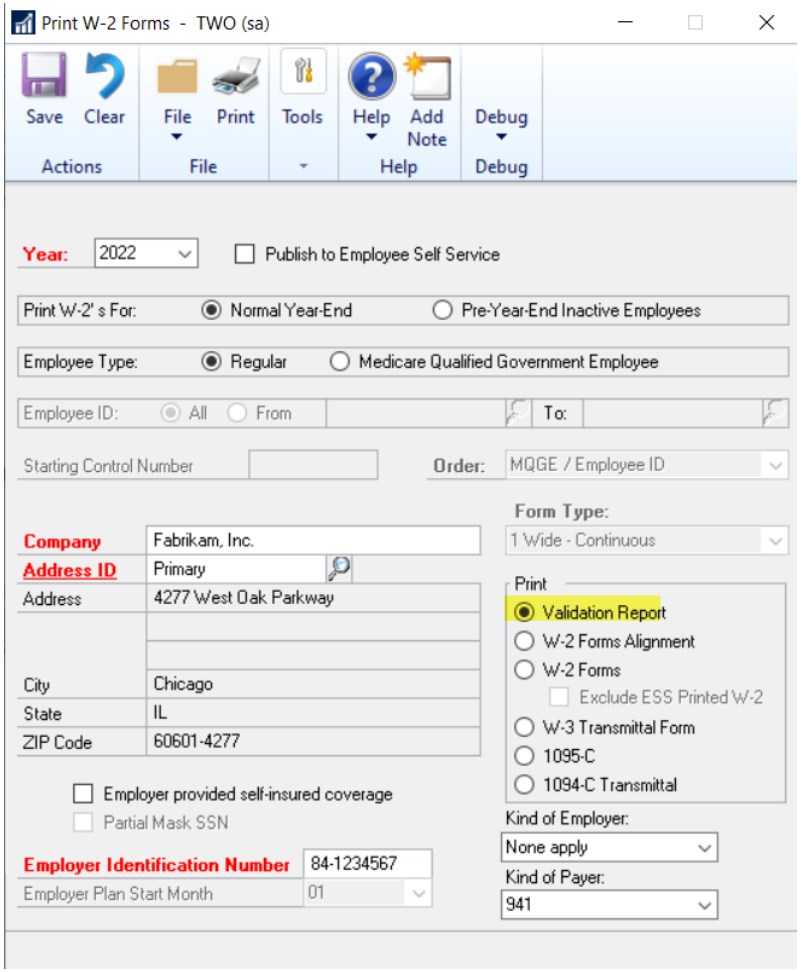
W-2 validation report

- Print the W-2 validation report
  - HR & payroll area page >> routines >> payroll >> print W-2s – select validation report
- If there are errors, either edit W-2s or correct on the employee card and recreate YE wage file
- Edits to YE wage file will only change W-2 information and will not be reflected in employee records



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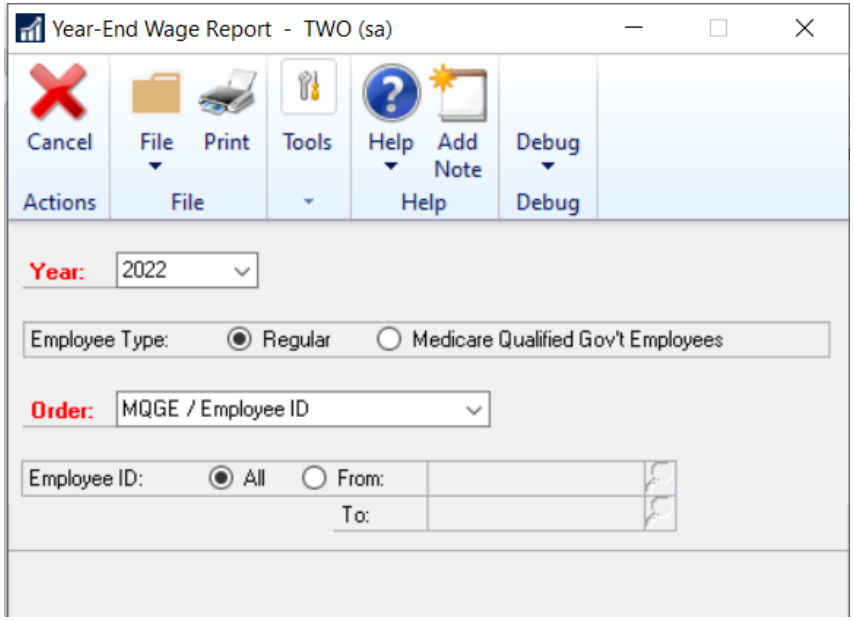
Print the year-end employee wage report

- Print the year-end employee wage report
- Open the year-end wage report window
  - HR & payroll area page >> routines >> payroll >> year-end wage report
- Select a year
- Select the employee type
- Select a sort order
- Enter a range of employees or choose all
- Choose print
- Review data for accuracy



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Payroll tax table update

Install 2023 round #1 payroll tax table update

- If you intend to edit employee master information and re-create the 2022 year-end wage file, **do not** install the 2023 tax table update until that work is substantially complete.

- Tax table update can be installed **after** all 2022 payroll has been processed and the year-end wage file for 2022 has been created ***and verified***.

- Verify your tax table update
  - Verify the date on the payroll tax table window – date should be ~12/16/2022
  - Can also check the FICA Social Security limit has been updated to the 2023 value ($160,200)
    - Go to administration area page >> setup >> system >> payroll tax, select FICAS for the tax code
    - Click filing status, choose the right arrow to select NA for filing status
    - Click tables, the value for “but not over” column should be the new limit

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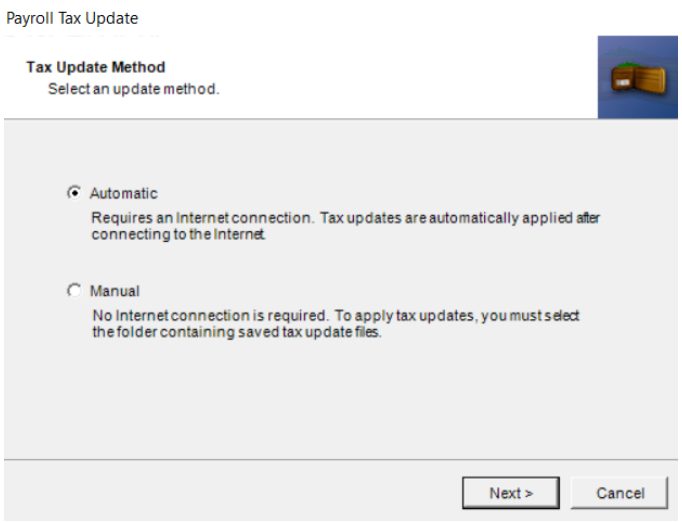
Tax table update

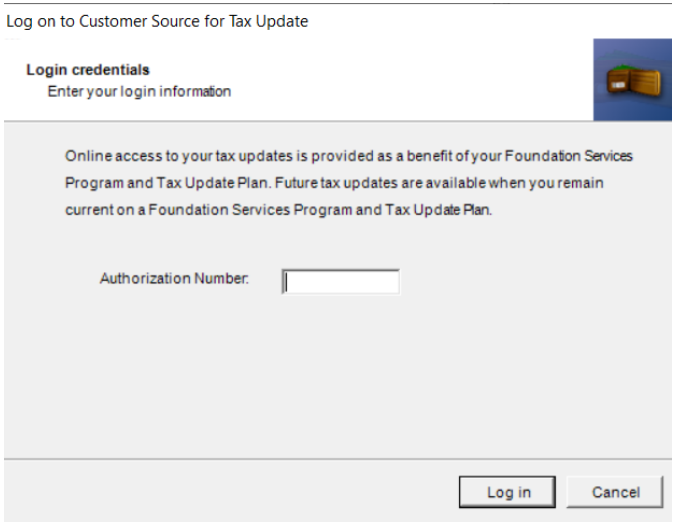
To apply the latest tax table update – Microsoft Dynamics GP drop-down menu >> maintenance >> US payroll updates >> check for tax updates

Note: you need to launch GP as administrator and log in as sa to install the tax tables

- ***Caution: If you want to update to the last 2022 tax rates, verify the 2023 rates have not been released before doing this procedure (if they have, contact your consultant)***

- Automatic or manual tax updates
- Your authorization number is typically your company's main phone number, but could be different
- This is a system-wide update, that affects all GP companies, and only needs to be done one time





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SUTA rate and wage limit

Update the SUTA rate and wage limit for your company

- HR & payroll area page >> setup >> payroll >> unemployment tax
- Select your SUTA state, make updates as needed

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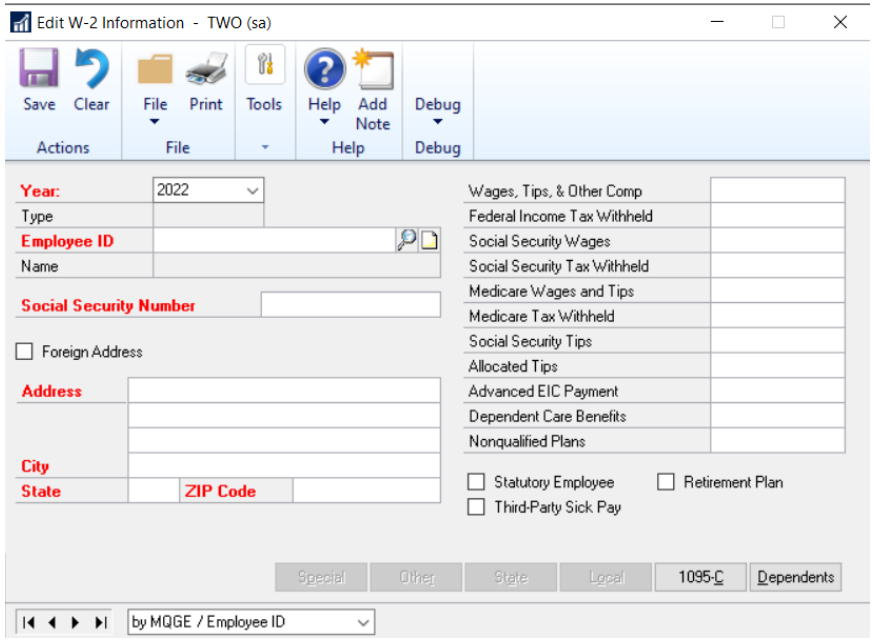
Editing W-2 & 1099-R records

Only the information in the Year-End Wage File changes, the employee records do not change

- HR & payroll area page >> routines >> payroll >> edit W-2's or edit 1099-R's
- Recommend to make similar changes to employee master record information if the edit should be applied going forward (example: marking the retirement plan check box, editing name or address, etc.)



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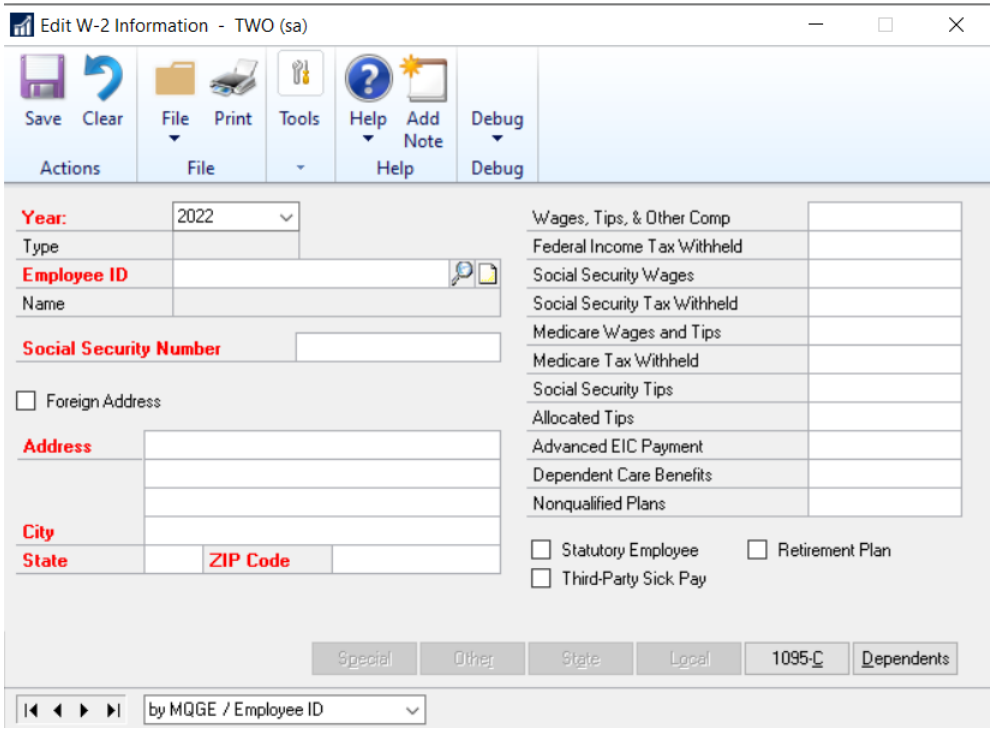
Editing W-2

Additional boxes at bottom to edit special, other (401K) information, state and local



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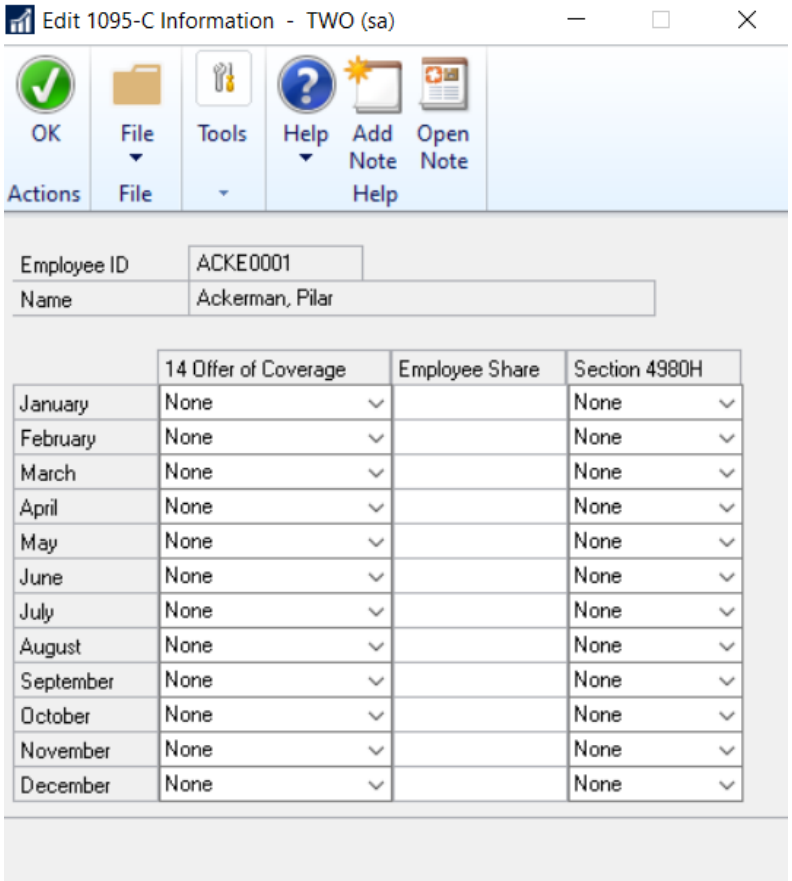
Editing 1095-C

- Can edit 14 offer of coverage data fields
- Section 4980H column is equivalent to the codes you want to show in line 16 on the 1095-C



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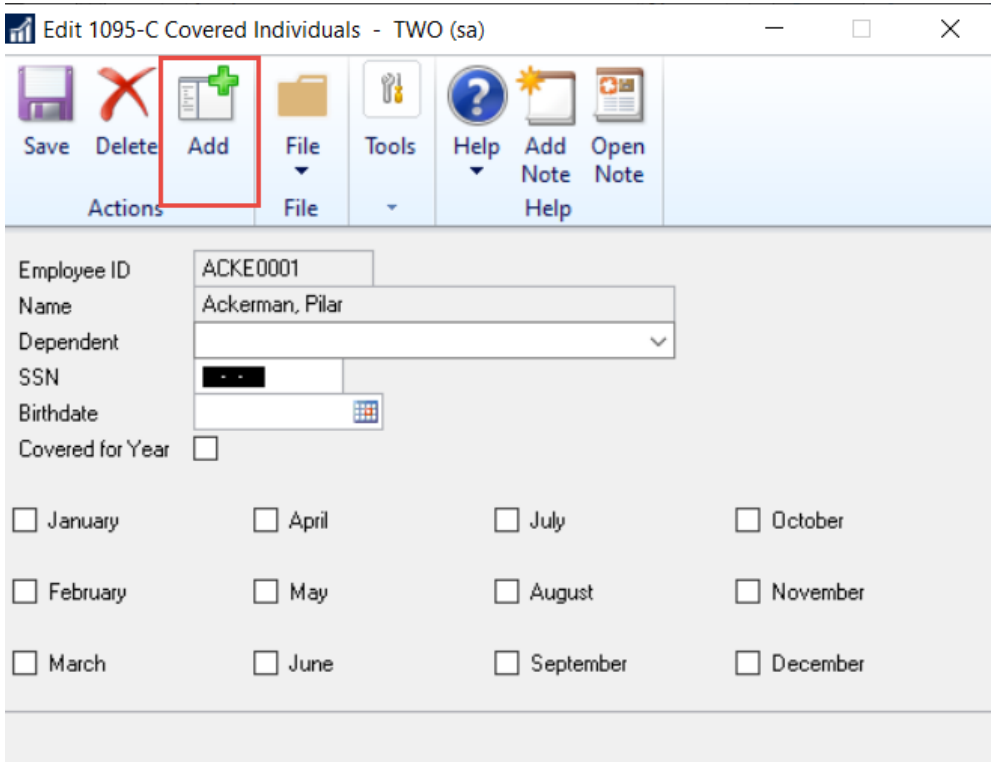
Editing 1095-C (cont.)

- Edit dependent coverage
- Add a dependent on the fly using the add button – this only adds the dependent to the current wage file, it does not create the dependent master record going forward



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Print W-2 and 1099-R statements

- HR and payroll area page >> routines >> payroll >> print W-2's
  - Print validation report
  - Print W-2's
  - Print W-3 transmittal form
  - Print 1095-C
  - Print 1094-C transmittal
  - Can publish W-2's to employee self-service from this window as well

- HR and payroll area page >> routines >> payroll >> print 1099-R's (For distribution from a retirement plan/pension type pay codes)
  - Print validation report
  - Print 1099-R forms
  - Print 1096 transmittal forms

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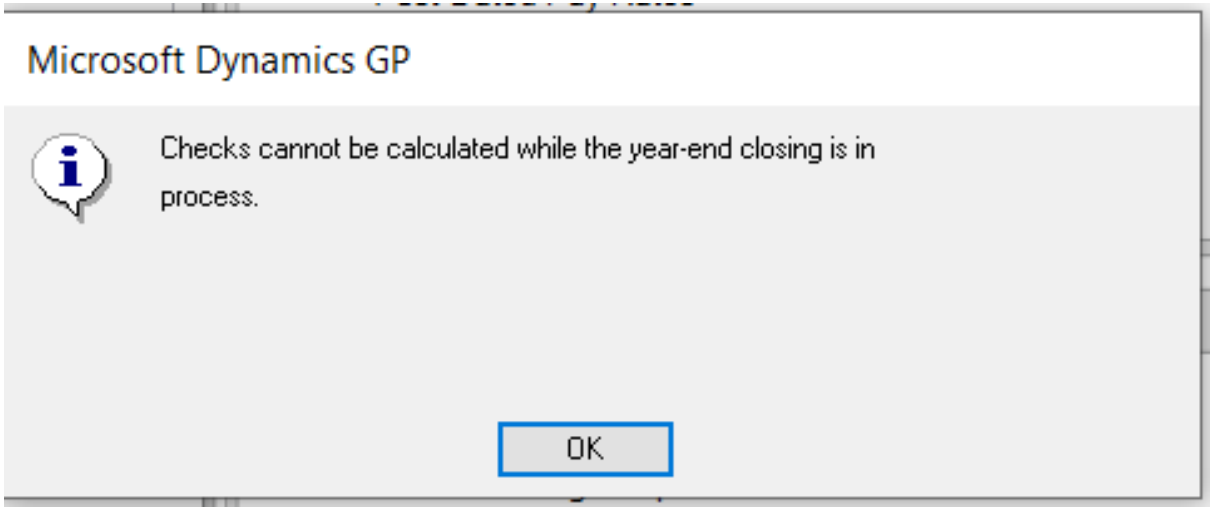
Processing 2023 payroll

- Process 2023 payroll as per standard processes
- Remember your GP user date needs to be in 2023
  - If date is set to 2022 – message below is presented during calculate process



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Processing 2023 payroll before W-2's are printed

- Complete all procedures included on prior slides (other than editing/printing the W-2's)
- Install the 2023 payroll tax table update
- Confirm your user date is set to a 2023 date
- Process 2023 payroll
- Edit/print 2022 W-2's when ready

To reprint 2022 quarterly reports, set date back to a 2022 date, otherwise reports will be blank.

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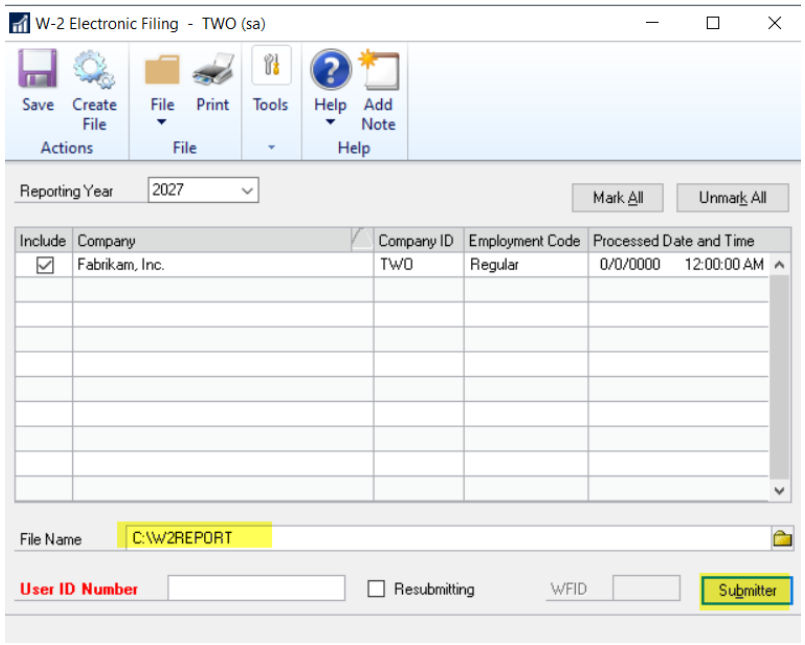
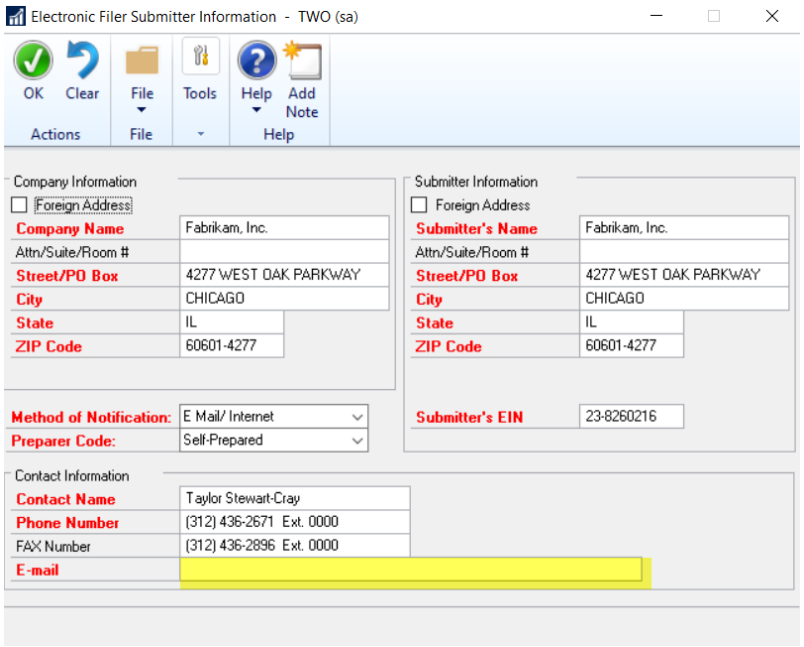
Create magnetic media file (EFW2 file)

- HR and payroll area page >> routines >> payroll >> W-2 electronic filing
  - Change default path of C:\W2REPORT to location to save the file
  - Choose submitter button to fill in additional required fields
    - Check to make sure email address is populated





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Create magnetic media file (EFW2 file) information and resources

- The 2022 filing deadline to SSA is 01/31/2023
- Beginning in 2022, if you send 100 or more W-2's, you must file electronically
- In ***2023***, that limit is lowered to 10!!!!

Social Security Administration website:

- www.socialsecurity.gov

BSO (Business Services Online) website:

- https://www.ssa.gov/bso/bsowelcome.htm

Recommend using AccuWage to verify file:

- https://www.ssa.gov/employer/accuwage/index.html

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THANK YOU FOR YOUR TIME AND ATTENTION

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QUESTIONS AND ANSWERS

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