

Changes to the Payroll Tables to Calculate 2012 Deductions

The following are the changes for the 2012 Federal Tax Tables effective January 2012. IPM-Software Payroll uses the annual tables to calculate the deductions for all pay schedules. (This information is from an early release copy of Publication 15, Circular E for 2012, located at <http://www.irs.gov/pub/irs-pdf/n1036.pdf>) If changes are made to the Publication 15, Circular E that is released in January, a correction will be issued for IPMS Payroll users.

From the Payroll Menu, select Tax Table Maint. > Federal Tax Table. Note: The items in **Bold** are items that have changed for January 2012.

If the Standard Exemption, Unemployment Base, or Rate must be changed, you should make that change, press F10 to Save, and then reopen the table to edit the other settings.

To edit the table, enter on the line, make the changes, and then hit Enter to get back to the table. Arrow down to the next line that needs to be edited. F10 to Save when the table is finished

If additional lines must be entered, complete the line above where the new line belongs. Hit the Insert key and it will bring up a blank form for a new line. Complete that line and hit Enter to get back to the table.

If the previous tax table has more lines than the new table, delete the extra lines. To delete the extra lines, just highlight the line you need to delete and hit the Delete key. You will get a message "Are you sure you want to delete this record?" Click Yes. (Note: When a line is deleted the program retains a numerical order based on the first column. You should make sure the line you want to delete is not the line you just updated.) F10 to Save when the table is finished.

Head Of Household

Standard Exemption 3,800

Unemployment Base 7,000 Rate 6.0

Over	Not Over	Dollar Tax	% of Excess
0	2,150	0.00	0.00
2,150	10,850	0.00	10.00
10,850	37,500	870.00	15.00
37,500	87,800	4,867.50	25.00
87,800	180,800	17,442.50	28.00
180,800	390,500	43,482.50	33.00
390,500	---	112,683.50	35.00

Married Persons

Over	Not Over	Dollar Tax	% of Excess
0	8,100	0.00	0.00
8,100	25,500	0.00	10.00
25,500	78,800	1,740.00	15.00
78,800	150,800	9,735.00	25.00
150,800	225,550	27,735.00	28.00
225,550	396,450	48,665.00	33.00
396,450	---	105,062.00	35.00

Single Person

Use same table settings as "Head of Household".

The other Payroll changes are made Utilities > System Maintenance > GL Interface > Employee Payroll.

The change to the 2012 FICA Maximum is \$110,100.

This year, at least through February, the percentage for FICA is different for the employee and employer. The total rate is 10.4%. The employer rate remains at 6.2%. The 2012 employee tax rate is 4.2%. F10 to Save or just enter through the page.

The percentage for Medicare has not changed and is 1.45% for both employer and employee, for a 2.9% total rate.

State and Local Taxes

For those states that have state and local tax, adjust the tax tables by the "annual" amounts. The program automatically breaks the annual amount down to whatever frequency is used. We provide tables to enter State and Local tax codes. The calculations for some states have been "hard coded" into IPM-Software Payroll. In those cases, we will need to provide those changes to our programmer.