



# Payroll Tax Year 2025

## Summary of Payroll Updates

**Form 941 changes for 2025 are available in the 2502 release.**

After running your 4th quarter 941, you may install the 2025 941 by re-running the Tax Update, or by manually copying the 941 files in the 941 directory into the PR program directory.

**The 2025 ACA update is not yet released.**

**W2 layout did not change for Tax Year 2024 or Tax Year 2025**

**Social Security Wage limit is now 176,100.00**

**The SSA EFW2 electronic format has a minor change for 2024 reporting.**

For tax year 2024 there is a minor record layout change to the RO (Employee Optional) Record & RU (Total Optional) Record. These were updated to add BOX 12 code II *Income from Exclusion Of Medicaid Waiver Payments (IEMWP-II)*.

Since Pro does not track that income, there will be no update to the EFW2/magnetic media update in the 2025 tax update.

**The last magnetic media update was released Jan 30, 2024 and is available for those that request it.**

### Pro Releases

|             | State | Last Date Checked by SGEN | Last Change by the State |
|-------------|-------|---------------------------|--------------------------|
| Federal     | FWT   | 12/18/2024                | 12/9/2024                |
| Alabama     | AL    | 12/21/2024                | 8/1/2024                 |
| Arkansas    | AR    | 12/23/2024                | 7/1/2024                 |
| California  | CA    | 12/23/2024                | 12/1/2024                |
| Colorado    | CO    | 12/22/2024                | 11/12/2024               |
| Delaware    | DE    | 12/22/2024                | 1/1/2014                 |
| Georgia     | GA    | 12/22/2024                | 5/1/2024                 |
| Idaho       | ID    | 12/23/2024                | 5/21/2024                |
| Illinois    | IL    | 12/22/2024                | 12/1/2023                |
| Indiana     | IN    | 12/22/2024                | 12/1/2024                |
| Michigan    | MI    | 12/22/2024                | 12/1/2024                |
| Minnesota   | MN    | 12/23/2024                | 12/1/2024                |
| Missouri    | MO    | 12/22/2024                | 12/1/2024                |
| Mississippi | MS    | 12/22/2024                | 9/24/2024                |

|                |    |            |            |
|----------------|----|------------|------------|
| North Carolina | NC | 12/22/2024 | 12/5/2024  |
| New Mexico     | NM | 12/23/2024 | 11/1/2024  |
| New York       | NY | 12/22/2024 | 1/1/2023   |
| Oklahoma       | OK | 12/22/2024 | 11/1/2024  |
| Pennsylvania   | PA | 12/22/2024 | 1/1/2023   |
| South Carolina | SC | 12/22/2024 | 11/12/2024 |
| Virginia       | VA | 12/22/2024 | 3/1/2024   |
| West Virginia  | WV | 12/23/2024 | 10/8/2024  |

[AK, FL, NH, NV, SD, TN, TX, WA, WY do not require SWT on income].

### December 26 Release (2502)

State SWT for [MN, WV]. Other states pending review.

### December 23 Release (2501)

Tax table updates for FWT.

State SWT for [AL, AR, CA, CO, DE, GA, ID, IL, IN, MI, MO, MS, NC, NM, NY, OK, PA, SC, VA]. Other states pending review.

### Additional Notes

#### AL

The new exclusion for overtime over 40 hrs per week should be handled with a separate pay type for the excluded overtime pay.

#### CA SDI rate update.

Only applicable to Pro 5.0. Other versions must update manually.  
There is now no maximum limit to the CA SDI.

#### IN formula update

Note: Indiana county taxes are not included as part of the regular state tax update.

#### MI formula update

Note: Michigan city taxes are not included as part of the regular state tax update.

#### MS formula update

Note: on the MS Employee's Withholding Exemption Certificate, the dollar amounts for exemptions, dependents, and age and blindness are totaled to give an exemption amount. In the Pro payroll system you should just enter the number of exemptions and the number of dependents. Include the age and blindness claims in the dependents count.

#### VA formula update

The Custom *Additional Exemptions* and *Additional Exemption Amount* (\$800) should be used for the 65 and Over & Blind Exemptions.

## **VP10 Releases**

### **December 26 Release (2502)**

Uses Pro Tax table updates for FWT.

State SWT for [MN, NY, WV].

[AK, FL, NH, NV, SD, TN, TX, WA, WY do not require SWT on income].

## Pro Series Installation Instructions:

This program can be installed before or after year end close (makes no difference). However, you must install after the last payroll of the year.

### Step 1

Be sure to backup your existing payroll data.

### Step 2

The tax update release is a self extracting file. Extract into a temporary folder.

Once extracted, the temporary folder will have the updated tables:

(PRTAXS, PRTABL, PRTDEF, PRTXFM, and PRTXFS) and files plus subdirectories for the *prtxup.fxp* for each Pro version.

### Step 3

In Pro Series, go to the System Manager and select Maintain | Payroll Update | Tax Update.

Select the company to update. Select the *Source* directory (TAX25\_?? in your temporary folder).

Do NOT select any subdirectory beginning with "PRO". Click *Update Taxes*.

### Step 4

If you encounter a prompt asking if you want to recalculate employer's Social Security or any other figures, choose NO/CANCEL. If you feel you should recalculate for some reason, do it later through the Payroll program.

### Step 5 [optional]

You will then get a prompt asking if you want to install the 2025 941 files. After running your 4th quarter 941, you may install the 2025 941 by running the Tax Update, or by manually copying the 941 files in the 941 directory into the PR program directory.

If you choose to install manually, make sure you get a Windows prompt to Replace files or you are copying to the wrong folder. Do chose to Replace files or they won't get installed.

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