



Payroll Tax Year 2026

Summary of Payroll Updates

January 16 MagMedia [EFW2] Release (26MM02)

The SSA EFW2 electronic format had changes which has made certain contact fields required for the RE Employer record for 2025 reporting. Previously these fields were not required

Additionally, certain prompts for the option grid for entering the EFW2 information have been updated to make clearer what these prompts are for.

This magnetic media update is available for those that request it.

January 06 Release (2603)

State SWT for [HI] was added. Other states pending review.

January 03 Release (2602)

Form 941 changes for 2026 are available in the 2602 release.

Beginning with 2026, the Pro 941 Form is intended for informational purposes only and not to be filed with the IRS. It is intended to be used to fill out the PDF form available for download on the IRS.gov website. See the Read Me for more information.

<https://www.irs.gov/pub/irs-pdf/f941.pdf>

Do read the Qualified Overtime Read Me.

https://softwaregeneration.com/PUP-2026/ReadMe_Qualified_Overtime.pdf

We are expecting to release the 2026 W2 changes in December 2026.

Additionally, since nearly everyone is required to report electronically to the SSA, it is possible that we will move to printing substitute employee W2 forms on plain paper instead of continuing to fit to pre-printed forms. This means that Copy A would no longer be produced for 2026.

The TY 2026 ACA update will be available with the TY 2027 payroll update.

December 28 Release (2601)

Tax table updates for FWT.

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

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

Social Security Wage limit is now 184,500.00

Pro Releases

	State	Last Date Checked by SGEN	Last Change by the State
Federal	FWT	12/22/2025	12/3/2025
Alabama	AL	12/22/2025	4/1/2025
Arkansas	AR	12/28/2025	12/9/2025
California	CA	12/28/2025	12/1/2025
Colorado	CO	12/28/2025	10/21/2025
D.C.	DC	12/22/2025	1/1/2022
Delaware	DE	12/28/2025	1/1/2014
Georgia	GA	12/22/2025	6/3/2025
Hawaii	HI	01/06/2026	12/05/2025
Idaho	ID	12/22/2025	4/28/2025
Illinois	IL	12/28/2025	12/1/2024
Indiana	IN	12/22/2025	10/1/2025
Louisiana	LA	12/23/2025	1/1/2025
Maryland	MD	12/23/2025	10/1/2025
Michigan	MI	12/23/2025	12/1/2024
Minnesota	MN	12/28/2025	12/1/2025
Missouri	MO	12/22/2025	12/1/2025
Mississippi	MS	12/22/2025	8/1/2025
North Carolina	NC	12/22/2025	12/4/2025
New Mexico	NM	12/28/2025	11/1/2025
New York	NY	12/28/2025	1/1/2023
Oklahoma	OK	12/22/2025	11/1/2025
Oregon	OR	12/28/2025	12/10/2024
Pennsylvania	PA	12/22/2025	1/1/2023
South Carolina	SC	12/22/2025	11/4/2025
Virginia	VA	12/22/2025	7/1/2025
West Virginia	WV	12/28/2025	10/8/2024

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

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

January 03 Release (2502)

Form 941 changes for 2026 are available in the 2502 release.

December 28 Release (2601)

Uses Pro Tax table updates for FWT.

State SWT for [CA, MN, 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 (TAX26_?? 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 2026 941 files. After running your 4th quarter 941, you may install the 2026 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 choose to *Replace Files* or they won't get installed.

Software Generation

4003 Buckingham Place

Colleyville, TX 76034-4667

(817) 858-0222

www.softwaregeneration.com