

Deltek Costpoint® 7.1.1

2014 Quarter 4 Calendar Year End (CYE)

Regulatory Release Notes

December 18, 2014

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Overview

These Deltek Costpoint Regulatory Release Notes for Quarter 4 2014 provide information for Calendar Year End.

Installation Prerequisites

Ensure the following are installed and operational:

- Costpoint Version 7.1.1

Custom Programs



If your Costpoint system is customized, do **NOT** install this update without first contacting your Account Manager at 1.800.456.2009. Custom work must be upgraded to be compatible with each new release. Deltek does customization on a request-only basis. Depending on the scope of the upgrade and current work backlogs, modifications may not be available for 60 to 90 days. If you do not have a specific Ongoing Support Plan for your custom work, there is a charge for the upgrade programming.

For Additional Information

Customer Care Connect Site

The Deltek Customer Care Connect site is a support Web site for Deltek customers who purchase an Ongoing Support Plan (OSP).

The following are some of the many options that the Customer Care Connect site provides:

- Download the latest versions of your Deltek products
- Search Deltek's knowledge base
- Display or download product information, such as release notes, user guides, technical information, and white papers
- Submit a support case and check on its progress
- Transfer requested files to a Customer Care analyst
- Use Quick Chat to submit a question to a Customer Care analyst online
- Ask questions, exchange ideas, and share knowledge with other Deltek customers through the Deltek Connect Customer Forums
- Subscribe to Deltek communications about your products and services
- Receive alerts of new Deltek releases and hot fixes



For more information regarding Deltek Customer Care Connect, refer to the online help available from the Web site.

Access Customer Care Connect

To access the Customer Care Connect site, complete the following steps:

1. Go to <https://deltek.custhelp.com>.
2. Enter your Customer Care Connect **Username** and **Password**.
3. Click **Log In**.



If you forget your username or password, you can click the **Account Assistance** button on the login screen for help.

Updates and Enhancements

This section includes:

- Federal updates
- State updates

Federal Updates

Federal Electronic Filing

These are the changes in filing Forms W-2 Electronically (EFW2) for Tax Year 2014:

Record Changes

- The following fields are now required in the RA Submitter Record:
 - Submitter EIN (positions 3-11)
 - User Identification (User ID) (positions 12-19)
 - Submitter Name (positions 217-273)
 - Location Address (positions 274-295)
 - Delivery Address (positions 296-317)
 - City (positions 318-339)
 - State Abbreviation (positions 340-341)
 - ZIP Code (positions 342-346)
 - Contact Name (positions 396-422)
 - Contact Phone Number (positions 423-437)
- The following fields are now required in the RE Employer Record:
 - Tax Year (positions 3-6)
 - Employer/Agent Identification Number (EIN) (positions 8-16)
 - Employer Name (positions 40-96)
 - Kind of Employer (position 174)
 - Tax Jurisdiction Code (position 220)
- The following fields are now required in the RW Employee Wage Record:
 - Social Security Number (positions 3-11)
 - Employee First Name (positions 12-26)
 - Employee Last Name (positions 42-61)
- The **Hire Exempt Wages and Tips** field has been removed from the RO Employee Record (positions 100-110) and the RU Total Record (positions 130-144) and is now shown as filler.
- The **Advance Earned Income Credit** field has been removed from the RW Employee Wage Record (positions 265-275) and the RT Total Record (positions 115-129) and is now shown as filler.

- The Box 12, Code Z, money field name in the RO Record (positions 89-99) has changed from “Income Under Section 409A on a Nonqualified Deferred Compensation Plan” to “Income Under a Nonqualified Deferred Compensation Plan That Fails to Satisfy Section 409A”.
- The Box 12, Code Z, money field name in the RU Record (positions 115-129) has changed from “Income Under Section 409A on a Nonqualified Deferred Compensation Plan” to “Income Under a Nonqualified Deferred Compensation Plan That Fails to Satisfy Section 409A”.

Other Changes

- Effective January 2015, SSA will return electronic and paper wage reports which contain a W-2 with any of the following conditions:
 - Medicare Wages and Tips less than the sum of Social Security Wages and Social Security Tips;
 - Social Security Tax greater than zero and Social Security Wages and Social Security Tips equal to zero; and
 - Medicare Tax greater than zero and Medicare Wages and Tips equal to zero.

Warning messages were added in the Manage W-2s screen for this change.

Additional Information

- The RW Employee Wage Record, RO Employee Optional Record, RT Employer Total Record and RU Optional Total Record now include valid tax year ranges for all money fields.
- Record Specifications:

Example of a Correctly Formed Domestic Address

Line 1: Name of addressee
 Line 2: Street address or post office box number
 Line 3: Location address (apartment, suite, etc.)
 Line 4: City, state and postal code

Example of a Correctly Formed International Address

Line 1: Name of addressee
 Line 2: Street address or post office box number
 Line 3: City or town name, other principal subdivision (such as province, state or county) and postal code (if known)
 Line 4: Full country name

Example of a Correctly Formed International Address – United Kingdom

Line 1: Name of addressee
 Line 2: Street address or post office box number
 Line 3: Locality name (can be a neighborhood or district within a town or city)
 Line 4: City or town name
 Line 5: Full postal code

- Beginning in tax year 2014, SSA's Business Services Online (BSO) no longer accepts incorrectly formed W2 files. If you are unsuccessful in uploading your file, please use AccuWage.

Federal Social Security and Pension Plan Amounts

The following are the changes to Federal tax for 2015:

- The Old-Age, Survivors and Disability Insurance (OASDI) taxable wage base increases from \$117,000 to **\$118,500**.
- The maximum 2015 OASDI portion of the Federal Insurance Contributions Act tax payable by each employee is **\$7,347**, or **6.2** percent of the wage base. Employers match the employee amount with an equal contribution.
- For the Medicare (HI) portion of the FICA taxes, there is no wage base and all wages earned are subject to the HI tax, which also is paid by employers and employees. Each pays at a **1.45** percent rate, although employees pay an additional 0.9 percent on wages greater than \$200,000.
- The 2015 limit on the exclusion for elective deferrals described in Section 402(g)(3) for Section 401(k)-type plans, Section 403(b) plans and Section 457 increases from \$17,500 to **\$18,000**. The catch-up contribution for those 50 and older increases from \$5,500 to **\$6,000**.
- The general annual qualified plan compensation limit increases from \$260,000 to **\$265,000**.

Form W-2 Updates

The following are Form W-2 updates:

- In Box 12, Code Z the description has changed from “Income under section 409A on a nonqualified deferred compensation plan” to “Income under a nonqualified deferred compensation plan that fails to satisfy section 409A”.
- Effective January 2015, SSA will return electronic and paper wage reports which contain a W-2 with any of the following conditions. Warning messages were added to Costpoint for this update.
 - Medicare Wages and Tips less than the sum of Social Security Wages and Social Security Tips.
 - Social Security Tax greater than zero and Social Security Wages and Social Security Tips equal to zero.
 - Medicare Tax greater than zero and Medicare Wages and Tips equal to zero.

Warning messages were added in the Manage W-2s screen for this update.

FUTA Credit Reduction

Employers in eight jurisdictions are to be assessed Federal Unemployment Tax Act credit reductions for 2014, down from 14 jurisdictions for 2013. The corresponding 2014 FUTA Credit Reduction percentage has been also supplied for each state.

State	2014 FUTA Credit Reduction
California	1.2%
Connecticut	1.7%
Indiana	1.5%

State	2014 FUTA Credit Reduction
Kentucky	1.2%
New York	1.2%
North Carolina	1.2%
Ohio	1.2%
Virgin Islands	1.2%

W-2 Sorting Enhancement

New options for sorting/filtering were added. You can now sort printed W-2s by the employee's **Mailing State** and **Locality**.

State Updates

State Electronic Filing

The Create State W-2 File screen was updated to display validation messages which warn you that the following RA Record fields are now required:

- Location Address (positions 274-295)
- Delivery Address (positions 296-317)
- City (positions 318-339)

The following is a list of states using standard EFW2 for RA and RE records:

- Arkansas
- Arizona
- Colorado
- Connecticut
- District of Columbia
- Delaware
- Georgia
- Idaho
- Illinois
- Indiana
- Kansas
- Kentucky
- Louisiana
- Maryland
- Maine

- Massachusetts
- Michigan
- Minnesota
- Missouri
- Mississippi
- Montana
- North Carolina
- North Dakota
- Nebraska
- New Jersey
- New Mexico
- Ohio
- Oregon
- Pennsylvania
- Puerto Rico
- Rhode Island
- South Carolina
- Utah
- Virginia
- Vermont
- Wisconsin
- West Virginia

Michigan SUTA Electronic Filing

Public Act 241 of 2014 provides new exclusions from unemployment benefits for services performed by certain categories of workers. This amendment became effective August 26, 2014. Beginning (retroactively) January 1, 2014, unemployment benefits will no longer payable to:

1. A holder of an “H-2B” visa, which covers workers admitted to the United States temporarily to perform non-agricultural services, and
2. A holder of a “J-1” visa, which covers workers admitted under the “exchange visitor program.”

The electronic file was updated with the following changes:

- Added Visa Wage Detail Record
- Added Out of State Wage Detail Record

Export Payroll Taxes (PRPEXTAX)

A new field (field #50) was added to the EE (Employee) record, which will be populated with the employee’s Visa Type from the Manage Employee Information-HR Data screen. This information is currently needed for Michigan SUTA quarterly reporting as Michigan wants to know if the employee has a J-1 or H-2(B) Visa.

District of Columbia SUTA Reporting

Employee/Employer Relationship Tracking

Costpoint was updated to allow the tracking of employee/employer relationship for the District of Columbia (D.C.).

The following changes were applied for this enhancement:

- **Create Quarterly SUTA Tax File (PRPSMM)**

Added the following updates to the S record for D.C:

- Populate column 177 with 0 (zero) to indicate that the wages provided in the file are an original filing and not an adjustment.
- Populate column 210 with the employee's employee/employer relationship code from Tax Reporting Information tab of the Manage Employee Taxes screen (EMPL_TAX. ee_er_relation_cd).
- ICESA format has been updated based from the latest format in https://essp.does.dc.gov/ESSP%20File%20Specifications%20-%20V1_01.pdf

- **Export Payroll Taxes (PRPEXTAX)**

Added field 44 to the EE (Employee) record. This field indicates which of the following describes the employee's relationship to the employer (as specified on the Manage Employee Taxes screen):

- 0-Employee/Employer
- 1-Owner or Officer
- 2-Spouse of Owner or Officer
- 3-Parent/Grandparent of Owner or Officer
- 4-Child of Owner or Officer
- 5-Sibling of Owner or Officer
- 6-Board Member

- **Database Changes**

Added the following fields:

- EMPL_TAX. ee_er_relation_cd
- EMPL_TAX_ADT. ee_er_relation_cd

Other Changes

- The Manage SUTA Tax File Data (PRMSMM) and Create Quarterly SUTA Tax File (PRPSMM) screens were updated to comply with Department of Employment Services (DOES) ICESA record layout for the new Employer Self-Service Portal (ESPP).
- Costpoint was updated to populate column 132 – 134 of S Record with the number of hours the employee worked in the reporting period. This column will only contain whole numbers and the maximum number is 999.

State Tax Updates

The following are state tax changes effective January 1, 2015:

Arkansas

The following are the updates to income tax withholding tables for Arkansas:

- The tax brackets and percentage rates were changed.
- The standard deduction increases from \$2,000 to **\$2,200**.

For more information, please refer to

<http://www.dfa.arkansas.gov/offices/incomeTax/withholding/Documents/withholdTaxTables.pdf>.



Arkansas also introduced a new Net Taxable Income Adjustment for **amounts less than \$50,000** in their instructions for the 2015 Arkansas income tax withholding. With this adjustment, Net Taxable Income (Annual Gross Pay less Standard Deduction Amount) of less than \$50,000 will automatically be taken to the \$50 midrange. For example, a Net Taxable Income of \$23,324.00 will be taken to the \$50 midrange of \$23,350.00. The \$23,350.00 (rather than the \$23,324.00) would be applied to the tax brackets.

The Net Taxable Income Adjustment is handled by special programming in Costpoint's Compute Payroll application. Special programming for payroll tax calculations are released through Costpoint System JAR updates.

Please note that the Arkansas Net Taxable Income Adjustment for 2015 was implemented with Costpoint 7.1.1 System JAR 002 in December 2014. If you have employees that require the Net Taxable Income Adjustment, you may need to apply System JAR 002.

California

California released the income tax withholding tables for Method B, the exact-calculation method, and accompanying instructions, effective for 2015. The following are the changes:

- Withholding tables have been updated.
- Personal Tax Credit increases from \$116.60 to **\$118.80**.
- Standard deduction increases from \$3,906 to **\$3,992**.
- The temporary disability insurance taxable wage base increases from \$101,636 to **\$104,378**.
- The temporary disability insurance tax rate for employees decreases from 1 percent to **0.9 percent**. The elective coverage rate for employers, partners and self-insured individuals increases from 3.67 percent to be **3.9 percent**.



California also increased their low income exemption amounts. California's low income exemption is currently handled by special programming in Costpoint's Compute Payroll application. Special programming for payroll tax calculations are released through Costpoint System JAR updates.

Please note that California's 2015 low income exemption amounts were implemented with Costpoint 7.1.1 System JAR 002 in December 2014. If you have employees that require the low income exemption, you may need to apply System JAR 002. The 2014 low income exemption amounts will be used if you do **not** load System JAR 002.

CA State Withholding Filing Status	2015 Low Income Exemption Threshold	2014 Low Income Exemption Threshold
Married	\$13,267	\$12,997
Single	\$13,267	\$12,997
Head of Household	\$26,533	\$25,994
Misc. Status 1	\$26,533	\$25,994

Colorado

The unemployment taxable wage base increases from \$11,700 to **\$11,800**.

Florida

The unemployment taxable wage base decreases from \$8,000 to **\$7,000**.

Iowa

The unemployment taxable wage base increases from \$26,800 to **\$27,300**.

Kentucky

The standard deduction increases from \$2,400 to **\$2,440**.

For more information, please refer to http://revenue.ky.gov/NR/rdonlyres/53E62D08-2E7F-4088-9F08-9CB0AA4492C2/0/7_201542A003T.pdf.

Maine

The following are updates to income tax withholding tables for Maine:

- The withholding allowance increases from \$3,950 to **\$4,000**.
- The withholding tables for **Single** and **Married** were updated.



Maine also increased their nonresident alien adjustment amount from \$6,200 in 2014 to **\$6,300** in 2015. Maine's nonresident alien adjustment amount is currently handled by special programming in Costpoint's Compute Payroll application. Special programming for payroll tax calculations are released through Costpoint System JAR updates.

Please note that Maine's 2015 nonresident alien adjustment amount was implemented with Costpoint 7.1.1 System JAR 002 in December 2014. If you have employees that require the nonresident alien adjustment, you may need to apply System JAR 002. The 2014 nonresident alien adjustment amount of **\$6,200** from 2014 will be used if you do **not** load System JAR 002.

Massachusetts

The unemployment taxable wage base increases from \$14,000 to **\$15,000**.

Minnesota

The unemployment taxable wage base increases from \$29,000 to **\$30,000**.

Montana

The unemployment taxable wage base increases from \$29,000 to **\$29,500**.

Nevada

The unemployment taxable wage base increases from \$27,400 to **\$27,800**.

New Jersey

- The taxable wage base for unemployment insurance and temporary disability insurance increases from \$31,500 to **\$32,000**.
- The temporary disability insurance tax rate for employees decreases from 0.38 percent to be **0.25 percent**.
- The family leave insurance contribution rate for employees decreases from 0.1 percent to **0.09 percent**.

Oklahoma

The unemployment taxable wage base decreases from \$18,700 to **\$17,000**.

Oregon

The unemployment taxable wage base increases from \$35,000 to **\$35,700**.

Rhode Island

- The standard unemployment taxable wage base increases from \$20,600 to **\$21,200**.
- The State's modified taxable wage base for employers that are assessed the maximum unemployment tax rate increases from \$22,100 to **\$22,700**.
- The temporary disability insurance taxable wage base for Rhode Island employers increases from \$62,700 to **\$64,200**.

Vermont

The unemployment taxable wage base increases from \$16,000 to **\$16,400**.

Software Issues Resolved

The following issues were resolved in this release:

Manage Local Taxes

Defect 471742

Description: When you entered **OH** (Ohio) in the **State** field and **Tax Type** was **School District Income Tax**, the **City / Country / School / PSD Code** field was disabled.

Customers Impacted: This defect affects Costpoint 7.1.1 Payroll users that withhold OH income taxes.

Workaround Before Fix: None.

Additional Notes: None.


Defect 471817

Description: When you entered **PA** (Pennsylvania) in the **State** field, the **City / Country / School / PSD Code** field was enabled only if **Tax Type** was **City Income Tax**.

Customers Impacted: This defect affects Costpoint 7.1.1 Payroll users that withhold PA income taxes.

Workaround Before Fix: None.

Additional Notes: None.



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