

Focus

on Client Ledger System™ Software

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CLS II 2.01 Update is Scheduled for Release December 6th

The year-end update for CLS II is currently scheduled for release December 6th. CLS II 2.01 includes the following new features:

Non-Payroll Features:

- The ability to simultaneously run multiple sessions of CLS is included in the single-user and network versions of CLS II.
- *Depreciation and Amortization Schedules (DA)*, *Transaction Registers (TR)* and *General Ledgers (TB 1 and TB 2)* can be transferred directly to Microsoft® Excel.
- New transmittal letter key words have been added, similar to *@xperiods*, which will use substitute verbiage such as “year”, “calendar year” or “fiscal year” at year-end.
- You may use **MF 4**, *Query Account Information* to review the account setup, history and budget for a selected account.
- The *Verify File Integrity* program (**VF**) is now active.
- Both the CLS PDF Printer and the text editor used for cover pages and transmittal letters have been updated.

Payroll Features:

- When running a “year-to-date” *Payroll Journal (PJ)* or *Query Employee (QE)* report, you may now enter a date range that begins in the prior calendar year.
- Printed forms 945 and 945-X have been added. **XM** also allows electronically filing 945 returns, and fillable 945 and 945-X forms have been added to **TW 5**.
- A *Local Withholding Report (TW 8, 3)* has been added.

Nelco Web Reporting Center

In view of the accelerated W-2 and 1099 filing deadlines (see page 2), you may be interested in **Nelco’s Web Reporting Center**, which transfers to a third party the burden of printing and mailing payroll tax forms and e-Filing. The *CLS Nelco Web Reporting Center (NW)* add-on provides a simple interface between CLS and the Web Center. *In addition to W-2s, NW now supports the 1099-MISC, -INT, -DIV and -R forms.* There are no forms or envelopes to buy; W-2 and 1099 forms will be e-Filed; employees and vendors will receive their printed forms directly from Nelco, and they can immediately access their forms online.

Nelco offers tiered pricing based on the services you choose and the total number of W-2s or 1099s processed. The following chart shows the pricing per form filed for tax year 2016.

Nelco Processing Fees for Tax Year 2016 – Per Form						
Service	1-50	51-100	101-250	251-500	501-1000	1001+
Federal e-File	\$1.20	\$0.90	\$0.70	\$0.55	\$0.50	\$0.45
State e-File	\$1.60	\$1.15	\$0.90	\$0.80	\$0.70	\$0.65
Recipient Print/Mail/Online Retrieval	\$4.10	\$3.15	\$2.45	\$2.00	\$1.45	\$1.15
<i>Recipient Print/Mail/Online Retrieval (peak 1/31/16)</i>	\$5.10	\$4.15	\$3.45	\$3.00	\$2.45	\$2.15
Federal/State e-File & Print/Mail/Online Retrieval	\$5.25	\$4.45	\$3.60	\$2.85	\$2.05	\$1.55
<i>Federal/State e-File & Print/Mail/Online Retrieval (peak 1/31/16)</i>	\$6.25	\$5.45	\$4.60	\$3.85	\$3.05	\$2.55
Federal e-File & Print/Mail/Online Retrieval	\$4.75	\$3.95	\$3.15	\$2.50	\$1.80	\$1.40
<i>Federal e-File & Print/Mail/Online Retrieval (peak 1/31/16)</i>	\$5.75	\$4.95	\$4.15	\$3.50	\$2.80	\$2.40

Year-end Payroll-Tax Forms

Formats for the 2016 W-2 and 1099/1098 laser-printed plain-paper and preprinted forms are included. Formats for the W-2 and W-3 forms are basically unchanged for 2016.

The 1099-INT, 1099-B, 1099-R, 1096 and 1098 form alignment has been changed. The 1099-MISC alignment has been modified *for those using Nelco's "Universal" format*. The 1099-C form alignment has been changed for those using either Nelco's horizontal 4-up or the "Universal" format.

All W-2 and W-3 forms (including Copy A) may be printed on plain paper. Submittable 940, 941, 943, 944 and 945 forms may also be printed on plain paper.

*For 1099, 1098 and 1096 forms, all copies **except Copy A** may be printed on plain-paper.* Copy A must be filed using "official" scannable forms (the IRS may impose a penalty for using non-scannable forms).

CLS II 2.01 now includes 945 and 945-X forms, and it also includes any required changes to the federal 940, 941, 943, 944 forms for 2016. The 941 form for **2017** will be part of the March 2017 update.

Beginning this year, the Social Security Administration requires that both employee and employer copies of W-2s be filed by January 31st. Many states also have a January 31st W-2 filing deadline - eleven new states have been added this year. The current list includes: Alabama, California, Connecticut, **Delaware**, District of Columbia, **Georgia**, **Idaho**, Indiana, Kentucky, **Louisiana**, **Maryland**, Mississippi, New York, North Carolina, **North Dakota**, **Ohio**, **Oregon**, Pennsylvania, **South Carolina**, Utah, **Vermont**, **Virginia**, and Wisconsin (those in bold were added this year).

The IRS also requires that 1099-MISC forms with Non-Employee Compensation be filed by January 31st.

Several states now require that 1099-MISC forms that include state income tax withheld be filed by January 31st. Currently **Georgia**, **Idaho**, **Oregon** are among those states with accelerated due-dates. **Oregon** also requires 1099-MISC with Non-Employee Compensation to be filed by January 31st, while **Pennsylvania** requires all 1099-MISC to be filed by that date.

Many states require electronic filing of quarterly unemployment tax wage information, while others still accept only paper forms. The *SUTA Magnetic Media (SM)* add-on program is available to create the files required by each of the e-File states supported by CLS II. The *Unemployment Plus (UP)* add-on program lets you print file copies of **SUTA** cover pages and submittable forms for each of the states requiring paper forms. You can find the complete list of supported states and the electronic filing requirements for each on page 3.

Remember: You must update CLS II if you plan to print submittable federal payroll tax forms on plain paper. Your CLS II update also entitles you to receive updates for payroll tax form changes during the first three quarters of 2017.

Social Security, Medicare and FUTA Rates

For 2017 the Social Security Wage Base increases to \$127,200; the employee and employer Social Security contribution rates remain at 6.2%. The Medicare tax rate of 1.45% still applies to both employees and employers; an additional employee rate of 0.9% still applies to "high wage earners" (currently this includes anyone with earnings over \$200,000).

CLS II 2.01 will automatically use the correct rate (6.0%) when calculating FUTA taxes for the 2016 Form 940.

New Feature - Multi-Session CLS

Have you ever been in the middle of working on one client, when another client calls needing information immediately? Currently you must log out of the ledger you are working on and lose your place. Not anymore!

CLS II 2.01 introduces the ability to run multiple sessions of CLS simultaneously. Included in the single-user and network versions of CLS, this feature lets you open additional sessions to look at (or work on) different ledgers or on different generations of the same ledger without having to leave your place in the current one.

New Local Tax Report

A new *Local Withholding Report (TW 8, 3)* is included in CLS 2.01. Many times, employees are subject to more than the two localities that can be printed on their W-2. CLS now supports up to nine localities per employee. The W-2 will continue to print the first two localities with wages or withholding. This new report allows you to print summary or detailed reports of local wages and local taxes withheld, sorted or selected by locality or employee.



Updates for CLS II Payroll Add-on Packages

If you are using any of these add-on payroll packages, they must be kept “current”. All add-ons have been updated to reflect current forms and file formats.

The **Affordable Care Act Reporting (AC)** program allows paper and electronic filing of 1094/1095-B and 1094/1095-C.

The **Nelco Web Reporting Center (NW)** program allows W-2 and 1099 filing and forms distribution to be handled by a third party.

The **W-2/1099 Magnetic Media (TM)** program creates W-2 and 1099 files for electronic submission to the SSA and the IRS.

The **XML Filing of 94x Forms (XM)** program lets you create 940, 941, 943, 944 and 945 XML files to be submitted to the IRS electronically.
Note: New **XM** users must complete the online IRS application 45 days prior to filing returns electronically.

The **SUTA Magnetic Media (SM)** program allows you to submit state wage continuation sheet information electronically. A few states also require a printed tax return (**UP**) or transmittal form (**SM**). Except for **Kansas** and **South Carolina**, filing requirements are per employer.

The **Unemployment Plus (UP)** program provides the ability to print submittable unemployment tax cover pages for certain states. Several states require electronic filing for all employers and those electronic submissions contain both wage and tax information; for those states noted below, you may only use **UP** to print a *file copy* of the tax return.

SUTA Magnetic Media (SM)			Unemployment Plus (UP)	
State	e-Filing Requirement	UP Form Required	Form(s)	File Copy Only
Alabama	All employers		UC-CR4	Yes
Arizona	Not required	Yes	UC-018	
Arkansas	250+ employees		DWS-ARK209B	
California	10+ employees		DE-9	
Colorado	Not required	Yes	UITR-1	
Connecticut	All employers		UC-2	
District of Columbia	5+ employees		DOES-UC30	
Florida	All agents, 10+ employees		RT-6	
Georgia	100+ employees	Yes	DOL-4	
Idaho	All employers		TAX-020	Yes
Illinois	25+ employees		UI 3/40	
Iowa	All employers		65-5300	Yes
Kansas	50+ employees (all employers)		K-CNS-100	
Kentucky	10+ employees		UI-3	
Louisiana	All employers		ES4-B/C	Yes
Maryland	All employers	Yes, unless filing online	DLLR/OU-15	Yes
Massachusetts	All employers		*Not supported by UP*	
Michigan	All employers		UIA-1020	Yes
Minnesota	All employers		DEED-1	Yes
Mississippi	250+ employees	Yes	UI-2/3	
Nebraska	Payroll of \$100,000 or more		UI-11T	
Nevada	*Not supported by SM*		NUCS-4072	
New Jersey	All employers		*Not supported by UP*	
New Mexico	All employers	Yes	ES903A	Yes
New York	All employers		NYS-45	Yes
North Carolina	100+ employees		UI-101	
Ohio	Not required	Yes	JFS-66111	
Oklahoma	All employers		*Not supported by UP*	
Pennsylvania	All employers		*Not supported by UP*	
South Carolina	100+ employees (all employers)	Yes	UCE-120/101	
Tennessee	10+ employees	Yes	LB-0456/0851	
Texas	All employers		C-3	Yes
Utah	*Not supported by SM*		33H	
Vermont	All employers		VTC-1011	Yes
Virginia	100+ employees		VEC-FC-20	
Wisconsin	All agents, 25+ employees	Yes	UCT-101	
Wyoming	Not required		*Not supported by UP*	

Processing Payroll Tax Forms at Year-End

Can I submit plain-paper W-2, W-3, 1099, 1098 and 1096 Forms?
For the most part, yes - however, Copy A of the 1099, 1098 and 1096 Forms *may only be submitted on pre-printed forms!* This is an IRS requirement, not a CLS limitation, and the penalty for not using the correct forms is severe.

Can I submit W-2 and 1099 forms electronically using CLS II?
Yes, a CLS II add-on (*W-2/1099 Magnetic Media eFile*) is available for this purpose.

My firm's information isn't being automatically included on the 940 and 941 forms - why not?

Be sure that the correct firm information has been entered using program **SI**, menu selections **1,3,1** and **1,3,2**. Also check your settings in **SI** menu selection **1,3,5**. If CLS II is installed on multiple workstations, be sure to check these settings on each one.

On federal payroll tax forms (940, 941, W-2 and 1099 Forms), CLS II normally leaves zero-amount-fields blank; can I print zeros instead?

Yes, use program **SI**, menu selection **1,3,5** to choose this option.

Can I get an estimate of the number of W-2 and 1099 forms I need to order?

You can use program **TF**, menu selection **6** (*W-2 and 1099 Worksheets*) for this purpose. You can also use this selection to check for missing employee or vendor information or to see how employee names will be printed on different copies of the W-2 forms.

Save \$\$\$

... on your CLS II update

On your order form you can choose to download your CLS II update and save the shipping charges. Plus, you get your software faster by eliminating shipping time. For customers in Georgia, there is an added benefit: *no sales tax is charged on downloaded software.*

... on your next Nelco order

We wanted to remind you of a valuable resource available to you as a user of CLS. Nelco is our AUTHORIZED SOURCE for CLS-compatible W-2 & 1099 forms, checks and envelopes.

We are excited to announce a special offer for CLS users - you can get **15% off** your next order of compatible W-2 & 1099 forms, checks or envelopes. Order by 12/31/2016 and mention code **CH8** to receive this special offer.

To order CLS-compatible forms and supplies:

Online.....<http://ClientLedgerSystem.NelcoSolutions.com>
Email.....Nelco@NelcoSolutions.com
Call.....800.266.4669

CLS~CheckWriter Payroll Tax Updates

CW 3.51 includes new federal and state payroll tax tables for 2017. The new version will be released just before Christmas.

FMSI Holidays

Please take note! Financial MicroSystems will be closed on November 24th - 25th for Thanksgiving, and December 23rd, 26th and 30th for the holidays.

Update Reminders

- Order confirmations will be emailed as orders are entered. Please verify that the correct email address is listed on your order form and change it if necessary.
- CLS II add-on programs are compatible *only* with the CLS II version for which they are released. If you use the *Affordable Care Act Reporting, Nelco Web Reporting Center, Tax Package Interface, W-2/1099 Magnetic Media, Unemployment Plus, SUTA Magnetic Media or XML Filing of 94x Forms* add-on products, remember to update them also. Update prices for add-on products apply *only* if you own licensed versions of those products.
- Place your order early! Orders are processed and shipped in the order received. Once CLS II is released, orders are processed *during* shipping, which increases the turn-around time. During the holiday season, delivery delays are beyond our control.
- Updates for CLS II bug fixes are available free of charge from our website. If you would prefer to receive those bug fixes by US Postal First-Class Mail, you may subscribe to CLS II updates-by-mail for \$99. Please note that only "important" updates will be mailed.
- Review your order form for accuracy. Is your credit card number correct, including the expiration date and CVV code? If you charge the update to a personal credit card, be sure to provide the billing address associated with that card.
- Do not include sales tax *unless* you are located in *Georgia* and are *not* downloading the CLS II update.

CLS Focus is published by Financial MicroSystems, Inc. for users of Client Ledger System™ software. We encourage readers to share ideas for publication. Forward all correspondence, including address changes, to:

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