



## **Setup Guide**

**Year End Maintenance**  
November 2005

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ARKONA Setup Guide

*Use this Setup Guide for help updating tax rates, tables, and limits for the new year.*

- As a matter of policy, ARKONA does not take responsibility for maintaining federal, state, or local tax tables for our customers. Not having to retain a team of national tax experts on staff is one of the ways we keep our costs down.

## Federal Withholding Taxes

To update the federal withholding tax tables, take the following steps:

### 1. Display the tax table you want to update.

- a. Take option **50=Application Environment** from the Payroll & Personnel Management menu and take option **1=Select** by Tax Tables.
- b. Take option **2=Update** by the tax table you want to update.

### 2. Update the table.

- a. Use your [TAB] key to move into the field you want to change.
- b. Key in the withholding allowance, threshold, tax amount, or rate (with decimals) and press [FIELD EXIT].
- c. Once all of the changes have been made, press [ENTER] to save.

## FICA, Medicare, and Federal Unemployment Taxes

To update the FICA tax rate and wage limit, take the following steps:

1. Take option **50=Application Environment** from the Payroll & Personnel Management menu and take option **1=Select** by Payroll System Preferences.
2. Take option **2=Update** by Federal & Accounting Setup.
3. Key in the Employee FICA rate in whole numbers (e.g., enter 6.2% (0.062) as 6.2) and hit [FIELD EXIT].
4. Key in the Employee FICA wage limit in whole numbers (e.g., enter \$14,900.00 as 14900) and press [FIELD EXIT].

5. Key in the Employer FICA rate in whole numbers and hit [FIELD EXIT].
6. Key in the Employee Medicare rate in whole numbers and hit [FIELD EXIT].
7. Key in the Employee Medicare wage limit in whole numbers and press [FIELD EXIT].
8. Key in the Employer Medicare rate in whole numbers and hit [FIELD EXIT].
9. Key in the Federal Unemployment rate in whole numbers, (e.g., enter .5% (0.005) as .5) and hit [FIELD EXIT].
10. Key in the Federal Unemployment wage limit in whole numbers and press [FIELD EXIT].
11. Press [ENTER] to save your changes.

### **State Withholding Taxes**

To update the state withholding tax tables, take the following steps:

#### **1. Display the tax table you want to update.**

- a. Take option **50=Application Environment** from the Payroll & Personnel Management menu and take option **1=Select** by Tax Tables.
- b. Take option **2=Update** by the tax table you want to update.

#### **2. Update the table.**

- a. Use your [TAB] key to move into the field you want to change.
- b. Key in the withholding allowance, threshold, tax amount, or rate (with decimals) and press [FIELD EXIT].
- c. Once all of the changes have been made, press [ENTER] to save.

### **State Unemployment, Disability Insurance Taxes, and Workers Comp**

1. Take option **50=Application Environment** from the Payroll & Personnel Management menu and take option **1=Select** by Payroll System Preferences.
2. Take option **2=Update** by the State or Local Definition you want to change.
3. Key in the State Unemployment rate in whole numbers (e.g., enter .5% (0.005) as .5) and press [FIELD EXIT].
4. Key in the State Unemployment wage limit in whole numbers and press [FIELD EXIT].
5. Key in the SDI Employee rate in whole numbers and press [FIELD EXIT].

6. Key in the SDI Employee wage limit in whole numbers and press [FIELD EXIT].
7. Key in the SDI Employer rate in whole numbers and press [FIELD EXIT].
8. Key in the SDI Employer wage limit in whole numbers and press [FIELD EXIT].
9. Key in the Workers Comp rates for the respective codes in whole numbers.
10. Once all of the changes have been made, press [ENTER] to save.

### **401K Limit**

To update the employee 401K contribution limit take the following steps:

1. Take option **50=Application Environment** from the Payroll & Personnel Management menu and take option **1=Select** by Payroll System Preferences.
2. Take option **2=Update** by Retirement Setup.
3. Key in the Maximum YTD 401K Employee Contribution in whole numbers and press [FIELD EXIT].
4. Key in the Additional YTD 401K contribution – 50 & over in whole numbers and press [FIELD EXIT].
5. Press [ENTER] to save the changes.