

2021 Tax Parameters

Important note: this document and the presentation of it are meant by Passport Software Inc. to be illustrations and practical examples of the topics being discussed. While we have taken reasonable measures to make sure this data is timely and accurate, the responsibility for using this data is entirely with the user. We accept no responsibility for its accuracy or applicability.

	2021	2020	
Suppl W/h	22.00%	25.00	
Min Wage	7.25/hr	N/C	
ER Soc Sec	6.20%	N/C	
EE Soc Sec	6.20%	N/C	
Soc Sec Max	142,800	137,700	
ER MdCr	1.45%	N/C	
EE MdCr	1.45%	N/C	
MdCr Max Single	200,000		0.9% addl on amounts over
MdCr Max Joint	250,000		0.9% addl on amounts over
MdCr Max Marr/Sngl	125,000		0.9% addl on amounts over
			(2.35% Medicare tax (regular 1.45% Medicare tax + 0.9% additional Medicare tax) on all wages in excess of \$200,000 (\$250,000 for joint returns; \$125,000 for married taxpayers filing a separate return).
Federal withholding			
Allowance amt	4,300	N/C	
Annual wage Adjustment			
Amount – Married	12,900		
Not married	8,600		
Federal Unempl (FUTA)	6.0%	N/C	5.4% Federal credit given for state UI (typical) means this entry is typically entered as 0.6%
Federal Unempl. Max	7,000	N/C	
401(k) max deferral	19,500	N/C	includes 401(k), 403(b), most 457 plans
401(k) catch-up	6,500	N/C	

New Edit Save Save / New Delete Cancel Exit

Select by ascending tax code

Tax authority
 Federal State City

Code ▲	Tax code description
Fed	FEDERAL TAX CODE

General | Federal SS/Medc | Federal accounts | Federal w/h | State/City information | State SUI/DST | State/City w/h

Tax code information

Tax code

Description FEDERAL TAX CODE

Tax report ID # 34-0742487

Tax liability acct 0211 FIT WITHHELD

Suppl earn w/ % 25.00

Minimum wage 7.25

Define exemptions

	Fed w/h	Employee		Employer		FUI
		Soc-sec	Medicare	Soc-sec	Medicare	
Regular pay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overtime pay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special pay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Holiday pay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sick pay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vacation pay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Select by ascending tax code

Tax authority
 Federal (standard) Federal (W-4 Step 2 (c))
 State City

Code ▲	Tax code description
Fed	Federal Tax Table

General | Federal SS/Medc | Federal accounts | Federal w/h | State/City information | State SUI/DST | State/City w/h

Federal social security

Employer social security percent 6.20

Employee social security percent 6.20

Maximum social security wages 142,800.00

Employer social security expense account 6100-000 FICA tax expense

Employer social security liability account 2120-000 FICA taxes payable

Employee social security liability account 2120-000 FICA taxes payable

Federal medicare

Employer medicare percent 1.45

Employee medicare percent 1.45

Maximum medicare wages .00 (No maximum)

Employer medicare expense account 6100-000 FICA tax expense

Employer medicare liability account 2120-000 FICA taxes payable

Employee medicare liability account 2120-000 FICA taxes payable

Select by ascending tax code

Tax authority
 Federal (standard) Federal [W-4 Step 2 (c)]
 State City

Code	Tax code description
Fed	Federal Tax Table

General | Federal SS/Medic | Federal accounts | Federal w/h | State/City information | State SUI/DST | State/City w/h

Federal unemployment %
 Federal unemployment max wages

FUI expense account * Sub accts vary w/employee *
 FUI liability account * Sub accts vary w/employee *

Max 401(k) deferral
 Max 401(k) catchup deferral

Vacation pay expense account * Sub accts vary w/employee *
 Holiday pay expense account * Sub accts vary w/employee *
 Sick pay expense account * Sub accts vary w/employee *

Loan repayment account Employee loans receivable
 Garnish liability account * Sub accts vary w/employee *

Note values for default single Exemption value for pre 2020 W4 based employees and the two default Annual wage adjustment values for 2020/2021 W4 employees

New Edit Save Save / New Delete Cancel Exit

Select by ascending tax code

Tax authority
 Federal (standard) Federal [W-4 Step 2 (c)]
 State City

Code	Tax code description
Fed	Federal Tax Table

General | Federal SS/Medic | Federal accounts | Federal w/h | State/City information | State SUI/DST | State/City w/h

Federal withholding allowance amount Annual wage adjustment amount

Single withholding table

\$ amount	% amt	On amt over
.00	10.00	3,950
995.00	12.00	13,900
4,664.00	22.00	44,475
14,751.00	24.00	90,325
33,603.00	32.00	168,875
47,843.00	35.00	213,375
157,804.25	37.00	527,550
.00	.00	0

Married withholding table

\$ amount	% amt	On amt over
.00	10.00	12,200
1,990.00	12.00	32,100
9,328.00	22.00	93,250
29,502.00	24.00	184,950
67,206.00	32.00	342,050
95,686.00	35.00	431,050
168,993.50	37.00	640,500
.00	.00	0

Head of household withholding table

\$ amount	% amt	On amt over
.00	10.00	10,200
1,420.00	12.00	24,400
6,220.00	22.00	64,400
13,293.00	24.00	96,550
32,145.00	32.00	175,100
46,385.00	35.00	219,600
156,355.00	37.00	533,800
.00	.00	0

This table is used by pre2020 W4 EE's and by 2020/2021 EE's who have only 1 job. Others (Single with more than one job and Married filing jointly with 2 or more jobs), use the Federal "M" (multi-job) table.

Employee withholding set up – “old” i.e. pre2020 W4, based on exemptions:

Select employee by descending employee name

Employee #	Employee last name	Employee first name	Employee middle name
300008	Amado	Ned	C
300023	Asbury	Nelle	
300072	Barry	Maricruz	
300057	Bartels	Hai	H
300076	Berg	Kelvin	James
300040	Bibee	Frank	

General | Wages/Rates | Taxes/Exemptions | Fixed deductions | Deductions/Earnings | YTD totals

State tax code CA M CA married, <2 allowances Multi-city/state

City tax code

Federal

FWT exemptions

\$ FWT exemption

Added FWT

Soc sec exempt

Medicare exempt

FUI exempt

City

CWT exemptions

\$ CWT exemption

Added CWT

State

SWT exemptions

\$ SWT exemption

Emp OST-1 exemptions

\$ Emp OST-1 exempt

Emp OST-2 exemptions

\$ Emp OST-2 exempt

\$ Empr OST exempt

State tax credit

Added SWT

SUI exempt

Employee setup with the 2020/2021 W4 setup showing the detail entry screen that automatically calculates from data entered directly off steps 3 and 4 of the “new” W4. An initial/default value for the annual wage adjustment is included automatically and noted in red. Steps 3 and 4 data modify this value and the FWT adjustment to compute the final values carried into the employee’s withholding screen. Note also, the check off box to indicate that the employee has multiple jobs (Box 2 (c) of the W4 – the upper red arrow).

General | Wages/Rates | Taxes/Exemptions | Fixed deductions | Deductions/Earnings | YTD totals

State tax code CA M CA married, <2 allowances Multi-city/state

City tax code

Federal

New W-4 form W-4 multiple employers

Annual wage adjustment

FWT adjustment

Soc sec exempt

Medicare exempt

FUI exempt

City

CWT exemptions

\$ CWT exemption

Added CWT

2020 W-4 Direct Entry

File Tools Help

Step 3 (Claim Dependents)

Step 4 (a) (Other income)

Step 4 (b) (Deductions)

Step 4 (c) (Extra withholding)

Annual wage adjustment

FWT adjustment

Transcribe amounts as reported, press <F5> to EXEMPT employee

OK Cancel

Employee's Withholding Certificate

▶ **Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.**
 ▶ **Give Form W-4 to your employer.**
 ▶ **Your withholding is subject to review by the IRS.**

2021

Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .
	City or town, state, and ZIP code		
	(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying widow(er) <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		

Complete Steps 2–4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the estimator at www.irs.gov/W4App, and privacy.

Step 2: Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Multiple Jobs or Spouse Works Do **only one** of the following.

(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3–4); **or**

(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; **or**

(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld.

TIP: To be accurate, submit a 2021 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

Complete Steps 3–4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)

Step 3: Claim Dependents	If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly): Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ <input style="width: 100px;" type="text"/> Multiply the number of other dependents by \$500 ▶ \$ <input style="width: 100px;" type="text"/> Add the amounts above and enter the total here \$ <input style="width: 100px;" type="text"/>	
Step 4 (optional): Other Adjustments	(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income	4(a) \$ <input style="width: 100px;" type="text"/>
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here	4(b) \$ <input style="width: 100px;" type="text"/>
	(c) Extra withholding. Enter any additional tax you want withheld each pay period	4(c) \$ <input style="width: 100px;" type="text"/>

AP – 1099 Info Screen – note new entries on RHS below the Lookup, that allow entry of data into the new 1099-NEC form

Year to process: Year-end Show entered 1099 reporting info only

Select by ascending vendor #

Vendor #	Vendor name	1099 type	Other income	Federal tax	Non-emp comp
1019		Non-employee comp	1,624.25	.00	.00
3207		Non-employee comp	.00	.00	.00
5984		Non-employee comp	.00	.00	.00
8453		Non-employee comp	.00	.00	.00
8506		Non-employee comp	.00	.00	.00
8510	2GL TECH LLC	Non-employee comp	.00	.00	.00

General

Year-end Vendor number Name

Box #	1099-MISC type	Calculated	Override	Box #	1099-NEC type	Calculated	Override
1	Rents	.00	.00	1	Non-employee compensation	.00	.00
2	Royalties	.00	.00	2	Federal income tax withheld		.00
3	Other income	.00	.00	3	(Not used)		(Not applicable)
4	Federal income tax withheld		.00	4	(Not used)		(Not applicable)
5	Fishing boat proceeds	.00	.00	5	State tax withheld		.00
6	Medical and health care payments	.00	.00	6	State/Payer's State no.		/
7	<input type="checkbox"/> Payer made direct sales of \$5000 or more to a buyer			7	State income		.00
8	Sub payments in lieu of Div/Int	.00	.00				
9	Crop insurance proceeds		.00				
10	Gross proceeds paid to an attorney		.00				
11	(Not used)		(Not applicable)				
12	Section 409A deferrals		.00				
	Section 409A deferrals (taxable portion)		.00				
13	Excess golden parachute payments		.00				
14	Nonqualified deferred compensation		.00				
15	State tax withheld		.00				
16	State/Payer's State no.		/				
17	State income		.00				