



**Version 2.069
Release Notes for
Hosted and
On-Premise
Customers**

12/01/2020



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Getting the Latest iCON Information

The Unicorn HRO website (<http://www.UnicornHRO.com>) contains the most up-to-date information about iCON.

On our web site, there are three documents that are of particular interest at year-end: *Taxes*, *SUI Reporting Set Up by State* and *W2 Reporting By State*. The *Taxes* document explains how each state tax is calculated for 2021. The *SUI Reporting Set Up by State* document explains how to set up your system to create SUI wage files. The *W2 Reporting By State* document gives information about the state W-2 file formats, state websites and any special set-up instructions that may be required.

These documents are available from the Documents section of the Help window in Manager Services, on our website through the iCON Documentation section of the Downloads area, or you can access them from the main page of iCON Tools:

1. From the main window, click on the question mark icon  for **Help**.
2. Click on **Documents** 
3. Select the document you wish to view.

Federal Tax Changes

FICA Wage Limit Is Announced

The annual taxable wage limit for the Social Security portion (OASDI) of the FICA tax increased to **\$142,800** for 2021.

Railroad Retirement Board Announces Changes

The U.S. Railroad Retirement Board has announced that the taxable earnings base for Tier I will increase to **\$142,800** in 2021. The taxable earnings base for Tier II increases to **\$106,200** in 2021. The maximum monthly taxable earnings for Railroad Unemployment Insurance purposes changes to **\$1,710**.

Health Savings Accounts Changes

For 2021 – the contribution limit to Family HSA plans has increased to **\$7,200**, and the contribution limit to Self HSA plans has increased to **\$3,600**.

On-Line Changes: Retirement Plan Amounts

The following 2021 dollar limitations for qualified retirement plans have been published by the IRS. Changes are shown in bold.

Plan Type	2020	2021
Elective deferrals, section 402(g)(1); affects 401(k) and 403(b) plans, among others.	19,500	19,500
Catch-up contributions for individuals age 50 or over (i.e., 401(k), 403(b) and 457 plans)	6,500	6,500
Defined contribution plan, section 415(c)(1)(A)	57,000	58,000
Annual compensation limit, sections 401(a)(17), 404(l), 408(k)(3)(C) and 408(k)(6)(D)(ii)	285,000	290,000
Defined benefit plan, section 415(b)(1)(A)	230,000	230,000
Simple retirement accounts, section 408(p)(2)(E)	13,000	13,500
Catch-up contributions for individuals age 50 or over for SIMPLE retirement accounts	3,000	3,000

Plan Type	2020	2021
Highly compensated employee, section 414(q)(1)(B)	130,000	130,000

Annual Compensation Limit

If you have set up the system to automatically stop deferred compensation deductions when employees reach the annual compensation limit (\$285,000 for 2020 and **\$290,000 for 2021**), you have two options to update this amount.

1. From the Customer Management Module, access the function called **Global Defined Compensation Limit Update**. This will allow you to enter the new compensation limit and update all databases that currently have this limit set to something other than zero.
2. To update the corresponding information in either Manager Services or iCON Tools, use the **HR System Defaults** function and change the Annual Compensation Limit For Deferred Compensation Plans.

Timing: *This amount is not effective dated. Therefore, this step must be done after the last payroll of 2020 and prior to processing the first Check Date of 2021.*

State Tax Changes

Connecticut Paid Leave 2021

Connecticut has enacted State Paid Family and Medical Leave, and employers must begin to collect premiums starting January 1, 2021. The costs of the premiums are paid by employees only, and the total premium is 0.5% of each employee’s total wages up to the defined Social Security wage base for 2021 of \$142,800. Total wages for an employee includes: the gross earnings from their employer(s): salary or hourly wages, vacation pay, holiday pay, tips, commissions, severance pay, etc.

Employers also have the option to offer a private Paid Family and Medical plan. They may apply to the Paid Leave Authority for an exemption from the program if the private program:

- Is found to be comparable to Connecticut’s and
- A majority of the employer’s employees have agreed to the plan

The system will have already included the rates for the employee Family and Medical leave premiums. These taxes will need to be assigned to the applicable employees either in the **Manager Services Tax Elections** function, the **iCON Tools Employee Tax Option** function, or the **Manager Services Global Tax Assignment** function.

Please note that going forward from this release, Connecticut FLI tax will **automatically be assigned to new employees if their Work State is Connecticut** and the Auto Assign checkbox for FLI is selected in the State Tax Types common object, unless you have it as an exception in the **State Tax Assignment Override** function.

****NOTE:**

- **If you have employees that will be subject to this Insurance Tax in 2021, and don't wish to auto assign this Insurance Tax to New Hires in 2020 after the release is deployed, you should enter Connecticut FLI in the State Tax Assignment Override function until you are ready to process your first payroll with a Check Date in 2021.**
- **If you are offering a private Paid Family and Medical Leave plan comparable to the state plan, you should enter Connecticut FLI in the State Tax Assignment Override function permanently, and indicate this in SUI and W-2 Manager/SUI and W-2 Legal Entity Setup. (See the description of the update to this function in the sections following).**

Also, please review Pay Taxation Exemptions or Deduction Taxation exemptions regarding these taxes. We recommend that you check these settings and make any needed changes.

New York Paid Family Leave Insurance Changes for 2021

The following changes were made for withholding for New York state Paid Family Leave Insurance:

- Effective Jan. 1, 2021, the rate of New York's Paid Family Leave tax is to be 0.511 percent.
- The New York State Average Weekly Wage has increased to \$1,450.17 which increases the annual maximum contribution to \$385.34 for 2021.

Puerto Rico 2020 W-2 (Form 499R-2/W-2PR) Changes

- A new type of Service - Health Professionals Service - was added to the section of the Puerto Rico 2020 W-2 Form (Form 499R-2/W-2PR) that identifies that wages on the W-2 include wages for certain types of Services. The types of services were re-ordered in this section of the form so that checkbox E is for Health Professionals Service and checkbox F is for Other Services. The Puerto Rico Treasury Department has also allowed Other Services to be coded as one of 5 types of services:
 - "1" - Services rendered outside the course of the employer's trade or business.
 - "2" - Services provided by a citizen or resident of Puerto Rico for a foreign government.
 - "3" - Services provided by a nonresident individual.
 - "4" - Compensation or indemnification received by an employee due to dismissal.
 - "5" - Services rendered outside of Puerto Rico by a resident of Puerto Rico.
 If the Puerto Rico 2020 W-2 Form (Form 499R-2/W-2PR) contains wages for an employee that is a Service but cannot be identified as one of the Types of

Service A-E or one of these 5 Other Services – the code to be used is “6” - and the payment concept must also be indicated.
Along with these changes to the form, similar changes are to be made to the Electronic W-2 File for Puerto Rico.
Descriptions of the changes in the year end release for these Puerto Rico W-2 changes can be found in the sections that follow.

Unemployment and Disability Wage Bases Updates

Several states have adjusted their unemployment wages bases and other tax ceilings for 2021. A table is provided in the next section showing the states whose ceilings need to be changed on your system.

On-Line Changes: Employer Portion of State Taxes

The rates for employee-paid taxes are included as part of the product update. No action is required on your part to update employee-paid taxes. However, **the rates for employer-paid taxes are stored by legal entity. Therefore, we cannot provide them for you as part of the December update.** You must make these on-line changes to your system. This can be done at any time, since they are effective-dated. The changes must be done before processing the first payroll with a Check Date in 2021. These changes can be made at any time prior to that.

To change the state tax ceilings for the employer-paid portion, you can use either the Customer Management Module or iCON Tools. To use the Customer Management Module, enter the new ceilings from the following table in **Global State Employer Tax Ceilings**, and then use the **Global State Tax Ceiling Update** to copy the new ceilings to all iCON Tools databases. Or, update each iCON Tools database individually by following these steps (similar steps can be followed in the **Manager Services Tax Manager** function):

1. Access **Tax Manager**. Select **State** and **Employer** on the top portion of the window. The **Effective Date** should be 01/01/2021.
2. In the **State/Province** field, select a state from the table on the next page. In the **State Tax** field, select the Tax Type to be changed. Click on the **Select** button.
3. Select a legal entity to be changed. Click on the **Add** button. Enter the 2021 **Employer Tax Percent** if it is available, or enter the current rate from the existing tax record. Enter the **Employer Wage Ceiling** shown in the following table (note that not all states have announced their 2021 taxable wage base as of this writing). Click on **Save** to store this data. Repeat this step for each legal entity. Click on **Exit** after you finish entering 2021 data for the selected state, then update each additional state tax shown below by repeating Steps 2 and 3.

State	Tax Type	Employer Wage Ceiling
Arkansas (AR)	Unemployment	10,000
California (CA)	Unemployment	7,000
Colorado (CO)	Unemployment	13,600
Connecticut (CT)	Unemployment	15,000
Connecticut (CT)	Paid Leave	142,800
Delaware (DE)	Unemployment	16,500
Iowa (IA)	Unemployment	32,400
Kansas (KS)	Unemployment	14,000
Louisiana (LA)	Unemployment	7,700
Massachusetts (MA)	-Paid Family Leave -Paid Medical Leave	142,800
Missouri (MO)	Unemployment	11,000
Montana (MT)	Unemployment	35,300
Nevada (NV)	Unemployment	33,400
New Jersey (NJ)	-Unemployment -Disability -Workforce Development	36,200*
New York (NY)	Unemployment	11,800
Ohio (OH)	Unemployment	9,000
Oklahoma (OK)	Unemployment	24,000
Oregon (OR)	Unemployment	43,800
Pennsylvania (PA)	Unemployment	10,000
South Carolina (SC)	Unemployment	14,000
South Dakota (SD)	Unemployment	15,000
Utah (UT)	Unemployment	38,900
Vermont (VT)	Unemployment	14,100
Washington (WA)	Unemployment	56,500
Washington (WA)	-Paid Family Leave -Paid Medical Leave	142,800
Wisconsin (WI)	Unemployment	14,000
Wyoming (WY)	Unemployment	27,300

*For New Jersey, the EMPLOYER wage base for Unemployment, Disability, and Workforce Development will be **\$36,200**. For EMPLOYEES, the wage base for Unemployment and Workforce Development will be **\$36,200**. For EMPLOYEES, the wage base for Disability and Family Leave will be **\$138,200**.

New Manager Services Functions

This section describes new functions in Manager Services.

Pending Payroll Process Validation Report

This is a new report that has been added to the Reports menu. After the **Payroll Feeder** process, this report should be run to compare certain employee payment information on the current pending payments to employee payment information from a prior payroll, based on an entered percentage threshold. This is another step to validate that the current payroll is correct before being submitted.

The population of the report can be selected by Organization Structure or by Legal Entity. If Organization Structure is selected, the Legal Entity list box will be disabled. Select the Payroll Processing Group, then enter the Pay Period End Date of the current payroll in Pending in the This PPE Date field. Enter the Pay Period End Date of the payroll you wish to compare to in the Prior PPE Date field. You can set a Percentage Difference threshold in the Percent to Error on Report field. Any positive or negative differences greater than this percent will display the relevant message on the report.

The screenshot shows a web-based configuration form titled "Pending Payroll Process Validation Report". At the top left, it indicates "* = Required". The form is divided into two main sections: "Select Employee Population:" and "Select Report Parameters:".

Select Employee Population:

- A tree view on the left lists organization levels: Bostwick, Charles Inc., CONS. Group, Eveready, Jaeden Corp., James River, Jim's Corp, Karlsbad, Ottoman, Qwest, and YMCA.
- On the right, there are radio buttons for "By Organization Structure" (selected) and "By Legal Entity".
- Below these are four input fields:
 - *Legal Entity: dropdown menu with "no value" selected.
 - *Payroll Processing Group: dropdown menu with "no value" selected.
 - *This PPE Date: empty text input field.
 - *Prior PPE Date: empty text input field.
 - *Percent To Error on Report: text input field containing "0".

Select Report Parameters:

- *Report Name: text input field containing "PendingPayrollValidationReport".
- *Report Formats: checkboxes for PDF (checked), XLSX, and Criteria File.
- Include Rehires and New Hires: checkbox (checked).
- Break By Organization Structure at Level: text input field containing "2".
- Sort by Employee Number: radio button (selected).
- Sort by Employee Name: radio button (unselected).

At the bottom of the form are two buttons: a green "submit" button with a right-pointing arrow and a red "cancel" button with a left-pointing arrow.

The report can be run in PDF format or XLSX format, and gives the option to include New Hires and Re-Hires.

Here is an example of the report that compares a Pay Period End 11/30/2020 semi-monthly payroll in pending with the prior semi-monthly payroll for Pay Period End 11/15/2020. The Percent To Error on Report was set to 2 in the prompt screen.

Date: 11/23/2020		Pending Payroll Process Validation Report		Page: 1
Time: 18:02:57		Legal Entity: Starlight		User: MRUBERTO
This PPE Date: 11/30/2020		Organization Structure: YANKS A10		Pay Group: Semi-Monthly
Prior PPE Date: 11/15/2020		Percent To Error: 2		
Employee#	Name	Description	Difference in %	Error Message
123456789	Fuamatu-Ma afala, Chris	Net Pay	25.23	Net Pay is more than the percent set in the report prompt.
		Federal Tax	15.58	Federal Tax is more than the percent set in the report prompt.
		State Tax	20.72	State Tax is more than the percent set in the report prompt.
		Deduction 401(k) Plan	-81.58	Deduction 401(k) Plan is less than the percent set in the report prompt.
406	McCray, JR A	Net Pay	8.43	Net Pay is more than the percent set in the report prompt.
		Federal Tax	-11.5	Federal Tax is less than the percent set in the report prompt.

Updated Manager Services Functions

This section describes updated functions in Manager Services.

ACA Setup

There is a new field that has been added to the ACA Setup screen. Due to changes for the 2020 1095-C Form – if a company provides benefit plans that are considered Individual Coverage Health Reimbursement Arrangements (HRA), the company must select whether to use Primary Residence Location ZIP Code or Primary Work Location ZIP Code. Details on how to use this new field will be discussed in the Unicorn HRO ACA Year End Review.

Update ACA Setup

* = Required

ACA Information:

EIN:	43-0212002	Corporation:	Consolidate Group Inc.
Tax Year:	2020	Company:	Olympics
* Effective Date:	<input type="text" value="01/01/2020"/>	* Benefit Plan Year? Start:	<input type="text" value="01/01/2020"/>
		* End:	<input type="text" value="12/31/2020"/>

* Is this EIN the Authoritative Transmittal for this ALE group? Yes No

* Is this the parent company of the corporation? Yes No

* Is this EIN a member of an Aggregated ALE group? Yes No

* Designated Government Entity? (if yes, please complete DGE information below) Yes No

* Safe Harbor Codes:

W-2 Income Rate of Pay Federal Poverty Line

Individual Coverage Health Reimbursement Arrangement (HRA):

Primary Residence Location ZIP Code Primary Work Location ZIP Code

Certifications of Eligibility (Select all that apply, click [help](#) for definitions):

Qualifying Offer Method Reserved

Reserved 98% Offer Method

* Contact (Contact will be listed on Form 1094-C and 1095-C):

* Contact Phone:

Common Object Dictionary – Benefit Plans

There is a new field that has been added to the Common Object Dictionary for Benefit Plans, to provide an indicator that the Benefit Plan represents an Individual Covered Health Reimbursement Account. This new field has been added due to changes for the 2020 1095-C forms and will be discussed in more detail in the Unicorn HRO ACA Year End Review.

Update Common Object Dictionary for Benefit Plans

* Benefit Plan:	MED
* Short Description:	Medical
Long Description:	Medical Coverage
Individual Covered Health Reimbursement Account:	<input type="radio"/> Yes <input checked="" type="radio"/> No

Common Object Dictionary – Pay Codes

There is a new field that has been added to the Common Object Dictionary for Pay Codes, to provide an indicator that payments of this code to employees represent a specific type of Health Professionals Service that needs to be reported on the Puerto Rico W-2 (Form 499R-2/W-2PR). Select YES for this field for any Pay Codes that can be classified as remuneration for Health Professionals Service.

Update Common Object Dictionary for Pay Codes

* Type Of Pay:	PRP
* Short Description:	PR Hlth Prof Sv
Long Description:	Puerto Rico Hlth Prof Svc
Disposable Earning:	<input checked="" type="radio"/> Yes <input type="radio"/> No
W-2 Box 9: Adv Earned Income:	<input type="radio"/> Yes <input checked="" type="radio"/> No
W-2 Box 10: Dependent Care:	<input type="radio"/> Yes <input checked="" type="radio"/> No
W-2 Box 11: Nonqualified Plans:	<input type="text"/>
(up to 2000: W-2 Box12 Fringe Benefits):	<input type="radio"/> Yes <input checked="" type="radio"/> No
W-2 Box 12: Code:	<input type="text"/>
W-2 Box14: Other:	<input type="radio"/> Yes <input checked="" type="radio"/> No
Puerto Rico W-2 Box:	<input type="text"/>
Include in FMLA:	<input type="radio"/> Yes <input checked="" type="radio"/> No
Puerto Rico W-2 Exempt Code:	<input type="text"/>
Puerto Rico W-2 Physician Service:	<input type="radio"/> Yes <input checked="" type="radio"/> No
Puerto Rico W-2 Domestic Service:	<input type="radio"/> Yes <input checked="" type="radio"/> No
Puerto Rico W-2 Other Services:	<input type="text"/>
Puerto Rico W-2 Agricultural Service:	<input type="radio"/> Yes <input checked="" type="radio"/> No
Puerto Rico W-2 Religious Service:	<input type="radio"/> Yes <input checked="" type="radio"/> No
Puerto Rico W-2 Health Professional Service:	<input checked="" type="radio"/> Yes <input type="radio"/> No

Selecting YES for this field will identify this pay code as representing services rendered by health professionals under Circular Letter 20-1 who work in the private sector and who maintain a valid license as licensed practical nurses, licensed registered nurses, medical technologists, or resident physicians. It will also print a check in Box E, in the section on the Puerto Rico W-2 (Form 499R-2/W-2PR) form labeled “Indicate if the remuneration includes payments to the employee for:”

As a result of this new field that is being added, any pay codes that can be identified as Puerto Rico W-2 Other Services and are included in wages paid to employees in 2020 will print a checkbox in Box F on the Puerto Rico W-2 (Form 499R-2/W-2PR) form in the section labeled “Employer: Indicate if the remuneration includes payments to the employee for:”

The free form text field labeled Puerto Rico W-2 Other Services in Pay Codes Common Object should now include one of the following numeric codes 1 through 6, and if a 6 is entered, you must indicate the payment concept.

- (1) services rendered outside the course of the employer's trade or business, in any calendar quarter and whose remuneration is \$875 or less;
- (2) services provided by a citizen or resident of Puerto Rico for a foreign government or for an international organization;
- (3) services provided by a nonresident individual other than remuneration as pension for services rendered;
- (4) compensation or indemnification received by an employee due to dismissal, without the need to determine their just cause, up to a maximum amount equivalent to the compensation that the employee could receive under Act No. 80 of May 30, 1976, or under a dismissal compensation agreement between the employer and employee;
- (5) services rendered outside of Puerto Rico by a resident of Puerto Rico if, on the date of payment of the remuneration, the employer is required by law of the United States, its possessions or any foreign country, to withhold at source the income tax on all or any part of said remuneration;
- (6) any other service required by the Department through regulations, administrative determination or circular letter, in which case you must indicate the salary payment concept.

The Treasury Department of Puerto Rico has also provided another Exempt Salary Code that has been added to the list box for the field Puerto Rico W-2 Exempt Code in Pay Codes Common Object as Code J.

include in FMLA: Yes No

Puerto Rico W-2 Exempt Code:

Puerto Rico W-2 Physician Service: Yes No

Puerto Rico W-2 Domestic Service: Yes No

Puerto Rico W-2 Other Services:

Puerto Rico W-2 Agricultural Service: Yes No

Puerto Rico W-2 Religious Service: Yes No

Puerto Rico W-2 Health Professional Service: Yes No

submit cancel

“J” represents Payments to professionals regarding hard-to-fill positions under Section 2022.03(a) of the Incentives Code. Select J if this applies to one of your Pay Codes.

***Note: this new Services field and new Exempt Salary type have been added but have not yet been programmed for W-2 Processing. That programming will take place in a patch to the iCON System before the end of the Tax Year 2020.**

G/L Account Translation Process

This function has been enhanced to issue a pop-up warning message on Submit if there are records in the **G/L Translated Data Purge** function. Click OK to continue to submit your data or click Cancel to return to the **G/L Account Translation Process** function without submitting.

Manager Services Citrix Receiver

stgweb.unicornhro.com/scrip.../cgiiip.exe/WService=gwmanager/GWMain.r?Session=JFO10M8GPQF

stgweb.unicornhro.com says
G/L Translation records exist for selected Entity/Pay Group. Continue?

OK Cancel

EMPLOYEES BENEFITS HR PAYROLL

G/L Account Translation Process

* = Required

*Legal Entity: Starlight

Payroll Processing Group: Semi-Monthly

*Pay Period End Date: 11/15/2020

submit cancel

State Employee Tax Rate Override

To be consistent with other State Paid Leave Insurance taxes, and due to the new Connecticut Paid Leave which starts employee withholding January 1, 2021, Connecticut FLI has been added to this function.

SUI and W-2 Manager/SUI and W-2 Legal Entity Setup

Due to the new Connecticut Paid Leave which starts employee withholding January 1, 2021, a new field has been added to this function. For Legal Entities in Connecticut that are offering a private plan comparable with the state plan, check the CT Paid Leave Private Plan field. This field will, when future code is deployed, be used to ensure that the Connecticut FLI Tax and Taxable Wage Amounts do not appear in files used for Tax Filing for customers who Outsource their tax filing with Unicorn HRO.

***Note: If you are offering a private Paid Family and Medical Leave plan comparable to the state plan, you should enter Connecticut FLI in the State Tax Assignment Override function permanently, and indicate this in SUI and W-2 Manager/SUI and W-2 Legal Entity Setup.**

Update SUI and W-2 Legal Entity Setup

Legal Entity:	Olympics, Inc.	State/Province:	Connecticut
State Unemployment Account#:	<input type="text" value="32423432"/>	<input checked="" type="checkbox"/> SUI Account Active	
Return Origin:	<input type="text" value="Olympics, Inc."/>		
Origin Address:	<input type="text" value="200 Main St."/>		
Origin City:	<input type="text" value="Kansas City"/>	Transmitter Contact:	<input type="text"/>
State/Province:	<input type="text" value="Kansas"/>	Transmitter Phone#:	<input type="text"/>
Origin Zip:	<input type="text" value="55402"/>	Transmitter Extension:	<input type="text"/>
Document Control#:	<input type="text"/>	State Income Tax Account#:	<input type="text" value="45645665"/>
		<input checked="" type="checkbox"/> SIT Account Active	
Previous Quarter Underpayment:	<input type="text" value=".00"/>	Credit/Overpayment:	<input type="text" value=".00"/>
Penalty/Assessment Due:	<input type="text" value=".00"/>	Employer Rate:	<input type="text" value=".00"/>
Interest Due:	<input type="text" value=".00"/>	Taxes Due:	<input type="text" value=".00"/>
Amount Remitted:	<input type="text" value=".00"/>	Magnetic Media Option:	<input diskette"="" type="text" value="3 1/2"/>
T=Taxable/R=Reimbursable:	<input type="text"/>	E-File (Y/N):	<input type="text"/>
<input checked="" type="checkbox"/> CT Paid Leave Private Plan			
<input checked="" type="checkbox"/> Create SUI Magnetic Media		<input checked="" type="checkbox"/> Create W-2 Magnetic Media	

W-2 Data Generation and W-2 Data Generation For Administrators

- In Tax Years prior to 2019, Puerto Rico W-2s required an Access Code because it also assigned Control Numbers to employers. Now that the Puerto Rico Treasury Department is no longer assigning Control Numbers, Access Code is no longer required. In previous versions of iCON, the W-2 Data Generation screens would produce a hard error if the Control Numbers were entered in the Sequence Number From and To fields, but the Code was not entered. This has been changed so that the system allows a user to enter Control Numbers in the Sequence Number From and To fields without having to enter anything in the Code field.
- For Tax Year 2020, the IRS is requiring that on printed W-2 forms that are supplied to employees, any qualified wages that have been paid to employees in 2020 that represent COVID Leave payment amounts, should appear in Box 14 and be labeled with the following text:
 - **SK LV 511:** For the type of Federal Paid Sick Leave Paid at 100% of employee wages up to \$511.00 per day for 10 days. This is for Pay Codes defined with COVID Leave Type of **Paid Sick Leave in Pay Code Definition/Pay Process Control**, for employees who were under an isolation order or were awaiting a medical diagnosis because of symptoms and testing was in progress or had been advised by their healthcare provider to self-quarantine.
 - **SK LV 200:** For the type of Federal Paid Sick Leave Paid at 2/3 of employee wages up to \$200.00 per day for 10 days. This is for Pay Codes defined with COVID Leave Type of **Child Care Sick Leave in Pay Code Definition/Pay Process Control**, for employees caring for someone who was under isolation order or health care provider quarantine order, caring for a child whose school or daycare was closed, or daycare unavailable, or who had similar reasons for not being able to work.
 - **EMG FAM:** For the type of Emergency Family Leave Paid at 2/3 of employee wages up to \$200.00 per day for 10 Weeks. This is for Pay Codes defined with COVID Leave Type of **Public Health Emergency Leave in Pay Code Definition/Pay Process Control**, for employees who were unable to work due to the need to care for a minor child (under age 18) because the child's school or childcare was closed, or the paid childcare provider was unavailable due the pandemic.

W-2 Register

In prior versions of iCON, this report was not displaying differences for wages for Puerto Rico State Income Tax (SIT) if a Pay Code changed from not exempt from Puerto Rico SIT to exempt from Puerto Rico SIT. This is because the report was designed to only perform the manual calculation for SIT wages if the Gross Pay for SIT was the same as the Gross Pay for Federal Income Tax (FIT). Being employees subject to Puerto Rico SIT were not subject to Puerto Rico FIT, the manual calculation was not being done. In this release, an exception was made for Puerto

Rico SIT so that the differences between accumulated amounts and calculated amounts will be displayed on the report. This release also adds Puerto Rico FICA Wages and Puerto Rico FICM Wages to the report.

Updated iCON Tools Functions

This section describes updated functions in iCON Tools.

HR Common Object Dictionary – Benefit Plans

Similar to the change in the Manager Services function Common Object Dictionary-Benefit Plans, a new field has been added to iCON Tools HR Common Object Dictionary-Benefit Plans, to provide an indicator that the Benefit Plan represents an Individual Covered Health Reimbursement Account, due to changes for the 2020 1095-C forms. This will be discussed in more detail in the Unicorn HRO ACA Year End Review.

Legal Entity Pay and Deduction Rules Copy

This function has been updated so that it copies the COVID-19 Leave Types from one Legal Entity's Pay Code Definition/Pay Process Control to another.

Payroll Common Object Dictionary – Pay Codes

Similar to the change in the Manager Services function Common Object Dictionary-Pay Codes, there is a new field that has been added to the iCON Tools Payroll Common Object Dictionary for Pay Codes, to provide an indicator that payments of this code to employees represent a specific type of Health Professionals Service that needs to be reported on the Puerto Rico W-2 (Form 499R-2/W-2PR). Check this field for any Pay Codes that can be classified as remuneration for Health Professionals Service.

The free form text field labeled Puerto Rico W-2 Other Services in Payroll Common Object Dictionary – Pay Codes should now include one of the following numeric codes 1 through 6, and if a 6 is entered, you must indicate the payment concept.

- (1) services rendered outside the course of the employer's trade or business, in any calendar quarter and whose remuneration is \$875 or less;
- (2) services provided by a citizen or resident of Puerto Rico for a foreign government or for an international organization;
- (3) services provided by a nonresident individual other than remuneration as pension for services rendered;
- (4) compensation or indemnification received by an employee due to dismissal, without the need to determine their just cause, up to a maximum amount equivalent to the compensation that the employee could receive under Act No. 80 of May 30, 1976, or under a dismissal compensation agreement between the employer and employee;
- (5) services rendered outside of Puerto Rico by a resident of Puerto Rico if, on the date of payment of the remuneration, the employer is required by law of the United States, its possessions or any foreign country, to withhold at source the income tax on all or any part of said remuneration;

(6) any other service required by the Department through regulations, administrative determination or circular letter, in which case you must indicate the salary payment concept.

Similar to Manager Services Common Object Dictionary-Pay Codes, another Exempt Salary Code that has been added to the list box for the field Puerto Rico W-2 Exempt Code in Payroll Common Object Dictionary – Pay Codes as Code J.

State Employee Tax Rate Override

To be consistent with other State Paid Leave Insurance taxes, and due to the new Connecticut Paid Leave which starts employee withholding January 1, 2021, Connecticut FLI has been added to this function.

SUI and W-2 Manager/SUI and W-2 Legal Entity Setup

Similar to the change in the same function in Manager Services, due to the new Connecticut Paid Leave which starts employee withholding January 1, 2021, a new field has been added to this function. For Legal Entities in Connecticut that are offering a private plan comparable with the state plan, check the CT Paid Leave Private Plan field. This field will, when future code is deployed, be used to ensure that the Connecticut FLI Tax and Taxable Wage Amounts do not appear in files used for Tax Filing for customers who Outsource their tax filing with Unicorn HRO.

***Note: If you are offering a private Paid Family and Medical Leave plan comparable to the state plan, you should enter Connecticut FLI in the State Tax Assignment Override function permanently, and indicate this in SUI and W-2 Manager/SUI and W-2 Legal Entity Setup.**

W-2 Data Generation and W-2 Data Generation For Administrators

- Similar to the change in the same functions in Manager Services, these functions have been updated so that the system allows a user to enter Control Numbers in the Sequence Number From and To fields without having to enter anything in the Code field (for Puerto Rico W-2s).
- Similar to the change in the same functions in Manager Services, these functions have been updated in iCON Tools. For Tax Year 2020, the IRS is requiring that on printed W-2 forms that are supplied to employees, any qualified wages that have been paid to employees in 2020 that represent COVID Leave payment amounts, should appear in Box 14 and be labeled with the following text:
 - **SK LV 511:** For the type of Federal Paid Sick Leave Paid at 100% of employee wages up to \$511.00 per day for 10 days. This is for Pay Codes defined with COVID Leave Type of **Paid Sick Leave in Pay Code Definition/Pay Process Control**, for employees who were under an isolation order or were awaiting a medical diagnosis because of symptoms and testing

- was in progress or had been advised by their healthcare provider to self-quarantine.
- **SK LV 200:** For the type of Federal Paid Sick Leave Paid at 2/3 of employee wages up to \$200.00 per day for 10 days. This is for Pay Codes defined with COVID Leave Type of **Child Care Sick Leave in Pay Code Definition/Pay Process Control**, for employees caring for someone who was under isolation order or health care provider quarantine order, caring for a child whose school or daycare was closed, or daycare unavailable, or who had similar reasons for not being able to work.
 - **EMG FAM:** For the type of Emergency Family Leave Paid at 2/3 of employee wages up to \$200.00 per day for 10 Weeks. This is for Pay Codes defined with COVID Leave Type of **Public Health Emergency Leave in Pay Code Definition/Pay Process Control**, for employees who were unable to work due to the need to care for a minor child (under age 18) because the child's school or childcare was closed, or the paid childcare provider was unavailable due the pandemic.

W-2 Register

Similar to the same function in Manager Services, this function has been updated in iCON Tools to display differences between accumulated amounts and calculated amounts for Puerto Rico SIT. This release also adds Puerto Rico FICA Wages and Puerto Rico FICM Wages to the report.