Sage 100 Payroll 2.26

Installation and Upgrade Guide

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Contents

What's New in Sage 100 Payroll

This article describes the changes made in Sage 100 Payroll version 2.26 and subsequent updates. For a list of program fixes, see the release notes.

Sage 100 Payroll 2.26

The following changes were made in version 2.26.

Create Combined Deduction Limit Code

A new task has been added on the Payroll Setup menu: Combined Deduction Limit Maintenance. Use this task to create a combined deduction limit code that includes more than one deduction code. For example, you can create a combined 401K deduction limit code that includes both regular 401K and 401K Roth deductions, and then apply the combined limit code to employees.

Other changes made include the following:

- The Combined Limit Code field and Combined Limit button have been added in Deduction Code Maintenance.
- The Other field and Other Deduction Detail button have been added in Deduction Detail (accessed on the Employee Maintenance Deductions tab). These features display the combined year-to-date deduction total for the deduction codes in a combined limit code.

We’re listening! This idea was a suggestion on the Sage 100 ideas site. Visit the ideas site to share your ideas and vote for your favorites.

New TTOC Field for One Big Beautiful Bill Act

On the Employee Maintenance Additional tab, the TTOC (Treasury Tipped Occupation Code) field has been added for the One Big Beautiful Bill Act (OBBBA). This code is used to determine if a job is eligible for the "no tax on tips" policy under OBBBA. The code will be used for W-2 printing in tax year 2026.

Additional Time Off Limit

You can now create a second time off limit in the new Addl Hours/Year and Addl Hours to Use fields in Time Off Maintenance. For example, use this enhancement to create an additional time off limit for the Minnesota Earned Sick and Safe Time (ESST).

Changes for No Tax on Overtime for One Big Beautiful Bill Act

In Earnings Code Maintenance, the FLSA Wages Eligible for No Tax on Overtime check box has been added to capture wages that qualify for the "no tax on overtime" policy under the One Big Beautiful Bill Act (OBBBA) for tax years 2026-2028.

Other changes made include the following:

- The Qualified Nontaxable OT field has been added in the Benefits window (accessed from Employee Tax Summary).
- The nontaxable overtime portion line displays in Employee Check Details (accessed from Employee Maintenance Pay History tab).
- The Comment Text and NT OT Wages fields have been added in the secondary grid on the Payroll Data Entry Lines tab.
- The Print Nontaxable Overtime check box has been added in Direct Deposit Stub Printing.
- The qualified nontaxable overtime wages for the pay period and the year-to-date qualified nontaxable overtime wages are available to print in the Check Printing work table on the employee's paycheck stub.

For instructions and overtime examples, see Set Up FLSA Wages for No Tax on Overtime in Sage 100 help.

Installation Requirement

Payroll version 2.26 can be installed on Sage 100 version 2022 or later.

Installing Payroll

To ensure that you’re getting the latest version of Sage 100 Payroll, the module is installed separately from Sage 100. Because the module is updated with the latest tax information throughout the year, always make sure to install the latest version.

Pre-Installation Tasks

Complete these tasks before installing Sage 100 Payroll 2.26:

> **Note:** Payroll version 2.26 can be installed on Sage 100 version 2022 or later.

- Make a copy of the MAS90 folder in which Sage 100 is installed. The copy can be used as a backup in case you need it.
- If you're upgrading from an earlier version of the Payroll module, update the Payroll Check Register.
- If you're upgrading from an earlier version of the Payroll module and upgrading TimeCard data: Before migrating data from Sage 100 version 2017 or earlier, make sure that all TimeCard entries have been processed for Payroll and Job Cost. Then verify that all entries have been transferred to history by running Purge/Transfer to History from the TimeCard Period End menu.

Installation Process

Follow these steps to install the Payroll module.

1. Log on to the server where Sage 100 is installed using an account with administrator rights. You must run the installation program on the server, not from a workstation connected to the server.
2. Close down other programs. Do not close antivirus, antispyware, and script-blocking software unless it is interfering with the installation.
3. Download the Payroll installation program:
    a. Log into the Sage 100: Download Portal.
    b. In the portal, navigate to the Sage 100 Payroll section.

c. Click the name of the Payroll program that you need to install.

> **Note:** To avoid errors when extracting the installation program from the download file, save the file in a folder located directly beneath the root directory. For example: C:\temp

4. If you aren't automatically asked to extract the installation files, click the download file to extract them. A folder, which contains the installation files, will be extracted.
5. In the folder, click the EXE file to start the installation wizard.
6. Proceed through the wizard to install the module.

> **Important!** Your next step depends on whether the Payroll module was previously set up in your Sage 100 company.
>
> - If you're upgrading from a previous version of Payroll, proceed to the "Post-Installation Tasks" (page 6) in the "Upgrading the Payroll Module" (page 6) article.
> - If you're installing Payroll for the first time, proceed to "Activate the Module" (page 4), and then "Run the Payroll Setup Wizard" (page 4).

Activate the Module

Follow these steps if you're installing Payroll for the first time.

1. Select **Library Master** > **Main** > **Company Maintenance**.
2. Select a company and then click **Activate**.
3. In the **Activate** column, select the **Payroll** check box.
4. Click **Proceed**.

Run the Payroll Setup Wizard

Follow these steps if you're installing Payroll for the first time.

1. Select **Payroll** > **Setup** > **Payroll Options**.
2. When the message asks if you want to set up the module, click **Yes**.
3. Proceed through the wizard to enter information needed to use the module.

For more information on getting started with Payroll, see *Set Up the Payroll Module for a New Company* in the help.

Post-Installation Tasks

Follow these steps if you're installing Payroll for the first time. There may be a payroll tax update available to download and install. The update may include new or updated tax types, tax rates, unemployment limits, and other settings that affect payroll tax calculations.

A message appears when you first access a task in the Payroll module if an update is available. You can start the download from the message window or you can start it at any time from the Payroll Utilities menu.

Note that other users must exit out of all other Payroll tasks before the update can be installed.

To install a payroll tax update

1. Select **Payroll** > **Utilities** > **Payroll Tax Update**.
2. Click **Proceed** to download and install the update.

Review the following resources to learn about the changes in the update and to determine if additional actions are required:

- The Sage 100 Payroll Tax Update Guide
- The Payroll Tax Update Report, available on the Payroll Utilities menu

Upgrading the Payroll Module

This article describes the steps to complete if you're upgrading from an earlier version of the Payroll module.

Install the Payroll Module

The first step in upgrading your existing Payroll module is the same as installing a new instance. Follow the instructions in the "Installing Payroll" (page 3) article, and then complete the post-installation tasks in the following sections.

Post-Installation Tasks

Complete these tasks after installing the Payroll module:

- Make a copy of the MAS90 folder in which Sage 100 is installed. The backup will be useful if you need to reverse any changes; you may be able to do so without reinstalling Payroll.
- "Converting Your Payroll Data" (page 6)
- Complete the "Post-Conversion Tasks" (page 7)
- "Run Payroll Status Check Tests" (page 11)

Converting Your Payroll Data

Convert your data for any company that includes Payroll. The data conversion program determines whether you need to run the Payroll Conversion Wizard. If the wizard is needed, it automatically opens during the conversion process.

To convert your payroll data

1. Select **Library Master** > **Main** > **Company Maintenance**.
2. Select a company.
3. Click **Convert**.

4. If the Payroll Data Conversion Wizard automatically starts (depending on what version of Payroll you were previously using), proceed through the wizard to complete the conversion process.
5. Convert data for additional companies as needed.

Post-Conversion Tasks

Complete these tasks after converting your Payroll data.

Upgrading from Version 2.19 or later

- Make sure you have the latest payroll tax update. A message appears the first time that you access a Payroll task if an update is available. You can start the download from the message window or you can start it at any time from the Payroll Utilities menu.

  Note that other users must exit out of all other Payroll tasks before the update can be installed.

  To install the update from the Utilities menu, select **Payroll** > **Utilities** > **Payroll Tax Update**, and then click **Proceed**.
- Review the following resources to learn about the changes in the update and to determine if additional actions are required:
  - The Sage 100 Payroll Tax Update Guide
  - The Payroll Tax Update Report, available on the Payroll Utilities menu
- Run the tests in the Payroll Status Check utility. See "Run Payroll Status Check Tests" (page 11).

Upgrading from Version 2.18

- On the **Additional** tab in Employee Maintenance, verify that the correct option is selected in the **Ethnicity/Race** field, and select an option in the **EEO Job Category** field.
- Make sure you have the latest payroll tax update. A message appears the first time that you access a Payroll task if an update is available. You can start the download from the message window or you can start it at any time from the Payroll Utilities menu.

  Note that other users must exit out of all other Payroll tasks before the update can be installed.

- Review the following resources to learn about the changes in the update and to determine if additional actions are required:
  - The Sage 100 Payroll Tax Update Guide
  - The Payroll Tax Update Report, available on the Payroll Utilities menu
- To install the update from the Utilities menu, select **Payroll** > **Utilities** > **Payroll Tax Update**, and then click **Proceed**.
- In **Company Tax Group Setup**, if you've set up any tax groups that include taxes on the **Additional** tab, verify that the correct general ledger accounts are entered. These taxes were previously consolidated into the **Employer Other** and **Employee Other** fields on the **Main** tab.
- Run the tests in the Payroll Status Check utility. See "Run Payroll Status Check Tests" (page 11).

Upgrading from Version 2.17

- Make sure you have the latest payroll tax update. A message appears the first time that you access a Payroll task if an update is available. You can start the download from the message window or you can start it at any time from the Payroll Utilities menu.

  Note that other users must exit out of all other Payroll tasks before the update can be installed.

  To install the update from the Utilities menu, select **Payroll** > **Utilities** > **Payroll Tax Update**, and then click **Proceed**.
- Review the following resources to learn about the changes in the update and to determine if additional actions are required:
  - The Sage 100 Payroll Tax Update Guide
  - The Payroll Tax Update Report, available on the Payroll Utilities menu
- In **Company Tax Group Setup**, if you've set up any tax groups that include taxes on the **Additional** tab, verify that the correct general ledger accounts are entered. These taxes were previously consolidated into the **Employer Other** and **Employee Other** fields on the **Main** tab.
- In Employee Maintenance:
  - On the **Additional** tab, verify that the correct option is selected in the **Ethnicity/Race** field, and select an option in the **EEO Job Category** field.

- On the **Taxes** tab, review any values in the **Additional Amt** and **Additional %** fields. The Fixed Amount and Percentage of Gross options are no longer available.

- Run the tests in the Payroll Status Check utility. See "Run Payroll Status Check Tests" (page 11).

Upgrading from a Version Earlier than 2.17

If you’ve upgraded from a version of Payroll earlier than 2.17, you must complete the following tasks before processing payroll.

- Make sure you have the latest payroll tax update. A message appears the first time that you access a Payroll task if an update is available. You can start the download from the message window or you can start it at any time from the Payroll Utilities menu.

  Note that other users must exit out of all other Payroll tasks before the update can be installed.

  To install the update from the Utilities menu, select **Payroll** > **Utilities** > **Payroll Tax Update**, and then click **Proceed**.

- **If you're upgrading TimeCard data:** Before migrating data from Sage 100 version 2017 or earlier, make sure that all TimeCard entries have been processed for Payroll and Job Cost. Then verify that all entries have been transferred to history by running Purge/Transfer to History from the TimeCard Period End menu.

- Review the following resources to learn about the changes in the update and to determine if additional actions are required:
  - The Sage 100 Payroll Tax Update Guide
  - The Payroll Tax Update Report, available on the Payroll Utilities menu

- Select **Payroll** > **Setup** > **Earnings Code Maintenance**. For each earnings code, select a tax rule.

- Select **Payroll** > **Setup** > **Deduction Code Maintenance**. For each pension or cafeteria plan deduction code, select a tax rule.

- Select **Payroll** > **Setup** > **Company Tax Group Setup**. For each tax group that you're using, enter the following information:
  - Your tax ID number
  - General ledger account numbers

    - Your company tax rate for any taxes for which the rate varies from business to business

- Select **Payroll** > **Main** > **Employee Maintenance**.
    - On the **Additional** tab, verify that the correct option is selected in the **Ethnicity/Race** field, and select an option in the **EEO Job Category** field.
    - On the **Taxes** tab, enter at least one tax profile for each employee. Depending on the tax groups, you may need to enter a filing status, a Workers' Compensation code, or other information.
    - On the **Taxes** tab, review any values in the **Additional Amt** and **Additional %** fields. The Fixed Amount and Percentage of Gross options are no longer available.
- Run the tests in the Payroll Status Check utility. See "Run Payroll Status Check Tests" (page 11).

For more information on completing any of these tasks, see the Sage 100 help.

Recreate Department Security

If you've upgraded from a version of Payroll earlier than 2.17, and you were using the security feature in Department Maintenance, you must recreate the lists of users who can access each department. The lists are now maintained using user logons instead of user codes.

To set up department security, select **Payroll** > **Setup** > **Department Maintenance**. Select a department and click the **Security** tab. Then enter the user logon IDs for each user who should be able to access the department.

For more information, see the Department Maintenance help.

Changes for TimeCard

If you were using the TimeCard module in your prior version of Sage 100, Time Track will be enabled when you convert your data.

If employees were entering their Social Security Number in to punch in and out, you'll need to select a different way for them to identify themselves.

The default identification (punch in) method is **employee number**, but you can change this to badge number and enter badge numbers in Employee Maintenance:

1. Select **Payroll** > **Setup** > **Time Track Options**.
2. On the **Main** tab, in the **Punch In Method** field, select **Badge number**.
3. Select **Payroll** > **Main** > **Employee Maintenance**.
4. Select an employee, click the arrow button in the top-right corner of the window, and then click **Time Track**.
5. In the **Employee Time Track Settings** window, enter a badge number for the employee and repeat for other employees who will use the Punch In/Out window.

Important! If you select Badge No. as the punch in method in Time Track Options, employees will not be able to punch in or out until they have a badge number entered in Employee Maintenance.

Run Payroll Status Check Tests

After you've completed all other post-conversion tasks, run the tests in the Payroll Status Check utility. These utilities check your records to find issues that will cause errors when processing payroll.

Note: Run the Payroll Status Check utility for each Sage 100 company in which payroll is processed.

To run the utility

1. Select **Payroll** > **Utilities** > **Payroll Status Check**.
2. In the **Test** field, select **Setup**, and then click **Run**.

   This utility checks for several types of issues, including missing information in employee, tax, earnings code, and deduction code records.
3. If "Warning" or "Errors" appears in any **Status** field, click in the field to view a list of affected records and problem descriptions.
4. Make corrections as needed.
5. In **Test** field, select **Missing/Other Local Taxes Utility**, and then click **Run**.

   This utility looks for missing tax records and gives you the option to create the records so that you can manually edit them.
6. Make corrections as needed. For more information, see *Correct Missing Local and Other Taxes* in the help.