Sage HRMS

Q4 SR 2025 Release Notes

January 2026

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Product update release notes

> **Important!** All customers who update, maintain, and use Sage HRMS or Sage HRMS Employee Self Service should read these release notes to obtain valuable information about changes to the software program and payroll legislative database.

Product update information

Product: Sage HRMS and Sage HRMS Employee Self Service

Version: Product Update Q4 SR 2025

If we receive additional payroll tax changes for this period and/or this year, a new update will be made available.

About product updates for Sage HRMS

Sage HRMS product updates are cumulative. This means that supported taxes, rates, and forms, all previous updates for this product and version, and any hot fixes or patches previously released are incorporated into this update.

Sage HRMS Employee Self Service product updates include the full product build.

> **Important!** With every release, we test 2 versions back of Sage HRMS. For this release, you should be on Q3 2025 or later to upgrade to Q4SR 2025.

Support and resources

Sage strives to provide you with the best help and support in the industry. If you have a question, we're here to help!

- **Help and documentation:** Many answers to common questions can be found in the help and documentation included with Sage HRMS. Visit the Sage HRMS Product Documents website for access to more documents.

- **Sage University:** Learn pro tips for year-end processing in online or classroom courses. Visit http://SageU.com and log on or create an account to register for training.

- **Community Hub Year-end Center:** Visit https://communityhub.sage.com/p/yearend for help, guidance, documents, and downloads specific to Sage HRMS Payroll and Year end 2025.

- **Customer Support:** For support resources, visit the Sage Support Resource Centre page.

- **Tax forms:** Because all printed forms have variations, Sage HRMS Payroll only supports forms printed by Sage Checks and Forms. Call Sage Checks and Forms at 800-617-3224 or order online at www.SageChecks.com.

> **Tip:** For information about ordering W-2 forms, see Sage Knowledgebase article: [Which forms should I order for year-end? (Solution ID: 223924750040182)](Which forms should I order for year-end?).

U.S. Payroll Tax Updates

The following federal, state, and local tax changes are included in this update.

Federal Legislative Updates

There are no federal legislative updates with this release.

State and Local Legislative Updates

This section lists state and local legislative updates available with this release. If a state or locality is not listed in this section, there are currently no tax updates or product modifications for that state or locality.

> **Note:** Sage HRMS U.S. Payroll includes some system-supported State Disability Insurance (SDI) codes, which are updated automatically (for example, with rate changes) when you install product updates. To use these codes, your SDI codes must match the system-supported codes.
>
> If you use custom tax codes to capture SDI taxes, note the following:
>
> - If your codes match the system-supported tax codes, you should review the tax code setup before processing payroll.
>
> - If your codes do not match the system-supported tax codes, you can switch to using the system-supported codes. To do this, you must deactivate your custom tax codes, and then set up the system-supported tax codes.
>
> - Regardless of whether or not your codes match the system-supported tax codes, you must follow your existing procedures for reporting and filing SDI taxes as custom taxes.
>
> Information about changes to specific system-supported SDI codes is included in the sections for the related states.

Alaska

The Unemployment Insurance wage base limit changes to $54,200 for 2026.

Arkansas

Arkansas withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

Hawaii

Hawaii withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

- The Unemployment Insurance wage base limit changes to $64,500 for 2026.
- State disability insurance rate is updated for 2026.
    - The temporary disability insurance (TDI) maximum weekly wage base will increase to $1,500.21.
    - The maximum weekly deduction from employee wages will increase to $7.50.
    - The tax rate of .5% of the wage base remains unchanged.

For more details about setting up related local tax codes, see Knowledgebase article [231030191128320.](231030191128320.)

Idaho

The Unemployment Insurance wage base limit changes to $58,300 for 2026.

Illinois

Illinois withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

The Unemployment Insurance wage base limit changes to $14,250 for 2026.

Indiana

Indiana withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

The following local taxes have either been added or have updated rates in the supported tax tables:

Unless otherwise indicated, they are effective January 1, 2026.

Code	Description	Rate
IN0013	Union 81 CO Regular (NR) IT	2.75%
IN0022	Shelby 73 CO Regular (NR) IT	1.7%
IN0059	Howard 34 CO Regular (NR) IT	2.35%
IN0065	Greene 28 CO Regular (NR) IT	2.35%
IN0066	Grant 27 CO Regular (NR) IT	2.75%
IN0085	Carroll 08 CO Regular (NR) IT	2.4733%
IN0104	Union 81 CO Regular IT	2.75%
IN0113	Shelby 73 CO Regular IT	1.7%
IN0151	Howard 34 CO Regular IT	2.35%
IN0157	Greene 28 CO Regular IT	2.35%
IN0158	Grant 27 CO Regular IT	2.75%
IN0177	Carroll 08 CO Regular IT	2.4733%

Louisiana

Louisiana withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

Massachusetts

Massachusetts withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

Michigan

Michigan withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

Minnesota

Minnesota withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

The Unemployment Insurance wage base limit changes to $44,000 for 2026.

Mississippi

Mississippi withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

Montana

Montana withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

The Unemployment Insurance wage base limit changes to $47,300 for 2026.

New Mexico

The Unemployment Insurance wage base limit changes to $34,800 for 2026.

New York

The Unemployment Insurance wage base limit changes to $17,600 for 2026.

North Carolina

North Carolina withholding tables and instructions, including rates on supplemental wages, have been updated for January 1, 2026. Refer to the state publication for more details.

North Dakota

North Dakota withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

The Unemployment Insurance wage base limit changes to $46,600 for 2026.

Ohio

Ohio rates on supplemental wages have been updated for 2026. Refer to the state publication for more details.

The following local taxes have either been added or have updated rates in the supported tax tables:

Unless otherwise indicated, they are effective January 1, 2026.

Code	Description	Rate
OH0800	Lockbourne VI Regular IT	2.5%
OH0890	Miami TP Dayton City JEDD CT Regular IT	2.25%
OH0946	Circleville-Pickaway TP JEDD CT Regular IT	2.5%

For quarterly reports, employers are now required to indicate if an employee is an owner or officer.

How to indicate that an employee is owner or officer:

- In the **Employee Supplemental Information** window. select the **Corporate Officer** checkbox. After doing this, the quarterly unemployment report shows the employee as an owner or officer.

Oregon

Oregon withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

The following local taxes have either been added or have updated rates in the supported tax tables:

Unless otherwise indicated, they are effective January 1, 2026.

Code	Description	Rate
OR0007	Oregon (NR) Statewide Transit Tax	0.1%
OR0008	Oregon Statewide Transit Tax	0.1%

Effective January 1, 2026, there are changes to Metro and Multnomah County local taxes. For more information, see Sage Knowledgebase [220924960111399](220924960111399).

Pennsylvania

The following local taxes have either been added or have updated rates in the supported tax tables:

Unless otherwise indicated, they are effective January 1, 2026.

Code	Description	Rate
PA0041	Warrington TP, Northern York SD (NR) LST	$52
PA0107	Canaan TP, Western Wayne SD (NR) LST	0
PA0754	Chester TP, Chester-Upland SD (NR) LST	$52
PA0798	Pine TP, Conneaut SD (NR) LST	$52
PA0807	Cussewago TP, Penncrest SD (NR) LST	$52
PA1217	New Hanover TP, Boyertown SD (NR) LST	$52
PA1398	Walker TP, Juniata SD (NR) LST	$52
PA1536	Marion TP, Moniteau SD (NR) LST	$52
PA1601	Elizabeth TP, Elizabeth Forward SD (NR) LST	$52
PA2222	South Newton TP, Big Spring SD (NR) LST	$52
PA2235	Dickinson TP, Carlisle SD (NR) LST	$52
PA2249	Briar Creek TP, Berwick SD (NR) LST	$52
PA2667	Langhorne Manor BO, Neshaminy SD (NR) Regular IT	0.5%
PA2668	Langhorne Manor BO, Neshaminy SD Regular IT	0.5%
PA2919	Canaan TP, Western Wayne SD (NR) Regular IT	1.0%

Code	Description	Rate
PA2920	Canaan TP, Western Wayne SD Regular IT	1.0%
PA3552	Williams TP, Wilson SD Regular IT	1.25%
PA6138	Upper Frederick TP, Boyertown SD Regular IT	1.04%
PA6175	Narberth BO, Lower Merion SD (NR) Regular IT	1.0%
PA6176	Narberth BO, Lower Merion SD Regular IT	1.0%
PA6984	South Whitehall TP, Parkland SD Regular IT	1.1%
PA7080	Pittston CT, Pittston SD Regular IT	2.7%
PA7272	Kingston TP, Dallas SD Regular IT	1.84%
PA7825	Lanesboro BO, Susquehanna SD (NR) Regular IT	1.0%
PA7826	Lanesboro BO, Susquehanna SD Regular IT	1.0%

Effective December 31, 2025, the following local taxes have expired:

Code	Description
PA0267	Callimont BO, Meyersdale SD (NR) LST
PA0654	South New Castle BO, Shenango SD (NR) LST
PA2261	Sandy TP, Dubois SD (NR) LST
PA3331	Callimont BO, Meyersdale SD (NR) Regular IT
PA3332	Callimont BO, Meyersdale SD Regular IT
PA4545	South New Castle BO, Shenango SD (NR) Regular IT
PA4546	South New Castle BO, Shenango SD Regular IT
PA5113	Sandy TP, Dubois SD (NR) Regular IT
PA5114	Sandy TP, Dubois SD Regular IT

Rhode Island

The Unemployment Insurance wage base limit changes to $30,800 for 2026.

The following local tax has either been added or has an updated rate in the supported tax tables:

Code	Description	Rate	Effective Date
RISDI	Rhode Island Disability Insurance Tax	1.1%	01/01/2026

Utah

The Unemployment Insurance wage base limit changes to $50,700 for 2026.

Vermont

Vermont withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

Washington

Effective January 1, 2026, there are changes to the payroll expense tax for businesses that operate in Seattle. For more information, see Sage Knowledgebase [220924660108679](220924660108679).

Product updates

The following product updates are included with this release.

Payroll product updates

U.S. Payroll product updates

The following new features and improvements to payroll are included in this update.

Enhancement to Transaction History Reports

The Detail format of the following reports have been updated to include the Qualified OT Amt for OBBB (One Big Beautiful Bill Act):

- UPHIST1.RPT
- UPHIST2.RPT

> **Note:** The Summary format remains unchanged and does not display the qualified overtime amount for OBBB.

Canadian Payroll product updates

This update does not include any new features or improvements to payroll.

Premium version of Sage HRMS product updates

Premium product updates include new features and enhancements for both the desktop version and the web version of Sage HRMS. If you have also purchased Sage HRMS Employee Self Service, updates for the premium version of ESS will also be included. Please review the table below to learn more about these changes.

Product Updates	Premium HRMS	Premium Web HRMS	Premium ESS
Sage HRMS - Employee Number fix Learn more	Yes	Yes	
Sage HRMS Employee Self Service: W-4 Update Learn more			Yes
Sage HRMS Employee Self Service: W-2 Update Learn more			Yes

Sage HRMS - Employee Number fix

Fixed an issue where the next Employee Number was different between the desktop version of Sage HRMS and the premium web version of Sage HRMS. The employee number field will now display the next highest number when the Numeric Employee ID option is set to true in the desktop version of Sage HRMS.

Sage HRMS Employee Self Service: W-4 Update

The 2026 W-4 form is now available in Sage HRMS Employee Self Service. Moving forward, only the current reporting year will be supported.

The following new field has been added to the "Step 4: Other Adjustments" section of the W-4 2026 form:

- "(c) Extra withholding. Enter any additional tax you want withheld each pay period."

See the W-4 Forms Instructions for details on how to update this field on your form.

> **Important!** This version of the 2026 W-4 form in Sage HRMS Employee Self Service is for informational use only and is not an official copy of your W-4 form.

Sage HRMS Employee Self Service: W-2 Update

To support tax changes for the One Big Beautiful Bill (OBBB) Act, the copy of the W-2 form available in Sage HRMS Employee Self Service, will display the related codes as follows in Box 14 of the W-2 2025 form if applicable:

- OBBBTP
- OBBBTT

> **Note:** The above codes are available on the Basic Info tab of the Earning/Deduction Codes page. Select the Report as drop-down to assign one of these codes to your deduction(s):
>
> - Form W-2 – Total amount of qualified tips (TP) = OBBBTP
> - Form W-2 – Total amount of qualified overtime compensation (TT) = OBBBTT
>
> For more information, see Sage Knowledgebase article: 251209183518997.

> **Important!** This version of the 2025 W-2 form is for informational use only and is not an official copy of your W-2 form.

Non-Premium version of Sage HRMS and ESS product updates

This update includes changes to the non-premium (existing) version of Sage HRMS. There are no updates to the non-premium (existing) version of Sage HRMS Employee Self Service.

Product Updates	Non-Premium (Existing) HRMS	Non-Premium (Existing) ESS
Sage HRMS Employee Number fix Learn more	Yes	N/A

Sage HRMS Employee Number fix

Fixed an issue where the next Employee Number was different between the desktop version of Sage HRMS and the premium web version of Sage HRMS. The employee number field will now display the next highest number when the Numeric Employee ID option is set to true in the desktop version of Sage HRMS.

My Workforce Analyzer updates

This update does not include any new features or improvements to My Workforce Analyzer.

Sage 100 Payroll Link updates

This update does not include any new features or improvements to Sage 100 Payroll Link.

How to choose the right product update

Please review the chart below to help determine which download .exe you need to install.

Unlock the full potential of your premium Sage HRMS product by downloading the premium web version of Sage HRMS from the [Sage HRMS Download Portal](). Enjoy familiar features along with new enhancements that simplify your tasks and allow you to work from any location. Don't miss out on this premium opportunity!

If you have this product:	You should Install:	Quarterly Version
Premium desktop version of Sage HRMS	SageAbraSQLHRMS10.70.79.03.exe	10.70.7903- 2025 Q4SR
Premium web version of Sage HRMS* *Includes Employee Self Service if purchased	SageHRMS21.102301_premium_web_ HRMS_ESS.exe	21.1023.01 - 2025 Q4SR
Non - Premium desktop version of Sage HRMS	SageAbraSQLHRMS10.70.79.03.exe	10.70.7903- 2025 Q4SR
Non - Premium version of Sage HRMS Employee Self Service	No updates	No updates

Preparing for Year-end Processing

Before you start processing your 2026 payroll, visit the Community Hub Year-end Center, where you can get fast answers from Sage support, peers, and product experts at the busiest time of year. You'll find helpful articles, discussion forums, and other links and resources to help your year-end processing go smoothly.

To get started, visit https://communityhub.sage.com/p/yearend, select your region, and then select Sage HRMS.

The Year-End Center includes an FAQ and provides you with information various topics, including employee-related forms, processing reports, and preparing for the first payroll of a new year.

Non-premium version of Sage HRMS Employee Self Service update installation instructions

> **Note:** Some features in this release of Sage HRMS Employee Self Service are for the premium version of Sage HRMS only. If you are not on the premium version of Sage HRMS and would like to learn about options for moving to the premium version, please contact your Sage Business Partner or Sage Account Manager.

After you have downloaded the Sage HRMS Employee Self Service update from the Sage Knowledgebase, follow these instructions to install the update.

Before you start:

- Verify that Sage HRMS has been installed and is working correctly.

- Verify that you have Administrator access (Local Administrator access is preferred) and permissions to log on as a service, launch processes, and access Sage HRMS data.

- If you are using Sage HRMS Employee Self Service and/or Open Enrollment, make sure all enrollment periods are closed, and that all users have exited and logged off from Sage HRMS and Sage HRMS Employee Self Service.

- When the update is complete, you will be prompted to restart your system. Before you begin installing the update, make any necessary preparations for this required restart.

Downloading the update

1. Visit the [Sage HRMS Download Portal](#).

2. Click the appropriate download link and log in if required.

3. In the article, click **Download** to download the product update.

> **Important!** During this installation process, you must enter your Sage HRMS Employee Self Service username, organization name, serial number, and install code. You can

find this information in System Maintenance under **Start** > **All Programs** > **Sage Employee Self Service** > **System Maintenance**.

Once you start the installation, your customer information clears from System Maintenance, so we recommend that you copy or save a screen shot of your company's product information to reference when prompted. Best practice is to collect this information before you start the update.

Installing the Sage HRMS Employee Self Service update

1. Using your external backup procedures, back up the Sage HRMS and Sage HRMS Employee Self Service databases to a media device that is external to your product servers:

   a. Log on to the Sage HRMS Employee Self Service server and select **Programs** > **Employee Self Service** > **System Maintenance** to open the Sage HRMS Employee Self Service System Maintenance window.

   b. On the Configuration and Settings tab, in the Employee Self Service section, select the **Locked** check box, and then click **Save**.

   c. On the SQL Maintenance tab, verify the Backup File Path is correct, and then click **Backup**.

   d. Prepare to update Sage HRMS Employee Self Service by closing all Windows applications.

   e. Run the setup.exe file provided with the installation package with Administrative privileges (right-click the file and select **Run as Administrator**).

   > **Tip:** Depending on your security system, you may need to right-click on the installation file and select Unblock.

2. The installation program detects that a previous version of Sage HRMS Employee Self Service has been installed. Click **Next**, and then follow the prompts on the InstallShield Wizard.

3. On the Ready to Install the Program window, click **Install** to proceed with the installation.

4. The system displays Installation windows indicating the progress of the installation. When the InstallShield Wizard Completed window appears, click **Finish**.

> **Note:** One installation window prompts you to enter your customer information (username, organization name, product serial number, and install code). After you start the update process, your customer information clears from System Maintenance. Best practice is to collect this information before you start the update.

5. When the update is complete, click **Yes** to restart your system.

6. After your Sage HRMS Employee Self Service server restarts, from the **Start** menu, select **All Programs** > **Sage Employee Self Service** > **System Maintenance** to open the System Maintenance page. Verify that all the information is correct.

7. On the **Configuration and Settings** tab, clear the **Locked** check box.

8. Exit System Maintenance.

9. Log on to Sage HRMS Employee Self Service as the MASTER user to complete the process.

The update is now complete and you are ready to start using Sage HRMS Employee Self Service.

Sage HRMS update installation instructions

> **Important!** Sage HRMS Integrated uses enhanced security features. User security policies are now enforced by Windows Account Policies on the machine running MS SQL Server. If you are unfamiliar with these changes, please review the information below before proceeding.

Upgrade Prerequisites

- Back up your databases.

- Back up your Site folder and User folder within the Shared Data folder.

- Create a backup copy of all of your payroll customized reports and check forms before upgrading.

- Review your Local Security Policies on your SQL Server machine and set the Minimum Password age to 0.

- Verify that you are upgrading from a supported version of the Payroll Modules.

- Verify you have access to the Sage HRMS Client using the Master user account information before upgrading.

- Review the sharing settings on the SageHRMSServer folder.

- Verify the SQL account to be used during the installation has full DB Create (administrative) credentials.

Enhanced Security Features

The following changes were made to support these features:

- During the Sage HRMS Client upgrade, there may now be a forced restart of the Client and the windows server machine.

- If this is necessary, the user is presented with a new message stating that: "Sage HRMS Client needs to restart. Save all your files before continuing."

- The Sage HRMS Client wizard will create two new MS SQL databases (Vault and Store) during the upgrade.

- The user will be prompted to change the default password for the Payroll Administrator (Sage 300) during the Sage HRMS Client upgrade to meet the new password complexity rules if it is not complex enough.

- Password Complexity Rules dictate that a password must have a minimum length of 8 characters, with a minimum of 1 lower-case character, 1 upper-case character, 1 numeric character, and 1 special character.

- The Minimum password length security policy will be set to 8 characters.

After upgrading

- Use the Database Connection Tool to ensure all connections are valid.

- Verify the ADMIN user can successfully access the Database Setup tool using their new complex password

- Restore your custom payroll report folders:

  - The report .DLL's have been updated to a newer version and must be copied to your customized payroll report folders.

  - The updated .DLL's are located on the Sage HRMS Client machine at the following path: C:\Program Files (x86)\Sage\Sage Accpac\ - UP80A or CP80A.

  - Copy only the .DLL's used for each of your customized payroll reports.

Follow the instructions in this section to download, install, apply, and verify the Product Update for all desktop versions of Sage HRMS.

Before you start:

- Back up your data.

- Make sure all users have exited the program.

Downloading the product update

To download the update:

1. Visit the [Sage HRMS Download Portal](#).

2. Click the appropriate download link and log in if required.

3. In the article, click **Download** to download the product update.

Installing the product update

> **Note:** You should launch the product update on the server where Sage HRMS is installed.

To install the product update:

1. To launch the installation program, right-click the Product Update file and run as administrator, or as the current user with administrator rights.

   - If applicable, make sure the **Protect my computer and data from unauthorized program activity** check box is *not* selected.

   - If there is no option to run as administrator, log on as an administrator, and then double-click the Product Update file.

   > **Tip:** Depending on your security system, you may need to right-click on the installation file and select Unblock.

2. After the InstallShield Wizard determines requirements, click **Next** to resume installing the Product Update.

3. Click **Finish** to finish the installation.

4. Click **Update**.

5. Click **Yes**. The system starts the installation.

6. Follow the instructions on the windows that follow, and then click **Finish**.

7. Open the Sage HRMS Client. A message prompts you to continue.

Updating Sage HRMS client files

To update Sage HRMS client files:

1. Right-click on the Sage HRMS Client program and select **Run as administrator** to initiate the file update process.

2. Click **OK** to proceed and update your files.

   A message displays that Sage HRMS could not detect the current version of one or more

   Payroll modules.

   - If you have administrator privileges, click **Yes** to install the Payroll modules now.

   - If you do *not* have administrator privileges, click **No**, and then contact your system administrator to proceed with the installation.

When installation of the Payroll modules is complete, you may be prompted to restart Sage HRMS.

Verifying the product update

After the update is complete, you can confirm that the update was installed successfully by selecting **Help** > **About Sage HRMS** and verifying that the version number matches the version of the update .exe file.

You can also verify the latest tax update is applied to your system by selecting **Payroll** > **Process Payroll** > **Calculate Payroll** and the **Tax Version** listed on the window should display the date: January 31, 2026.

> **Tip:** Now is a good time to update your Sage HRMS Payroll sample data. After installing the Product Update, the next time you log in to your Sample Data, you will be prompted to update files again. Click **OK** to proceed and update your sample data files.

Updating the local tax repository and rates

This section applies only if you use local tax codes in U.S. Payroll.

To update the local tax repository and rates:

1. After the Product Update is complete, log in to Sage HRMS.

2. On the Local/Other Tax Codes window, click the **Install Repository** button to update all of the local tax rates in the system.

3. When asked if you want to continue updating company-level local tax records with information from the local repository, click one of the following:

   - **Yes** to automatically update the company rates for all local taxes.

   - **No** to update local taxes individually (select each tax and click the Update button to apply the rate changes). Doing this enables you to validate rates before and after the changes.

4. Depending on your choice in the previous step, update employee-level local tax records as follows:

   - If you clicked **Yes** in the previous step, when asked if you want to continue updating employee local tax records from the local tax repository, click one of the following:

     - **Yes** to automatically update the employee-level rates for all local taxes.

     - **No** to select each employee or use the Update Taxes tax, then update each tax or employee individually.

   - If you clicked **No** in the previous step, you must manually update each employee-level tax. This can be done for all employees at once by tax from **U.S. Payroll** > **Update Taxes**, or by individual employee from **Employee Payroll** > **Taxes**.

> **Important!** This process requires security permissions in Sage HRMS to access all employees. Otherwise you may not receive the prompts as described above and employee rates will not be updated.