



Tax updates being retired for U.S. payroll feature in Microsoft Dynamics 365 for Finance and Operations

Updated September 2020

Frequently Asked Questions (FAQs)

What's new

On August 1, 2019, Microsoft made the following announcement:

Microsoft strives to bring best in class Dynamics 365 offerings to its entire customer base. To that end, Microsoft continues to evaluate its portfolio of offerings. As Microsoft evaluates the impact of certain features and enhances functionality offered via ISV solutions, tax updates for the U.S. Payroll feature will no longer be supported.

- Tax update support will end effective October 1, 2021 for online and on-premises customers of the following solutions:
 - Dynamics 365 for Finance and Operations (aka Dynamics 365 Unified Operations)
 - Dynamics 365 for Operations (online and on-premises)
 - Dynamics 365 for Operations, Enterprise edition (online and on-premises)
 - Dynamics AX 2012 R3

To ensure our customers have ample time to provide for the safety of their employees, protect the health and well-being of their communities, and react to the changes needed due to COVID-19, we will extend the support date for the US Payroll tax updates to July 31, 2024 for Dynamics 365 Finance and Operations.

Customer Impact

After support for the tax updates is retired, customers can continue to use the U.S. Payroll feature without any future functionality enhancements from Microsoft. The U.S. Payroll feature will continue to exist in the solutions after the tax updates retirement. This enables both customers and partners that have built additional functionality on top of the existing U.S. Payroll functionality to continue to use those features. Support for the existing U.S. Payroll feature will be addressed via the existing standard extensibility review process.

Two years of continued tax updates support (versus the standard 1-year) will be provided to give customers adequate time to assess their long-term payroll needs and select a next-generation payroll solution that best fits their business needs. Microsoft Dynamics 365 offers integrations with some of the top payroll providers with [Dynamics 365 Human Resources](#). In addition, other ISV payroll solutions are available on [AppSource](#).

Online customers who are currently using the U.S. Payroll feature **will be notified by direct email and in-product communication** beginning next week.

FAQs

Q. Why are you changing the original date for U.S. Payroll tax updates for Dynamics 365 from October 2021 to July 2024?

A. We are making this change to allow customers extra time due to the COVID-19 pandemic, and the unexpected changes and reactions organizations are experiencing.

Q. Is support for U.S. Payroll tax updates being extended for AX 2021 R3 as well?

A. No, support for AX 2012 R3 is still ending October 1, 2021, and U.S. Payroll tax updates follow the [AX 2012 R3 support lifecycle](#).

Q: Why is the support for tax updates for the U.S. Payroll feature being retired?

A: Microsoft is retiring support of the tax updates for the U.S. Payroll feature in Dynamics 365 for Finance and Operations, Dynamics AX 2012 R3, Dynamics 365 for Operations, on-premises, and Dynamics 365 for Operations, Enterprise edition, on-premises due to low usage and because there is enhanced functionality provided via partner solutions on [AppSource](#) and integrations with [Dynamics 365 Human Resources](#).

Q: What alternative U.S. payroll solutions are recommended?

A: Customers can choose from different 3rd party solutions available on [AppSource](#) as well as other integrations with [Dynamics 365 Human Resources](#).

Q: Does being active on a support/services plan (e.g. Enhancement Plan) guarantee continued support for my Dynamics AX 2012 solution?

A: Yes, customers active on an Enhancement Plan receive Mainstream Support and Extended Support. Mainstream support for Dynamics AX 2012 R3 ends October 1, 2021

Q: Can I continue to use the U.S. Payroll feature that is included in my AX 2012 solution?

A: Yes, but tax updates for the U.S. Payroll feature will end on October 1, 2021.

Q: Is the support for tax updates for the U.S. Payroll feature being retired for Dynamics AX 2012 R3?

A: Yes. Support for the U.S. Payroll tax updates will end on October 1, 2021 for Dynamics AX 2012 R3

Q: Will my on-premises Protected List Price (PLP) be reduced when tax updates for the U.S. Payroll functionality is discontinued?

A: There will be no PLP reduction for perpetual customers.

Q: Is the U.S. Payroll tax updates support also being retired from Dynamics 365 for Operations on-premises?

A: Yes. Support for the U.S. Payroll tax updates will retire on July 31, 2024 for Dynamics 365 for Operations, on-premises.

Q: What if I want to continue to use the U.S. Payroll feature after the retirement of tax updates?

A: The existing U.S. Payroll feature will continue to function as is; however, tax updates will not be provided after July 31, 2024. Customers should work with their partner to determine the best solution for their future payroll usage.

Q: Will there be upgrades to the U.S. Payroll feature after the retirement of tax updates support?

A: No, there will not be any upgrade or enhancements to the U.S. Payroll feature after it is retired.

Q: Will you continue to fulfil extensibility requests for U.S. Payroll feature in Dynamics 365 for Finance and Operations after July 31, 2024?

A: Microsoft will continue to review and determine whether to implement extensibility requests, following the existing standard extensibility review process.

Q: Will you continue to provide support for other payroll functionality in the U.S. Payroll feature?

A: Microsoft will not make additional enhancements to our U.S. Payroll feature or other payroll functionality, but customers can still report any issues with the existing functionality and we will address those on a case-by-case basis.

Q: I am a new Dynamics 365 for Finance and Operations customer, what U.S. payroll solution would you recommend?

A: There are different ISV payroll solutions you can leverage on [AppSource](#) as well as other planned integrations with [Dynamics 365 Human Resources](#).

Q: Why are you providing four years of tax updates support instead of the one-year standard support for online customers?

A: To ensure customers have adequate time to assess and select their next-generation U.S. payroll solution, we are providing four years of tax update support.

Q: Why are you keeping the U.S. Payroll feature in the solution after the tax updates retirement?

A: To allow customers and partners who've built additional functionality on top of our existing U.S. Payroll feature to continue to use the existing functionality without tax updates or future functionality enhancements from Microsoft.

Resources

- Customers can transition to next-generation payroll solutions including the planned integrations offered with [Dynamics 365 Human Resources](#) or ISV solutions from [AppSource](#)
- If you have questions that are not addressed in the FAQ, please email your questions to USPayrollRetire@microsoft.com.