

HOW TO APPLY A DEDUCTION TO A USER DEFINED INCOME

Question

PLEASE REFER TO THE STEPS BELOW:

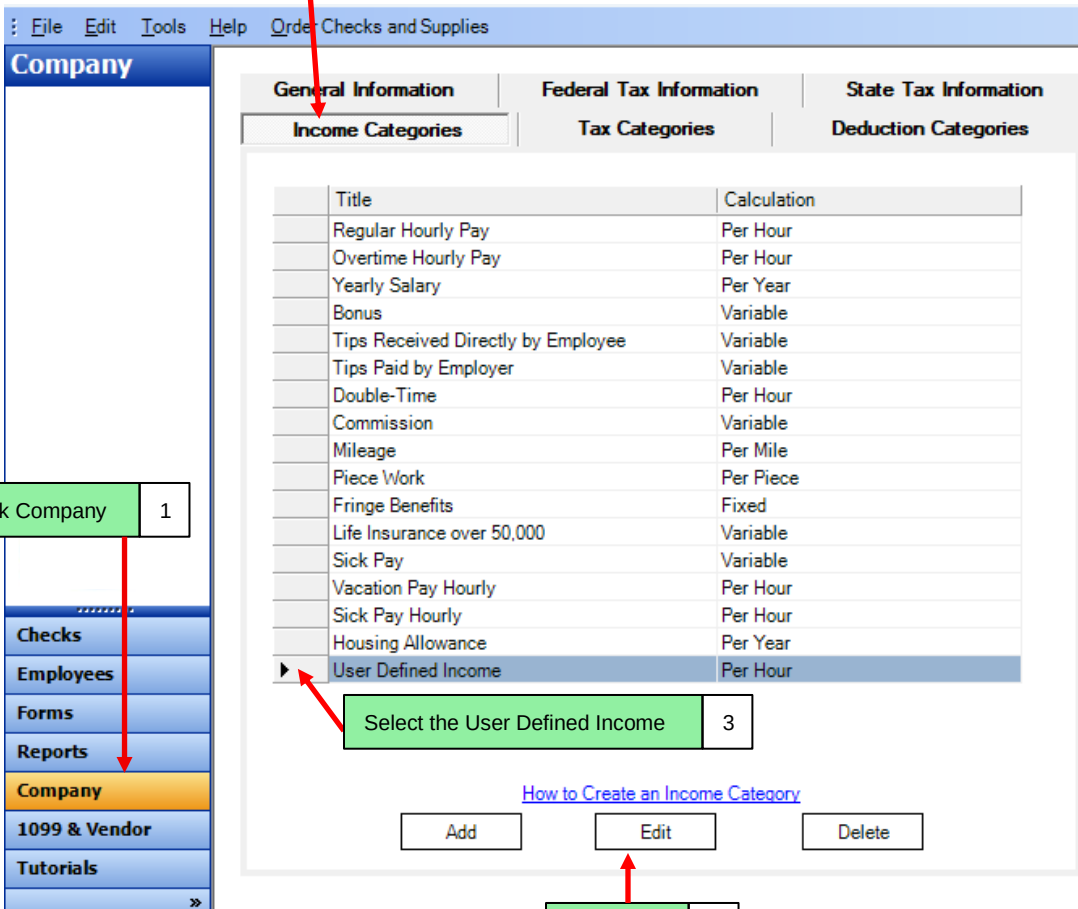
Answer

Make sure you are in the correct company.

1. Click **Company**
2. Click **Income Categories**
3. Select the **User Defined Income** you created
4. Click **Edit**

You can refer to the "How to Add an Income Category" tutorial

Click Income Categories 2



Click Company 1

General Information		Federal Tax Information	State Tax Information
Income Categories		Tax Categories	Deduction Categories
Title	Calculation		
Regular Hourly Pay	Per Hour		
Overtime Hourly Pay	Per Hour		
Yearly Salary	Per Year		
Bonus	Variable		
Tips Received Directly by Employee	Variable		
Tips Paid by Employer	Variable		
Double-Time	Per Hour		
Commission	Variable		
Mileage	Per Mile		
Piece Work	Per Piece		
Fringe Benefits	Fixed		
Life Insurance over 50,000	Variable		
Sick Pay	Variable		
Vacation Pay Hourly	Per Hour		
Sick Pay Hourly	Per Hour		
Housing Allowance	Per Year		
User Defined Income	Per Hour		

Select the User Defined Income 3

[How to Create an Income Category](#)

Add Edit Delete

Click Edit 4

5. **Check the deduction** that applies to the user defined income
6. Click **OK**

Income Details
✕

Title:

Abbreviation:

Type: Per Hour

W-2 Box 12 Code:

W-2 Box 14 Abbreviation:

☐ Reported tips (to edit this box, delete this income and re-create)

☐ Omit from Net Pay

☐ Inactive

Taxes Applied:

- ☒ Federal Income Tax
- ☒ Social Security (Employee)
- ☒ Social Security (Employer)
- ☒ Medicare (Employee)
- ☒ Medicare (Employer)
- ☒ Fed Unemployment (Employee)
- ☒ State Income Tax
- ☒ State Unemployment (Employee)

Deductions Applied:

- ☒ 401K (Employee)
- ☐ 401K (Employer)
- ☐ Health Insurance
- ☐ Medical Flex Spend (FSA)
- ☐ Retirement Plan
- ☐ Deduction

OK

Cancel

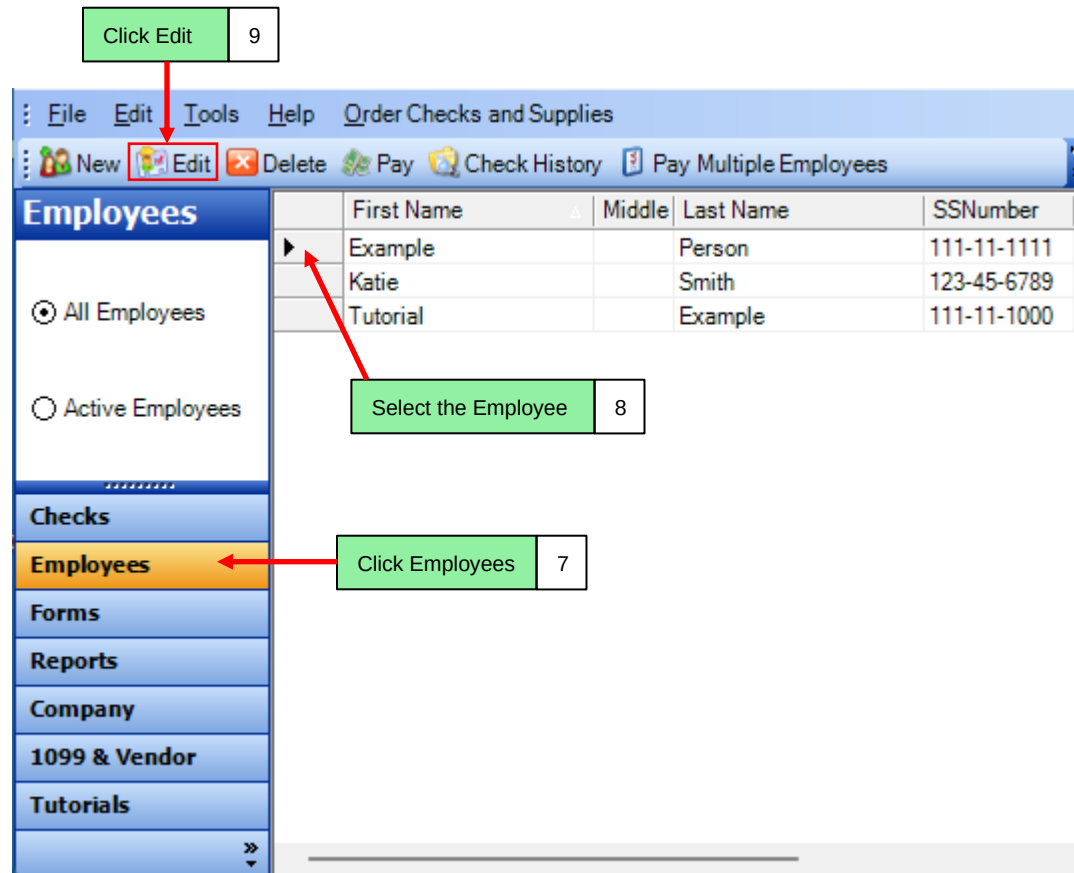
Check the deduction

5

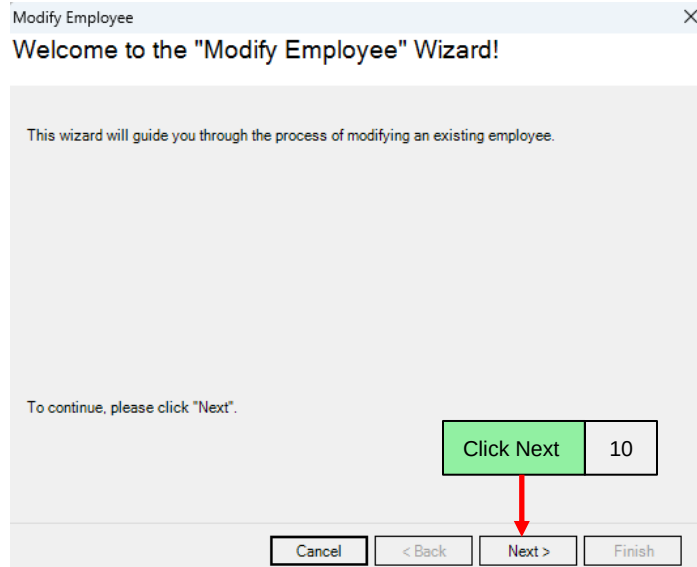
Click OK

6

7. Click **Employees**
8. **Select the Employee** the deduction is being applied to
9. Click **Edit**



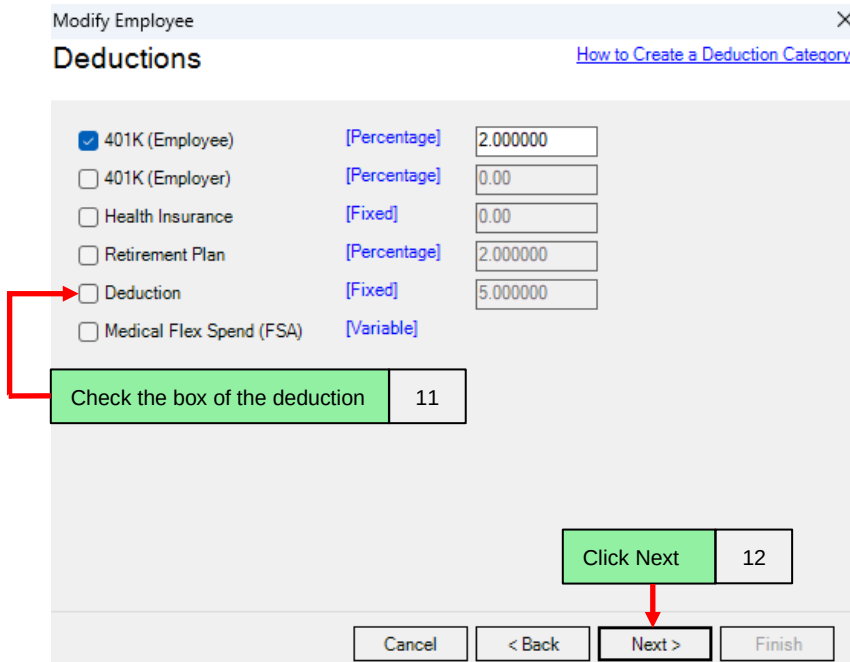
10. Welcome to the New Employee Wizard dialog will open, click **Next**



Continue to click Next, until you reach the **Deductions** screen

11. **Check the box of the deduction** that was created

12. Click **Next**



Continue to click Next, until you reach the **Finish** screen

13. Click **Finish**

Modify Employee ×

Finish

Wizard completed, please click "Finish" to update this employee information.

Click Finish 13

Cancel

< Back

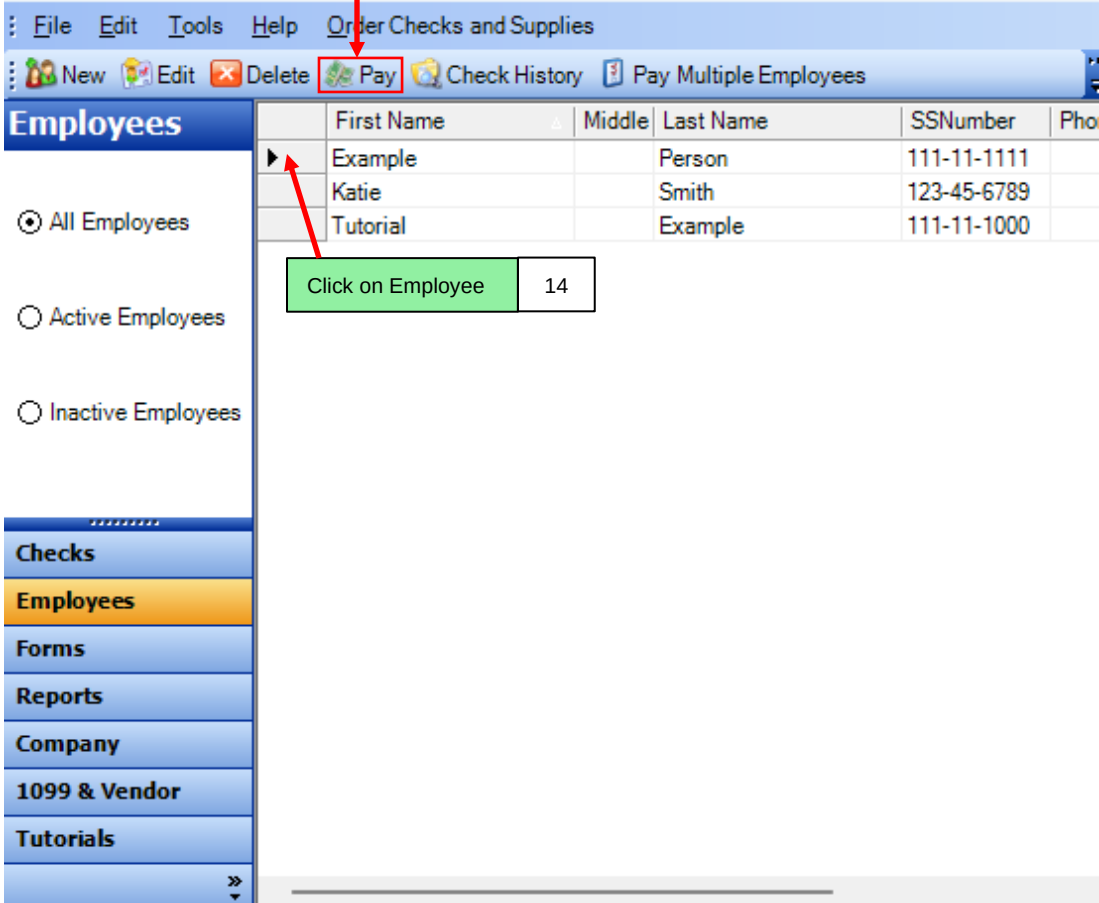
Next >

Finish

After you finish applying the deduction to the employees, check to make sure the deduction appears

14. **Click on Employee** that has the deduction
15. Click **Pay**

Click Pay
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Click on Employee
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	First Name	Middle	Last Name	SSNumber	Pho
☒	Example		Person	111-11-1111	
☐	Katie		Smith	123-45-6789	
☐	Tutorial		Example	111-11-1000	

☒ All Employees
☐ Active Employees
☐ Inactive Employees

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16. Confirm the **deduction is added** to the employee
17. Once you see that the deduction is applied to the employee, Click **Cancel**

Check Details

General Information

Pay Frequency: Semi-Monthly (24 Pay Periods)

Employee: Person, Example

Begin Date: Month DD, YYYY

Recalculate

Check #: 4

Pay Date: Month DD, YYYY

End Date: Month DD, YYYY

Income Details

Income:	Rate:	Type:	Quantity:	Amount:	YTD:
Regular Hourly Pay	32.5000	Per Hour	0.0000	0.00	0.00
User Defined Income	15.0000	Per Hour	0.0000	0.00	0.00

Vacation / Sick Hours

	Amount:	YTD:
Vac. hours earned	2.00	2.00
Vac. hours used	0.00	0.00
Sick hours earned	1.00	1.00
Sick hours used	0.00	0.00

[Learn how to rollover hours from last year](#)

Tax Details

Tax:	Amount:	YTD:
Federal Income Tax	0.00	0.00
Social Security (Employee)	0.00	0.00
Medicare (Employee)	0.00	0.00
State Income Tax	0.00	0.00
Local Income Tax	0.00	0.00
State Disability Insurance (Employee)	0.00	0.00
Social Security (Employer)	0.00	0.00
Medicare (Employer)	0.00	0.00
Fed Unemployment (Employer)	0.00	0.00
State Unemployment (Employer)	0.00	0.00
State Disability Insurance (Employer)	0.00	0.00

Deduction Details

Deduction:	Amount:	YTD:
401K (Employee)	0.00	0.00
Deduction	5.00	5.00

Confirm the deduction is added

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Other Optional Details

	Amount:	YTD:
Hours Worked	0.00	.00
Weeks Worked	0.00	.00

Check Summary

	Total Incomes:	Total Taxes:	Total Deductions:	Net Pay:
This Check:	0.00	0.00	5.00	-5.00
YTD:	0.00	0.00	5.00	-5.00

MEMO:

OK

Cancel

Click Cancel

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* After checking the deduction under the user defined income for one employee, continue same steps for each employee it pertains to.*

Congratulations. You have added a deduction to a user defined income!