

HOW TO HANDLE PAYROLL FOR EMPLOYEES WITH WAGE ASSIGNMENTS

Question

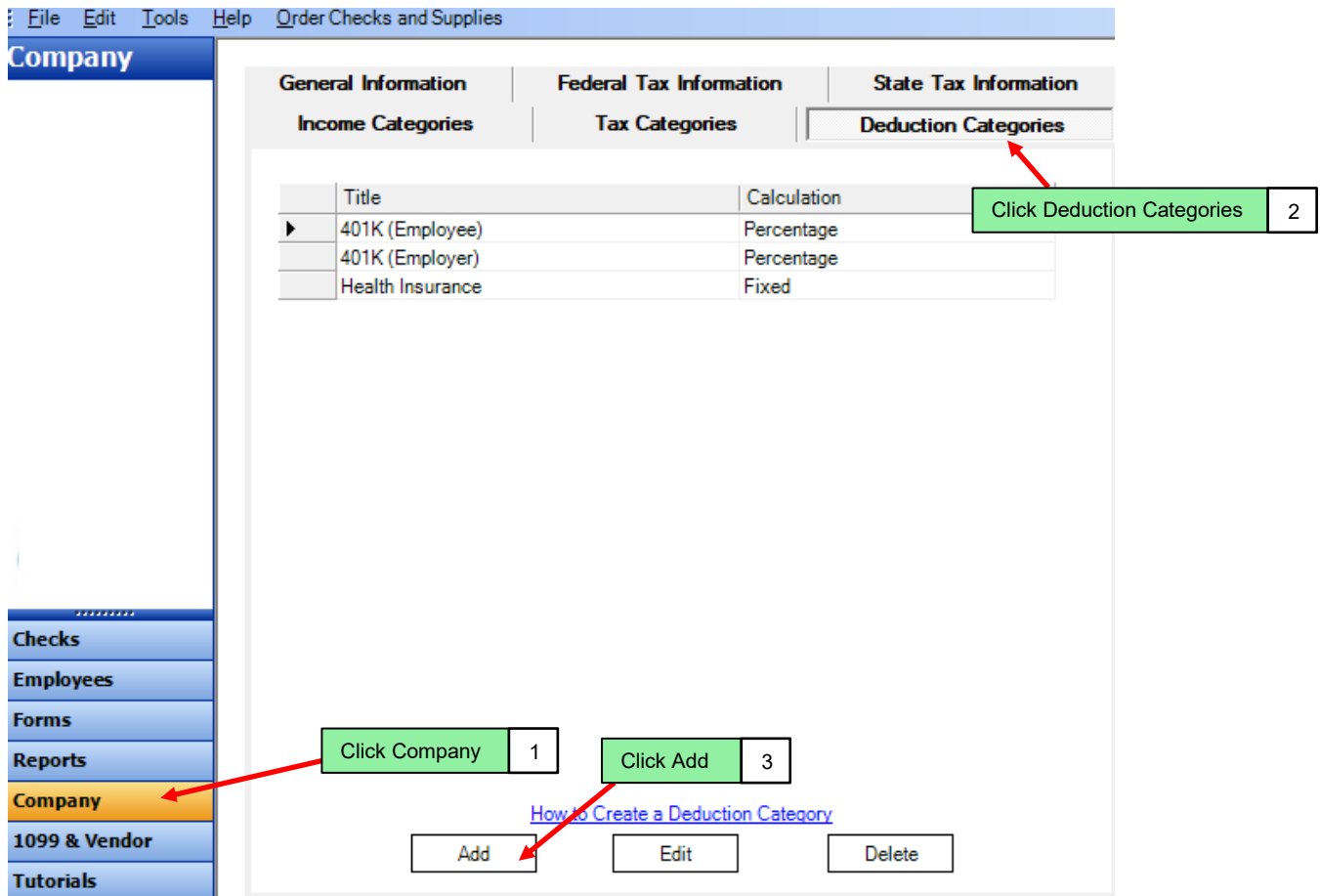
PLEASE REFER TO THE STEPS BELOW:

Answer

Payroll Mate is very flexible, and allows you to custom create a user defined deduction. We recommend speaking with your tax adviser to ensure your tax is set up correctly.

Handle Payroll for employees with wage assignments:

1. Click **Company**
2. Click **Deduction Categories**
3. Click **Add**



The screenshot shows the Payroll Mate software interface. On the left is a navigation menu with options: Checks, Employees, Forms, Reports, **Company** (highlighted), 1099 & Vendor, and Tutorials. The main window has a tabbed interface with three tabs: General Information, Federal Tax Information, and State Tax Information. Under the Federal Tax Information tab, there are three sub-tabs: Income Categories, Tax Categories, and Deduction Categories. The Deduction Categories tab is active, showing a table with the following data:

Title	Calculation
401K (Employee)	Percentage
401K (Employer)	Percentage
Health Insurance	Fixed

Below the table are three buttons: Add, Edit, and Delete. A red arrow points from the 'Add' button to a green callout box labeled 'Click Add' with the number 3. Another red arrow points from the 'Deduction Categories' tab to a green callout box labeled 'Click Deduction Categories' with the number 2. A third red arrow points from the 'Company' menu item to a green callout box labeled 'Click Company' with the number 1. A blue link labeled 'How to Create a Deduction Category' is also visible.

4. Please review the pop-up message, click **I Understand** once you have read through the terms.

Attention ×



You are about to custom add a new deduction category.

Please remember that this newly created category will directly affect your tax forms and reports.

You may need to seek tax advice from your tax professional before creating this new category.

Once you have finished creating this deduction category and before you start creating real checks, we strongly recommend that you create one or more dummy checks and confirm that all related incomes, taxes and deductions are properly reflected on all tax forms and reports.

Once you start creating actual payroll checks it will be very difficult to fix any errors you may have overlooked at this point.

I understand

Click I understand

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5. The **Deduction Details** box will appear, enter the **Title** for the **deduction**.
6. Choose a **Calculation** for the deduction **from the drop-down menu**.
7. Enter in the **rate of deduction**, the information requested depends on the calculation was chosen.
8. Check the **W-2 Options** boxes, if you want the deduction to appear on the W2's.
9. **Select the Exemptions** arrow, if this deduction has exemptions.
10. Click **OK**

Deduction Details

Enter Title 5

Choose Type of Calculation 6

Title:

Calculation:

Abbreviation:

Paid by:

Default Quarterly Rates:

Cutoff: Leave Blank for No Cutoff

☐ Inactive

Enter rate for Deduction 7

W-2 Options

☐ Use on Box 10 (Dependent Care Benefits)

☐ Use on Box 12

☐ Use on Box 14 (Other)

Check W-2 options 8

Pre-tax payroll deductions are deductions that lower your employee's taxable wages.

When you check any of the taxes in the list below you are lowering the taxable wages for that tax by the amount of the deduction you are creating here.

Exemptions

Select Exemptions, if applicable 8

OK Cancel

Click OK 10

The Calculation method for the deduction depends on your specific needs. We recommend speaking with a Tax Adviser if you are unsure what to select.

Check the W-2 Options boxes if you want the deduction to appear on the W-2.

If this deduction has exemptions, select the Exemptions arrow. Check the taxes from the drop down which this deduction will be exempt.

The taxable wages for any tax you check will be reduced by the amount of this deduction. Choose from the drop-down menu.

11. You will see your deduction listed by **Title and Calculation**

General Information		Federal Tax Information	State Tax Information
Income Categories	Tax Categories	Deduction Categories	
	Title	Calculation	
▶	401K (Employee)	Percentage	
	401K (Employer)	Percentage	
	Health Insurance	Fixed	
	Deduction	Percentage	

Shown created deduction

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[How to Create a Deduction Category](#)

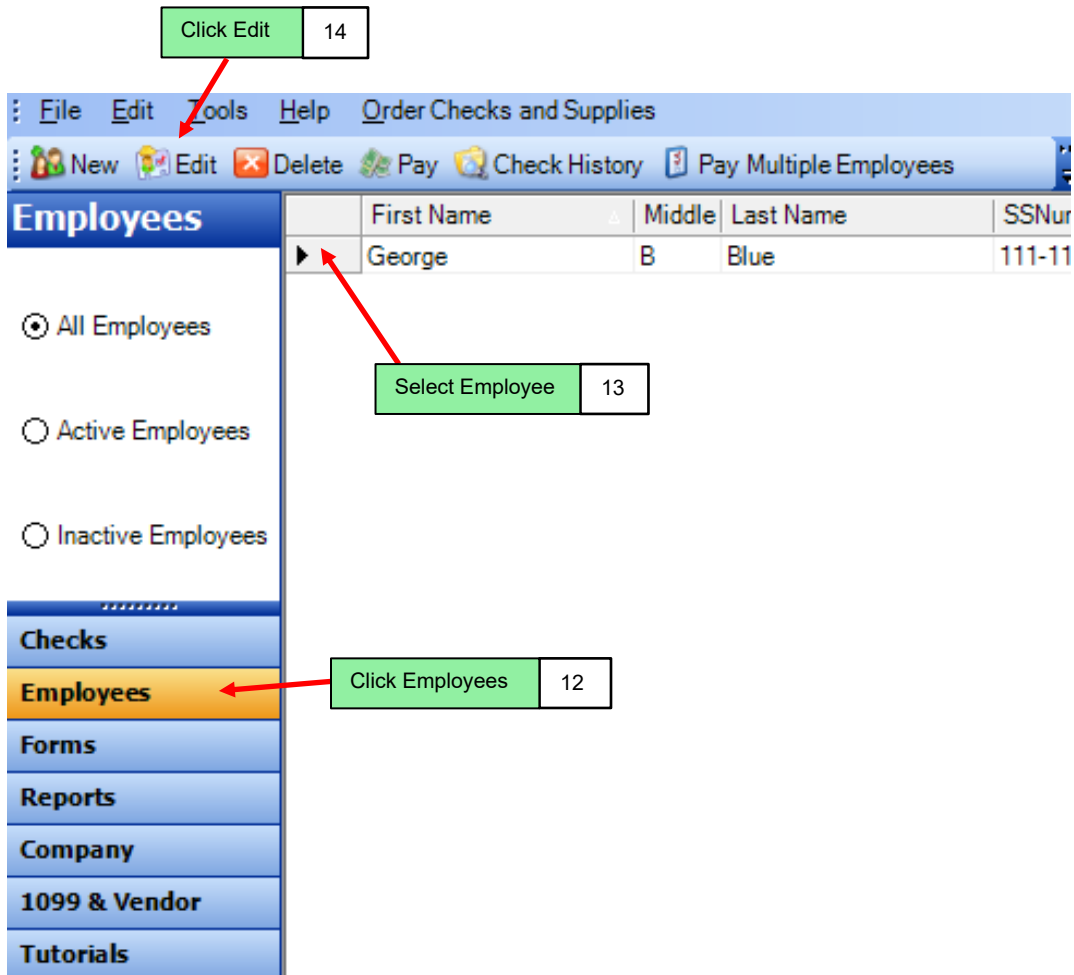
Add

Edit

Delete

Now you will need to apply the deduction to an employee(s):

12. Click **Employees**
13. **Select the employee** you wish to edit
14. Click **Edit**



The screenshot shows the Payroll Mate software interface. On the left is a navigation menu with options: Checks, **Employees** (highlighted), Forms, Reports, Company, 1099 & Vendor, and Tutorials. The main window displays a table of employees. The table has columns: First Name, Middle, Last Name, and SSN. The first row shows an employee named George B. Blue with SSN 111-11. A red arrow points from the 'Click Employees' callout box (12) to the 'Employees' menu item. Another red arrow points from the 'Select Employee' callout box (13) to the first row of the employee table. A third red arrow points from the 'Click Edit' callout box (14) to the 'Edit' button in the top toolbar.

First Name	Middle	Last Name	SSN
George	B	Blue	111-11

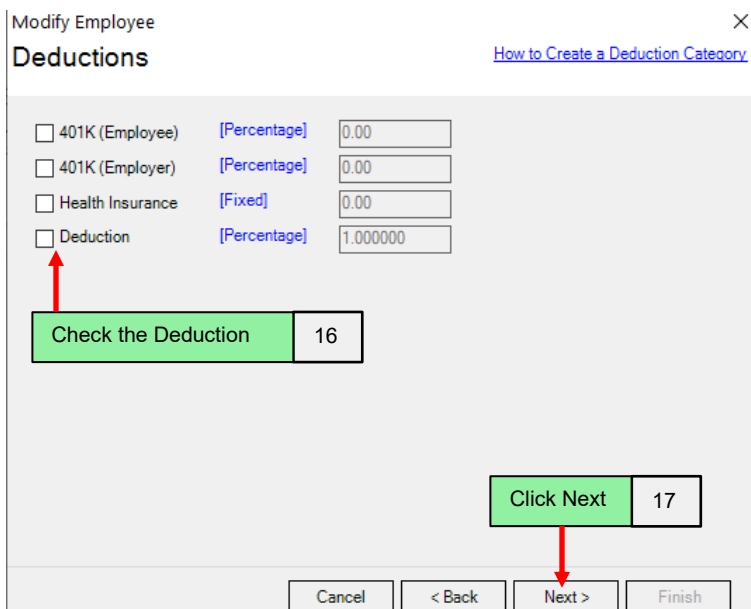
15. The Modify Employee Wizard dialog box will appear, click **Next**



Continue to click Next until you reach the **Deductions** page

16. **Check the Deduction** you created above

17. Click **Next**



Continue to click Next until you reach the **Finish** page

18. Click **Finish**

Modify Employee

×

Finish

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

Cancel

< Back

Next >

Finish

Click Finish

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After checking the deduction under one employee, repeat these steps for each employee that this deduction should be applied.