

HOW TO SET UP A CUSTOM DEDUCTION THAT IS NOT BUILT INTO PAYROLL MATE

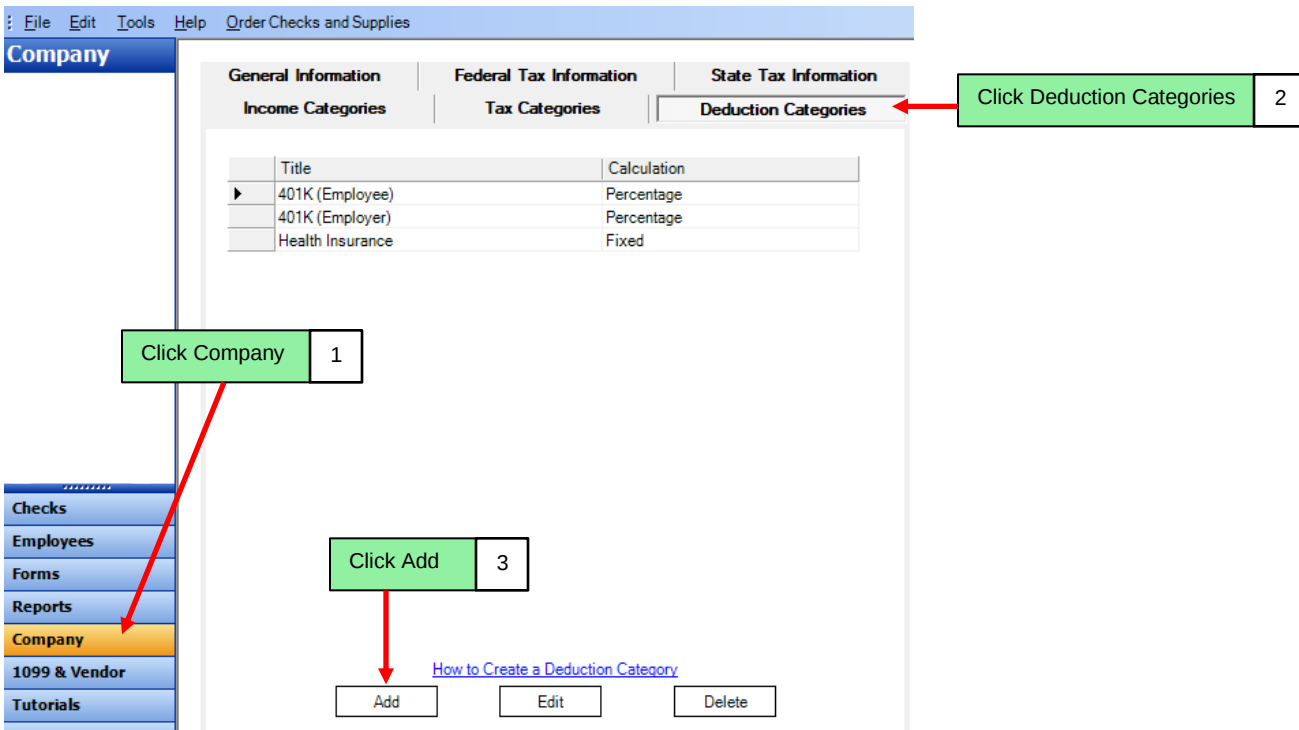
Question

PLEASE REFER TO THE STEPS BELOW:

Answer

Make sure you are in the correct company.

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. A red arrow points from a green box labeled 'Click Deduction Categories' with the number '2' to the Deduction Categories sub-tab. Another red arrow points from a green box labeled 'Click Company' with the number '1' to the 'Company' menu item. A third red arrow points from a green box labeled 'Click Add' with the number '3' to the 'Add' button at the bottom of the Deduction Categories section. Below the Deduction Categories sub-tab is a table with the following data:

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

At the bottom of the Deduction Categories section, there are three buttons: Add, Edit, and Delete. A link labeled 'How to Create a Deduction Category' is also visible above the buttons.

4. Warning message about adding a custom new deduction will appear. Read the message carefully, then click **I understand**.

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.

Click I understand 4

5. Enter your **Deduction Details**
6. Click **OK**

Enter Deduction Details 4

Deduction Details

Title: Calculation: Percentage

Abbreviation: Paid by: Employee

Default Quarterly Rates: Cutoff: Leave Blank for No Cutoff

☐ Inactive

W-2 Options

☐ Use on Box 10 (Dependent Care Benefits)

☐ Use on Box 12

☐ Use on Box 14 (Other)

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 ▼

Click OK 6

Enter the Title for your deduction.

The abbreviated name field will default to what you entered in the Name field. You can override the default name if necessary.

Select the calculation method

Select who the deduction is Paid by, the Employee or Employer.

Enter the Cutoff amount, if applicable

Place a checkmark in one of the W-2 Options, if applicable

Select the Exemptions drop-down to place a checkmark on any applicable exemptions, if applicable

For information on whether or not you deduction is exempt you can consult your tax adviser.

Your deduction is now visible in the list of deductions

You can now add this deduction to your employee(s)

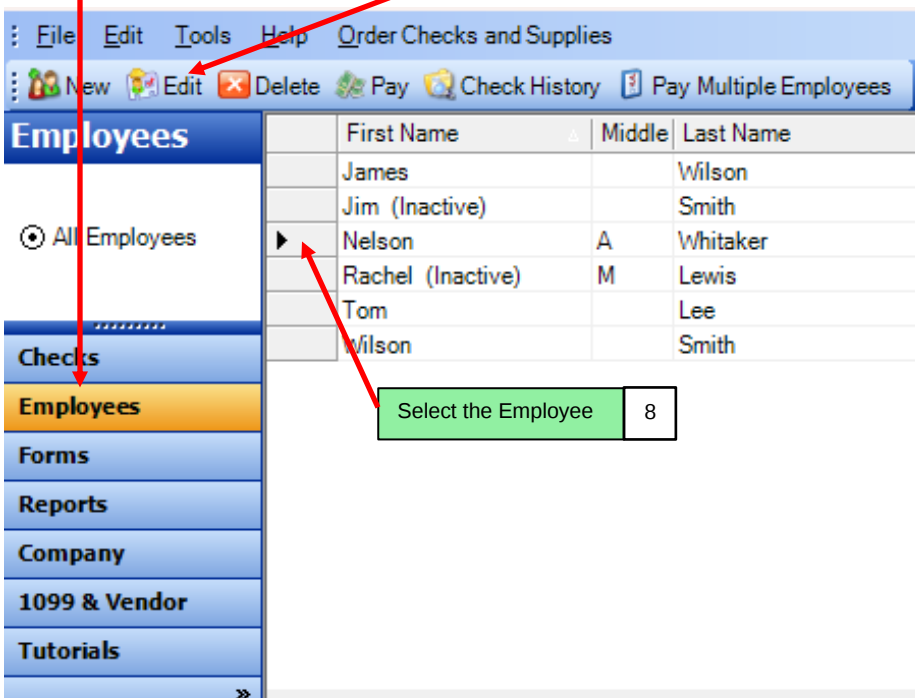
7. Click **Employees**
8. **Select the Employee** to apply the deduction
9. Click **Edit**

Click Employees

7

Click Edit

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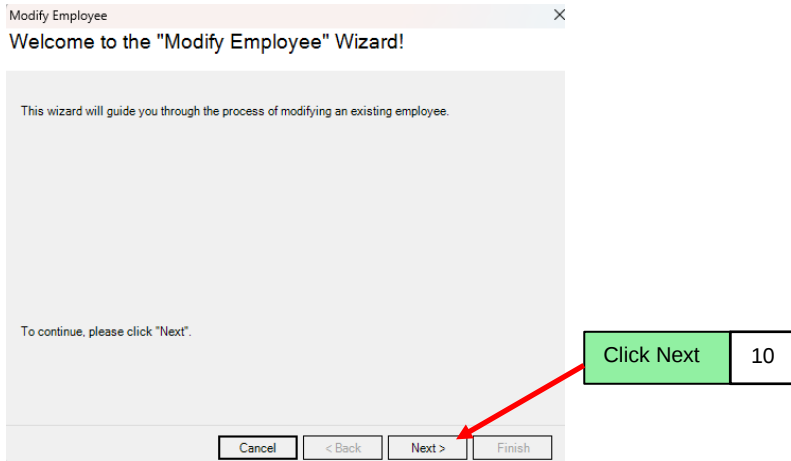
The screenshot shows the Payroll Mate application window. On the left is a sidebar with a menu. The 'Employees' menu item is highlighted in orange. A red arrow points from the 'Click Employees' instruction to this menu item. The main window displays a table of employees. The table has columns for First Name, Middle, and Last Name. The employee 'Nelson' is selected, indicated by a red arrow pointing from the 'Select the Employee' instruction to his row. The table data is as follows:

First Name	Middle	Last Name
James		Wilson
Jim (Inactive)		Smith
Nelson	A	Whitaker
Rachel (Inactive)	M	Lewis
Tom		Lee
Wilson		Smith

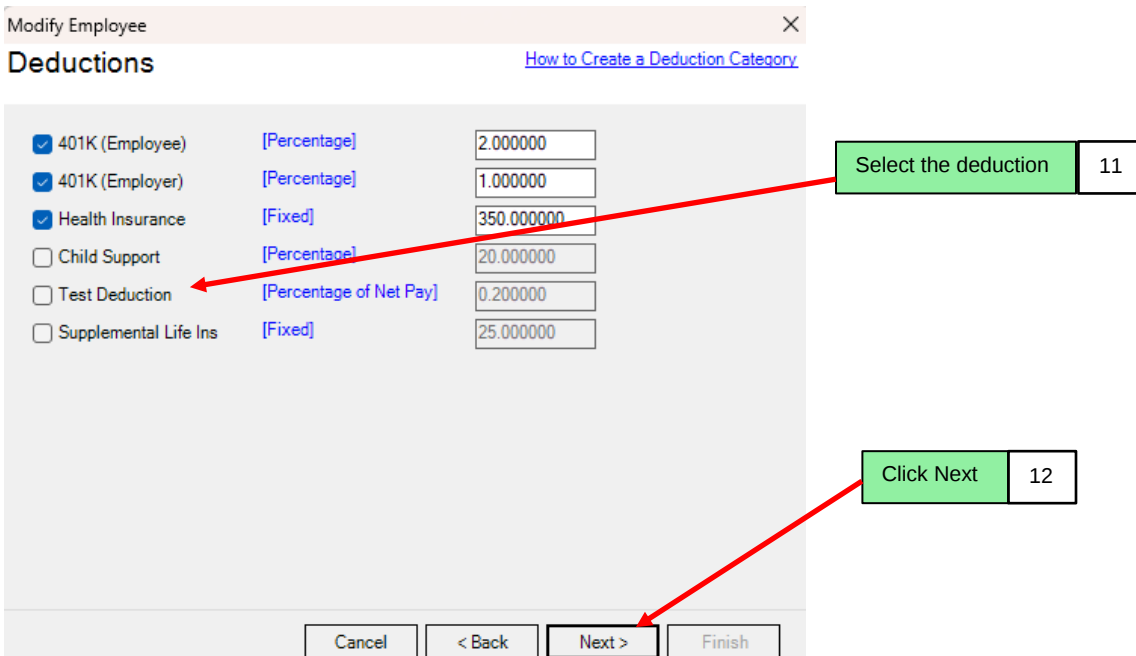
Select the Employee

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10. Welcome to the Modify Employee Wizard will appear, click **Next** until you reach the Deductions screen.



11. **Select the deduction** for that employee. (Test Deduction is example)
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.

Cancel

< Back

Next >

Finish

Click Finish

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You may not apply this deduction to appropriate employees.