

Create a New Deduction Category in Payroll Mate Video Transcript

When you open Payroll Mate, you will always be asked to check for updates. Click "Yes" and any available updates will download and install automatically.

To add a new Deduction Category in Payroll Mate...

Click on "Company" ...
and select Deduction Categories

Payroll Mate comes loaded with the most commonly used deduction categories.

You can also add categories to fit your needs.

To do this...click "Add".

Define your newly created Deduction Category.

Select the Calculation method.

- Calculation based on percentage of income.

- Fixed amount per paycheck.

- Variable amount to be added to each paycheck manually.

- Deductions Per Hour.

- Deductions Per Piece.

- Deductions Per Mile.

- ...and lastly, percentage of deduction, which is a deduction based on another deduction.

 - Be sure to select the deduction that this deduction applies to.

Select whether the deduction will be paid by the employee or the employer.

Typically, deductions are paid by the employee.

Make sure to include the rates or base amount (depending on which calculation method you choose).

If this deduction has a cap, or a cutoff amount, enter it here. Otherwise, leave it blank.

DO NOT ENTER ZERO!

That would become the cutoff and the deduction would never be applied.

Check "Inactive" if you don't want this Deduction category to be available as a selection for employees' Deductions.

Enter the proper W2 Box codes and abbreviations, if any apply.

This will apply only to Deduction categories that show up on box 10, 12, or 14 of the W2 forms.

You can find box 12 codes inside W2 forms instructions provided by the IRS.

You can select which taxes this deduction is exempt from, if any.

The taxable wages for any tax you check will be reduced by the amount of this deduction. This will result in lower tax.

...and finally, click OK to save your new Deduction Category.

CONGRATULATIONS!

You have successfully created a new Deduction Category in Payroll Mate!

When you add a custom Deduction Category, the software will check to see if there are any custom Income Categories.

If you had created custom Income Categories, you would be reminded to review them and check your new deduction, under "Deductions Applied" in the Income Categories edit wizard, if it applies.

Apply your new Deduction Category to an employee

To apply your new custom Deduction Category, or an existing deduction category to an employee...

Click Employees

A list of your employees will show in the employee's screen.

Select the employee that you want to add the deduction to.

...then click on the "Edit" button.

This will open the Modify Employee Wizard

Click "Next" until you get to the Deductions panel.

Find the deduction that you want to apply in the list of deductions, and check the box to the left of it.

Now click "Next" until you get to the Modify Employee Wizard "Finish" panel.

...and click "Finish"

Now select your employee...

...and click "Pay".

When you pay this employee, you can see that the newly applied deduction appears on the Check Details panel.

...and the deduction will be applied to their pay.

Any Deductions that you need can be created and applied using these steps

Thank you for trusting Payroll Mate!