

## Creating a New Income Category inside 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 Income Category in Payroll Mate...

Click on “Company” ...  
and select Income Categories

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

To custom add categories...  
Select “Add” and follow the wizard.

To custom add your income category, first give it a name and abbreviation. You should make sure that the name is descriptive of the income that you’re creating. You should also make sure that it’s unique so that it won’t be confused with a pre-existing or another custom category.

For example, if you have an employee who is paid hourly, but at different rates, depending on which facility they’ve worked at, you don’t want to name the category “Regular Hourly Pay”, since that category already exists. You might want to create categories such as “Hourly Pay Location 1”, “Hourly Pay Location 2”, etc.

Select the income Type from the drop-down menu. There are several income types supported in Payroll Mate.

Per Year, for salaried.

Per hour, for hourly pay.

Fixed, for an income type which is always the same on each check.

Variable, for income types which can be different with each check.

Per piece, for incomes which are a fixed amount per item or per task.

Per mile, for mileage allowances or transportation professionals.

Percentage of Sales, for straight commission types of income.

Enter the proper W2 Box code and abbreviation, if any apply. This will apply only to income categories that need to show up on box 12 or 14 of the W2 forms. You can find box 12 codes inside W2 forms instructions provided by the IRS.

Most income categories do not require codes.

Check “Reported Tips” if the income category is for tips and you want the amount to be included in the Social Security Tips line on the employee’s W2 form. Note that once the income is created this box cannot be changed.

Check “Omit from Net Pay” if you want to track tax and withholding from income transactions on the payroll but exclude the amount from the net pay.

For instance, tips are a taxable, cash transaction. As such, the amount would already have been paid but you would still want the taxes to be accounted for.

Check “Inactive” if you don’t want this income category to be available as a selection for employees’ income. For this to be effective, the income cannot currently be applied to any employees and no employee can previously have been paid this income (there cannot have been any checks issued using this category).

You can also check or uncheck the taxes that apply or do not apply to this newly created income category.

If you uncheck taxes, it will have an effect on your W2, your 941 and other forms. When in doubt, check with your taxing authorities to determine which taxes should and should not apply to the income that you're creating.

Check any deductions that may apply to this income category.

...and finally click OK to save your new Income Category.

**CONGRATULATIONS!**

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

### **Apply your new Income Category to an Employee**

To apply your new Income Category, or an existing income 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 this income category to...

Then click on the "Edit" button.

This will open the Modify Employee wizard.

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

This employee is already receiving Regular Hourly Pay. An employee can receive more than one type of income at a time. All will appear on the employee's check.

Scroll down to find your newly created Income Category.

...and check the box next to that income.

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

...and click "Finish".

Your new Income category has been applied to the employee.

It will appear on the Check Details panel, along with all other incomes that are applied to this employee.

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

***Thank you for trusting Payroll Mate!***