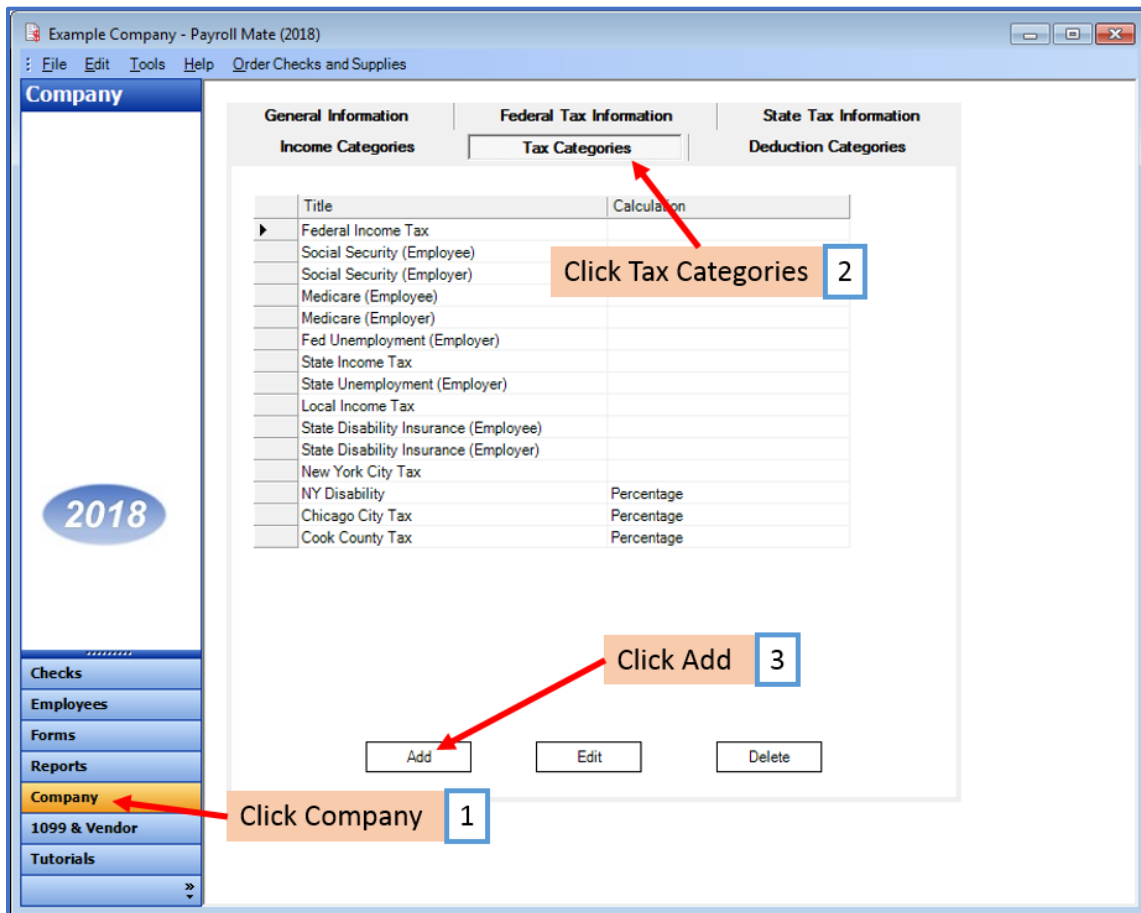


How to Set Up California Employment Training Tax (ETT) inside Payroll Mate

This tutorial is for information purposes only. It is your responsibility to make sure the payroll setup is correct. Consult your accountant or tax advisor if you are unsure how a certain payroll item or your payroll in general should be set up.

Make sure you have the correct Company open inside Payroll Mate

1. Click Company from shortcuts menu
2. Click Tax Categories
3. Click Add



4. Enter Tax Information

Note: As of this writing employers subject to ETT pay one-tenth of 0.1 percent (.001) on the first \$7,000 in wages paid to each employee in a calendar year. The tax rate is set by statute at 0.1 percent (.001) of UI taxable wages for the employers with positive UI reserve account balances and employers subject to Section 977(c) of the California Unemployment Insurance Code. The maximum tax is \$7 per employee, per year (\$7,000 x .001). ETT is an employer-paid tax.

4a. Enter W2 Options as needed (contact CA for questions regarding W2 reporting)

5. Click OK

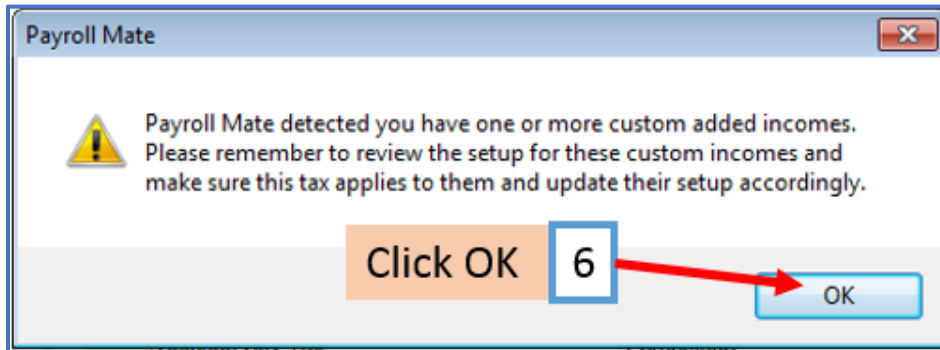
The screenshot shows a software dialog box titled "Tax Details" with a sub-header "Enter Tax Information" and a tab indicator "4". The dialog is divided into several sections:

- Title:** CA Emp Train Tax
- Abbreviation:** CA Emp Train
- Calculation:** Percentage
- Quarterly Rates:** Four input boxes, each containing 0.100000
- Wagebase:** 7000.00
- Max Amount per Check:** (empty)
- Paid by:** Employer
- W-2 Options:**
 - W-2 Box 12 Code: (empty)
 - W-2 Box 14 Abbreviation: (empty)
- Use on Box 19 (Local income tax)
- Inactive
- Buttons:** OK and Cancel

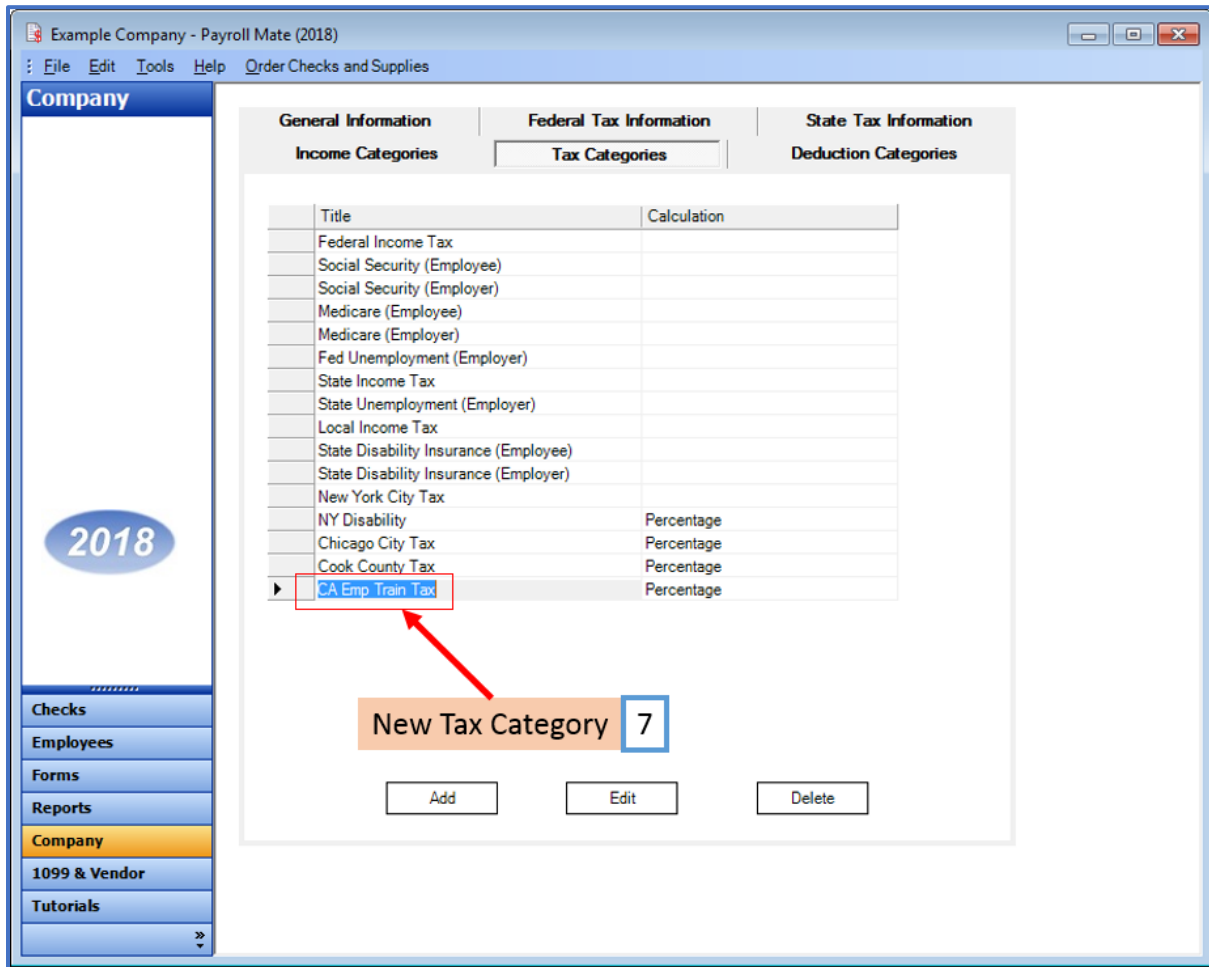
Red arrows and callout boxes highlight specific steps: "4" points to the Title field, "4a" points to the W-2 Options section, and "5" points to the OK button.

Note: If you have any custom incomes, you will receive the following notice

6. Click OK



7. New Tax Category is now listed



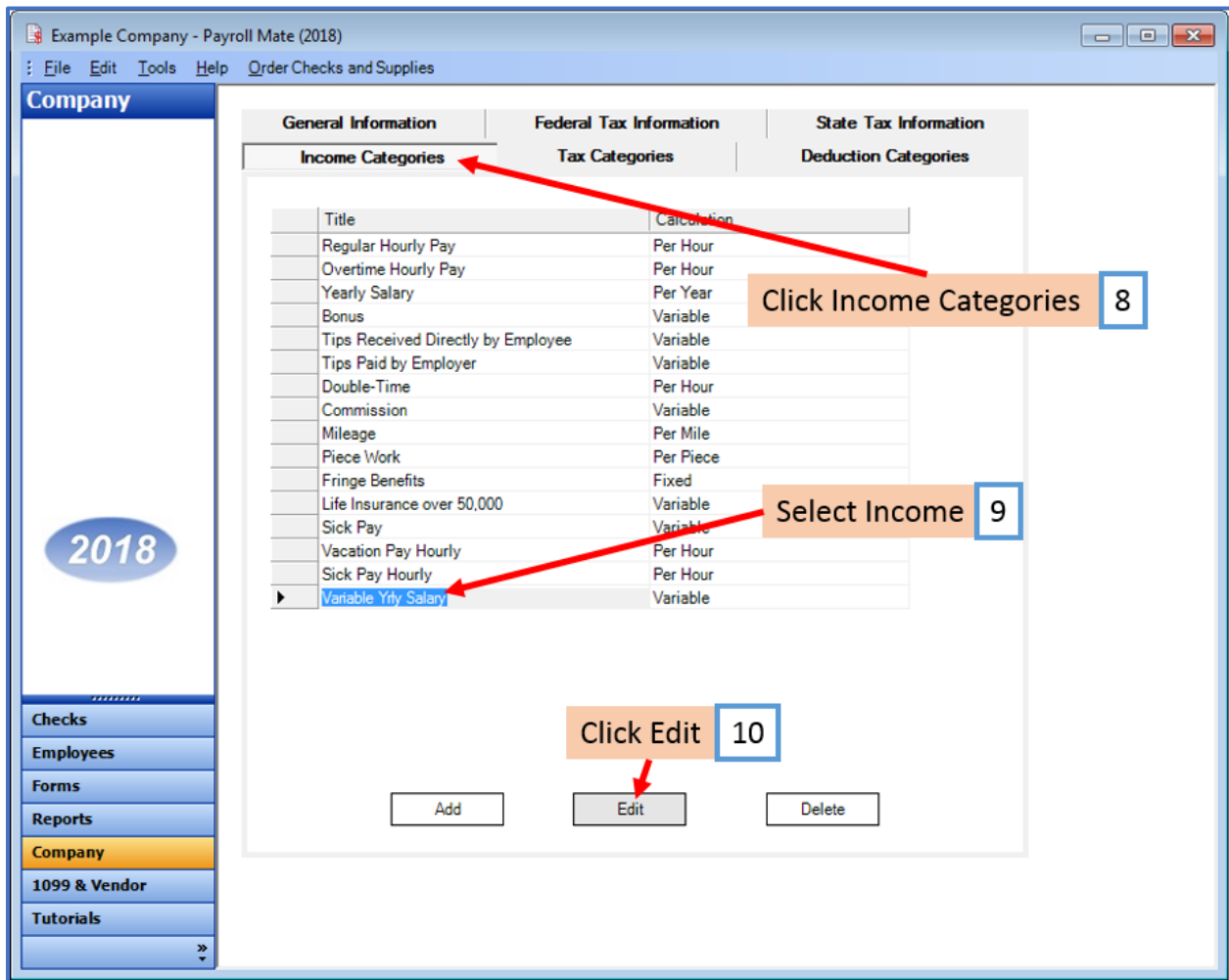
Note: If you need to update custom income categories to apply the ETT tax refer to steps 8-12
If this does not apply to you, please proceed to step 13

To update custom income categories

8. Click Income Categories

9. Select the custom income

10. Click Edit



11. Checkmark to apply new tax to this income

12. Click OK

Income Details

Title: Variable Yrly Salary
Abbreviation: Variable Yrl
Type: Variable
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

Checkmark to apply new tax 11

Taxes Applied:
 Local Income Tax
 State Disability Insurance (En
 State Disability Insurance (En
 New York City Tax
 NY Disability
 Chicago City Tax
 Cook County Tax
 CA Emp Train Tax

Deductions Applied:
 401K (Employee)
 401K (Employer)
 Health Insurance
 Box 12 data

Click OK 12

OK Cancel

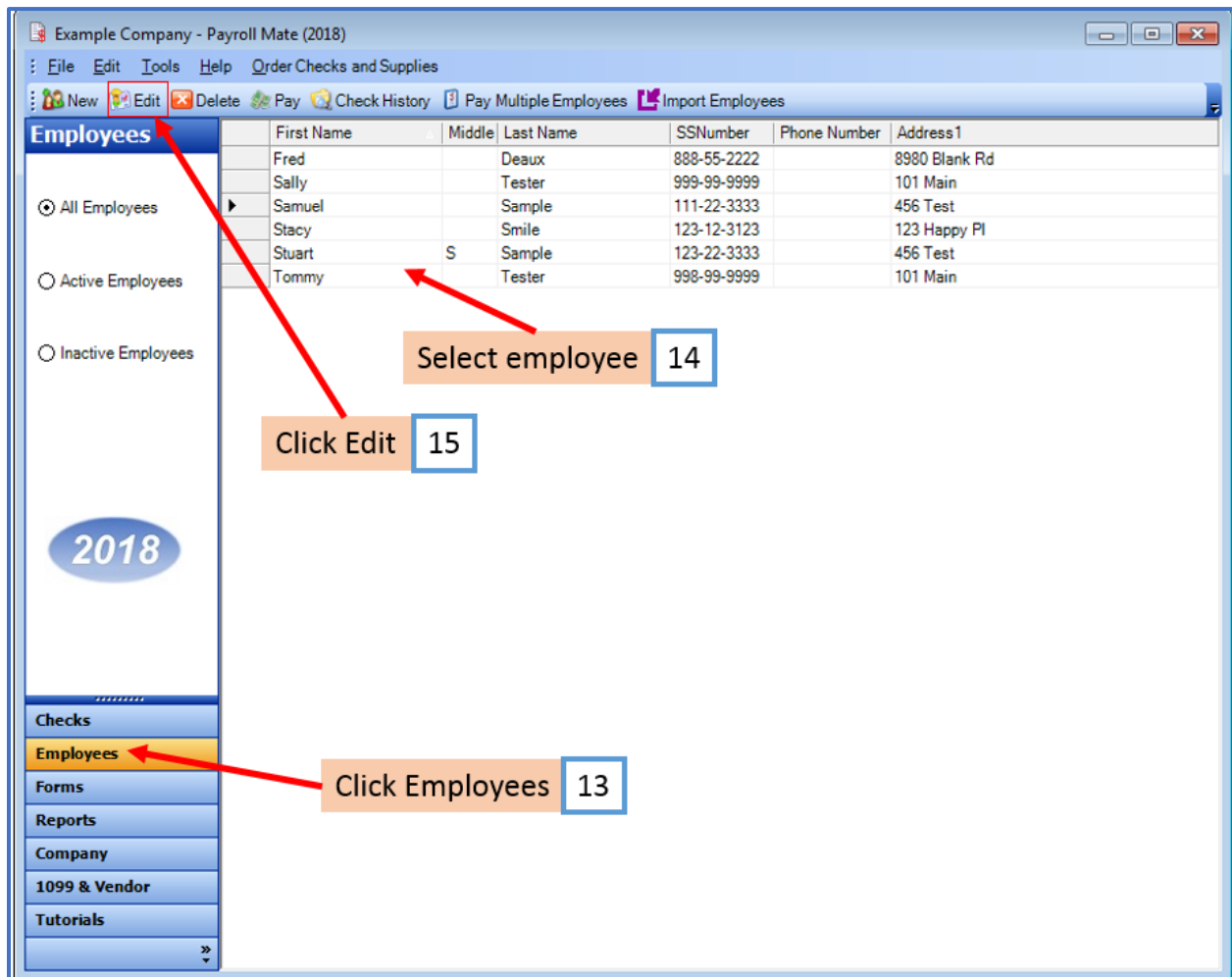
You will need to repeat steps 8 through 12 for each custom income category

To update employees to apply the new tax

13. Click Employees from shortcuts menu

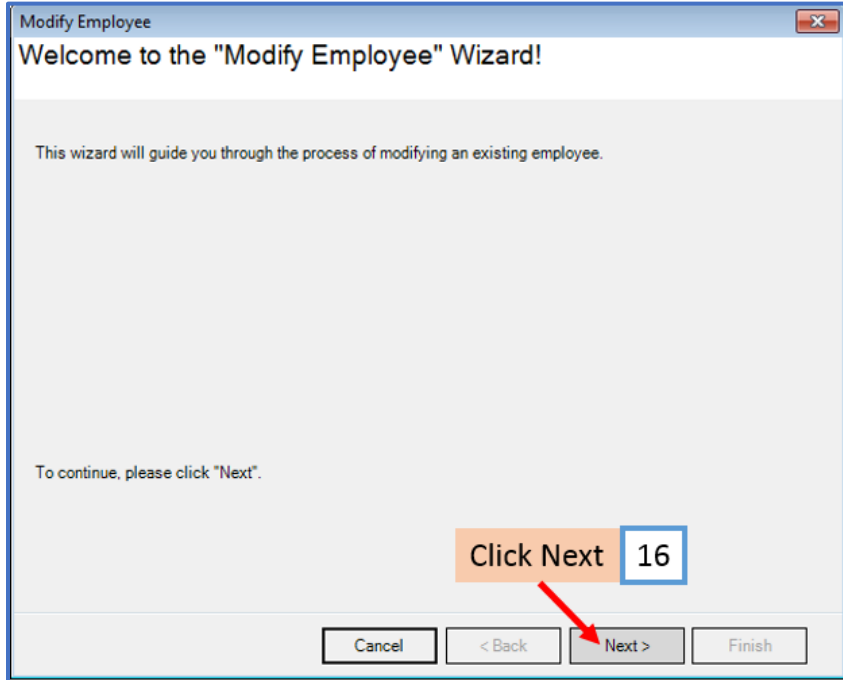
14. Select employee to edit

15. Click Edit

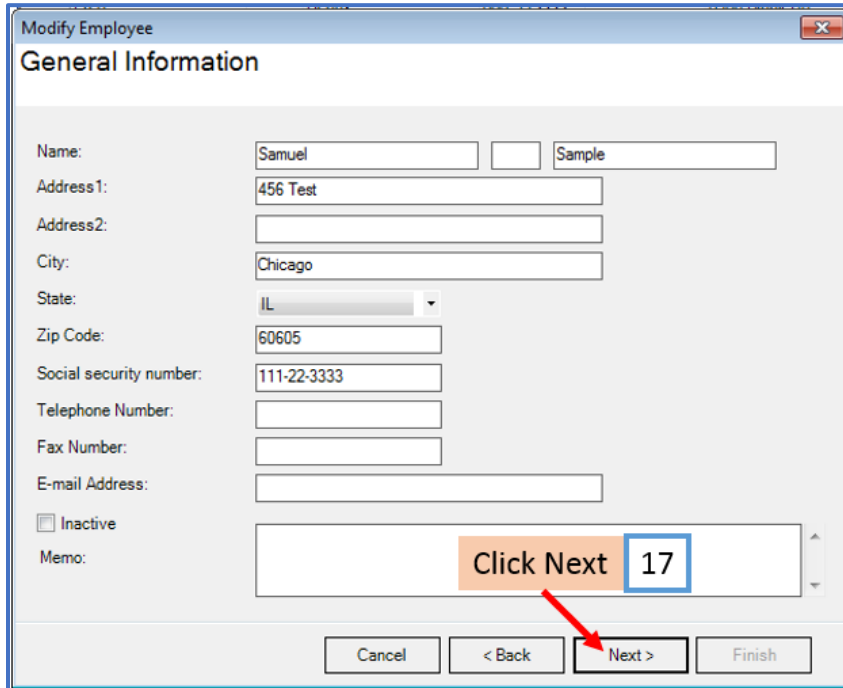


This will open the Modify Employee Wizard

16. Click Next



17. Click Next



18. Click Next

Modify Employee

Tax Setup

Federal Income Tax Setup

Filing Status:

Number of Allowances:

Pay Frequency:

Additional Federal Withholding:

W-2 Options

Statutory Employee

Retirement Plan

This employee receives Advance EIC payment

Set the following Taxes to zero on the check

Federal Income State Income SS. & Med. (Employee) SS. & Med. (Employer)

State Income Tax Setup

State:

Additional State Withholding:

IL-W4 Line 1:

IL-W4 Line 2:

Click Next 18

Cancel < Back Next > Finish

19. Click Next

Modify Employee

Incomes

Regular Hourly Pay [Per Hour]

Overtime Hourly Pay [Per Hour]

Yearly Salary [Per Year]

Double-Time [Per Hour]

Mileage [Per Mile]

Piece Work [Per Piece]

Fringe Benefits [Fixed]

Vacation Pay Hourly [Per Hour]

Sick Pay Hourly [Per Hour]

Bonus [Variable]

Tips Received Directly by Employee [Variable]

Tips Paid by Employer [Variable]

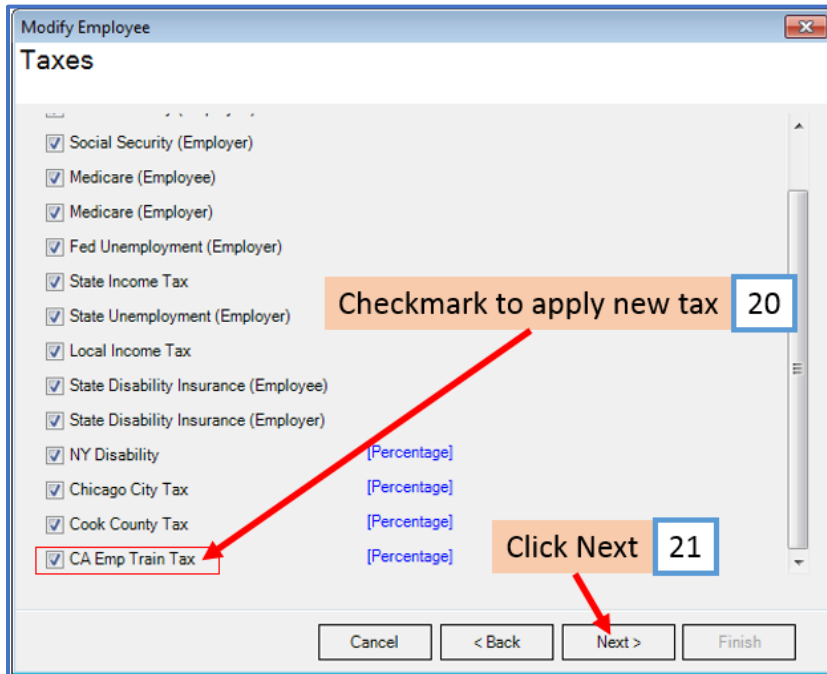
Commission [Variable]

Click Next 19

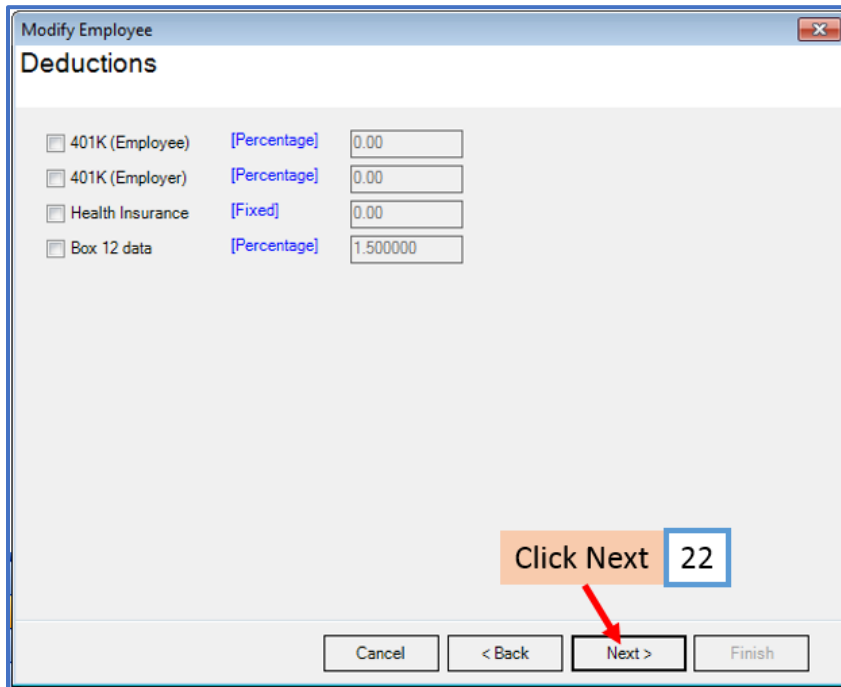
Cancel < Back Next > Finish

20. Checkmark the new tax category to apply to this employee

21. Click Next



22. Click Next



23. Click Next

Modify Employee

Direct Deposit

Include in Direct Deposit Process

Banking Information

Account Type:

Bank Routing Number:

Account Number:

Click Next 23

Cancel < Back Next > Finish

24. Click Next

Modify Employee

Vacation / Sick Hours Settings

Method of Calculating Vacation and Sick Hours:

Per Check

Per Total Hours on Check

Vacation Hours Earned Per Total Hours on Check:

Maximum Vacation Hours Earned Per Year: Keep blank for unlimited hours per year; fill with 0.00 for zero hours per year

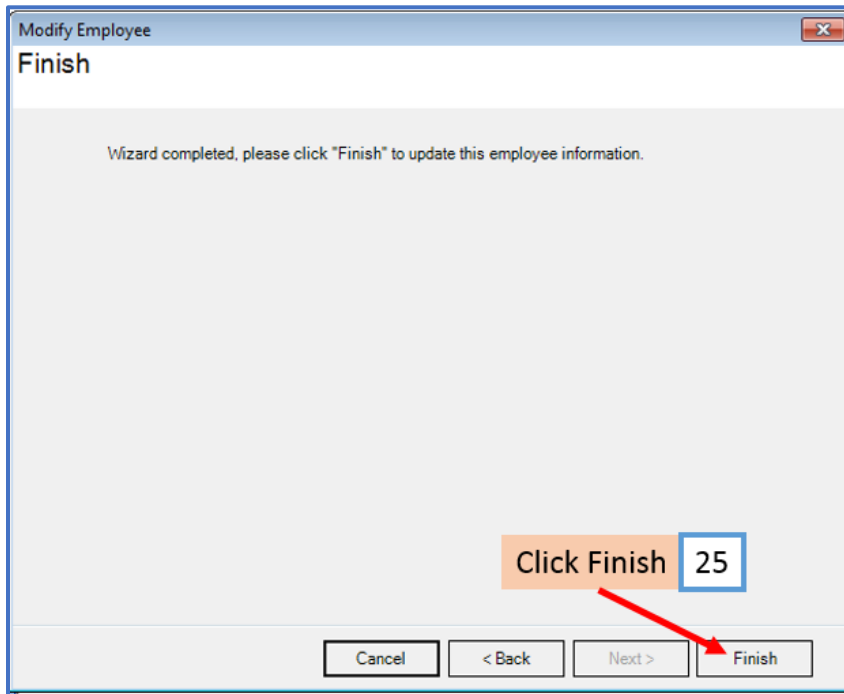
Sick Hours Earned Per Total Hours on Check:

Maximum Sick Hours Earned Per Year: Keep blank for unlimited hours per year; fill with 0.00 for zero hours per year

Click Next 24

Cancel < Back Next > Finish

25. Click Finish



You will need to repeat steps 13 through 25 for each employee

26. When creating a new payroll check for the employee the new tax category will be visible

