# How to Set Up Loan Repayment Deduction inside Payroll Mate

This tutorial is for information purposes only. It is your responsibility to make sure the payroll setup is correct. We do not make recommendations for setting up payroll items. Consult your accountant or tax advisor if you are unsure how a certain payroll item or your payroll in general should be set up.

1. Click Company from Shortcuts

2. Click Deduction Categories

3. Click Add
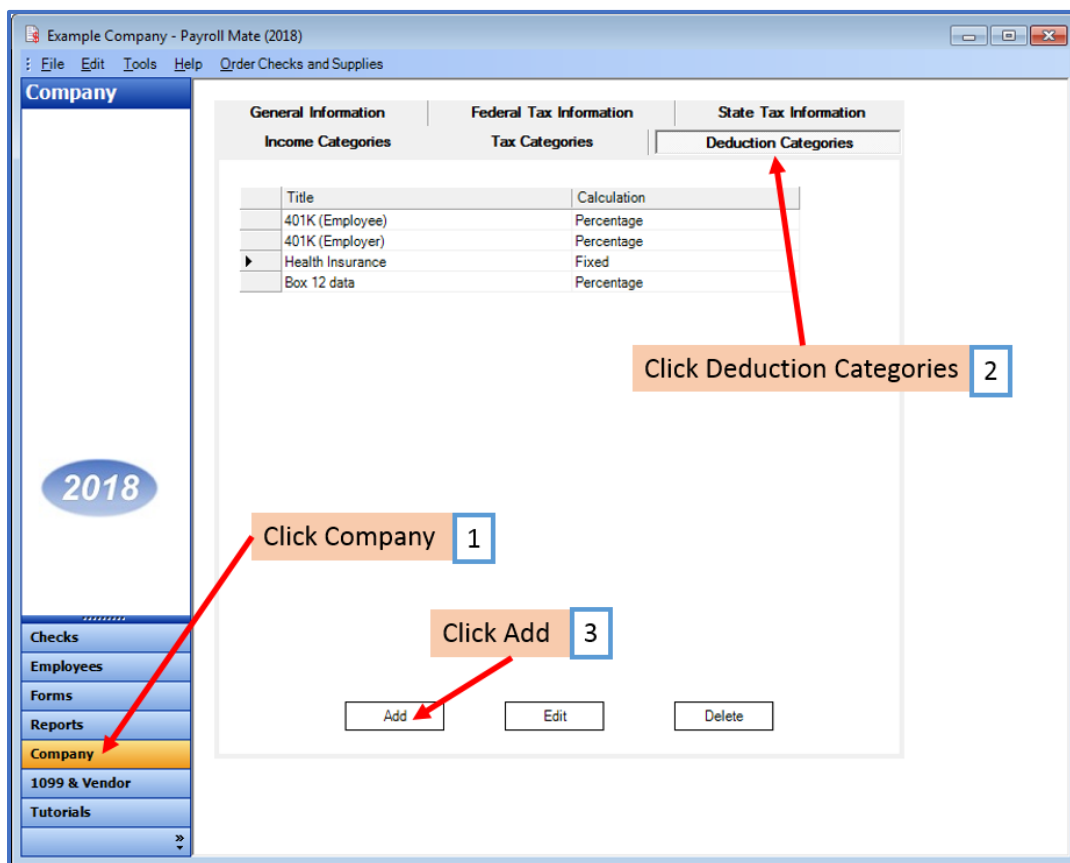
4. Enter Title, Abbreviation, Select Calculation (Fixed is the general method) and Paid by

5. Enter default deduction amount (field cannot be blank) and Cutoff as applicable
Note: Payroll Mate will stop the deduction once the cutoff has been reached.

6. Checkmark the W2 Options as applicable

7. Edit Tax Exemptions as needed

8. Click OK
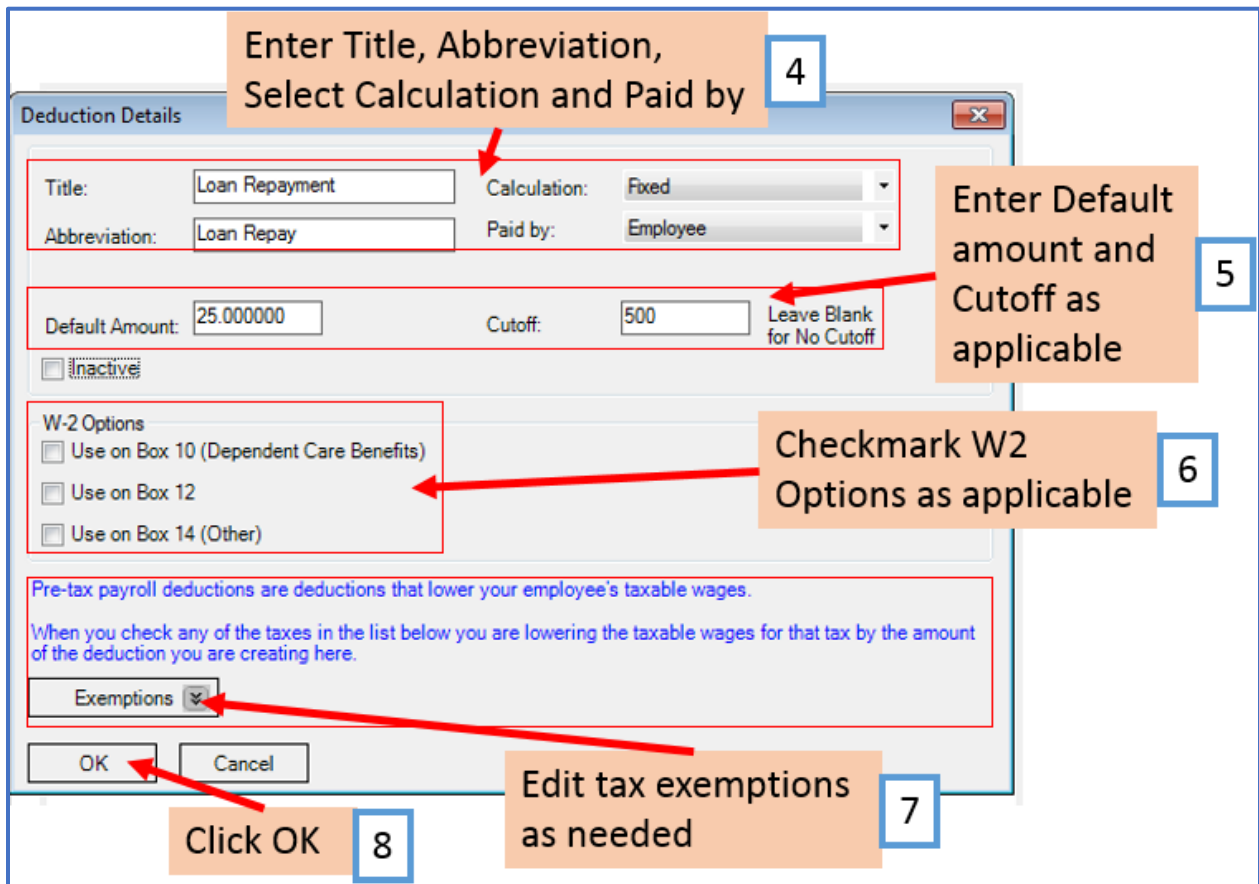
Note: If you have any custom incomes, you will receive the following notice
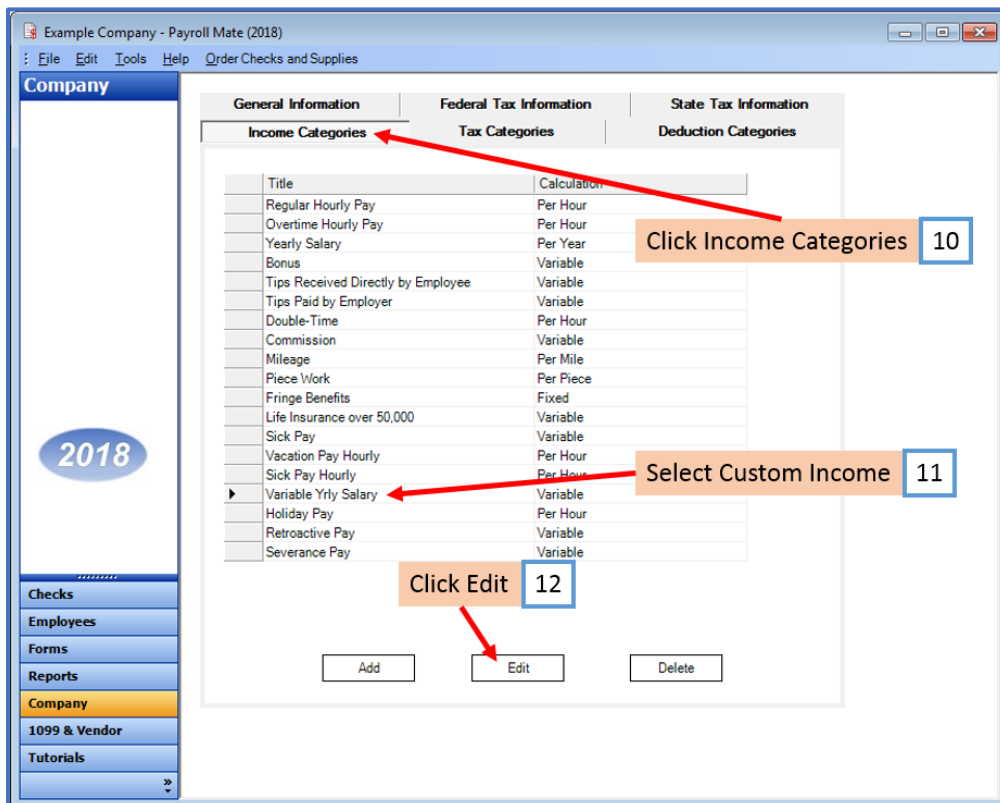9. Click OK
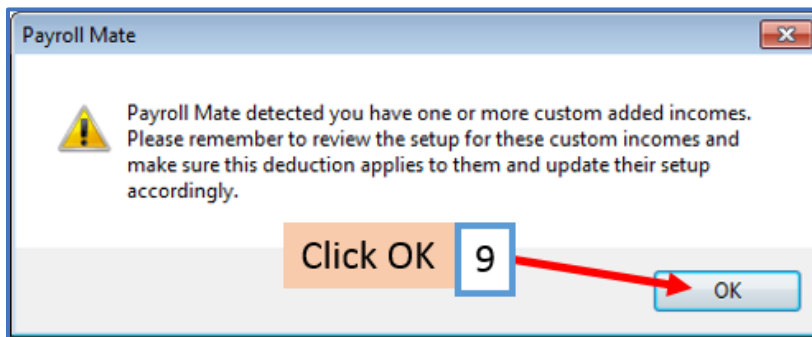
Note: If you need to update custom income categories to apply the Loan Repayment deduction refer to steps 10-14. If this does not apply to you, please proceed to step 15

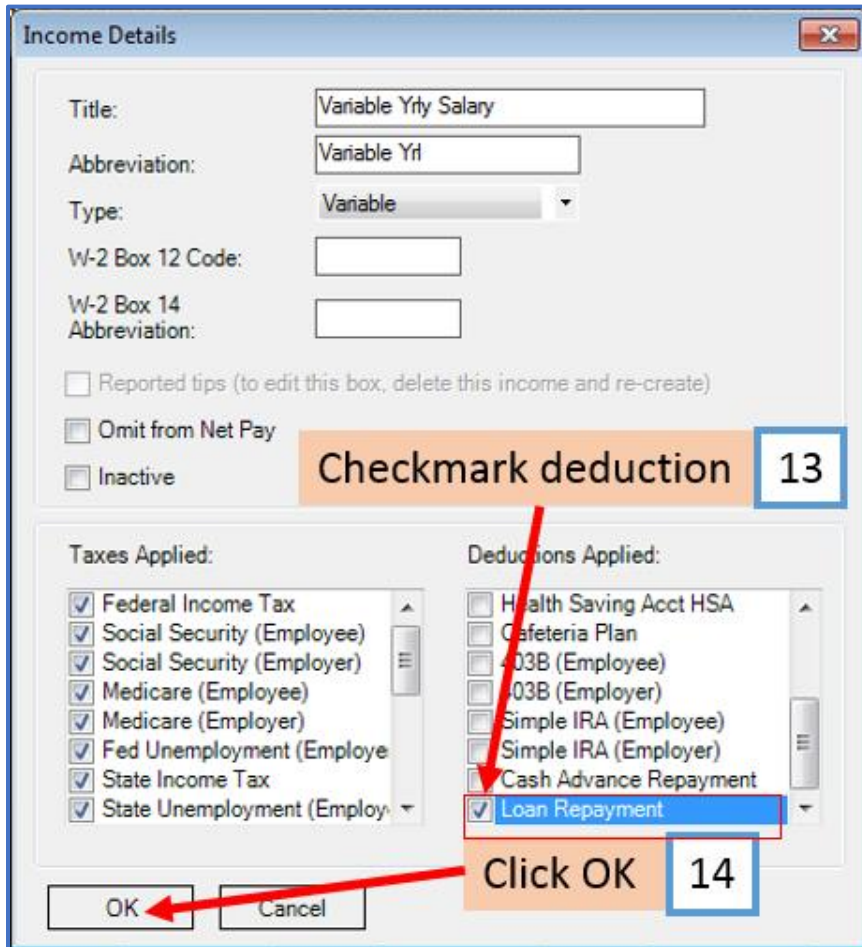**To update custom income categories**
10. Click Income Categories

11. Select the custom income

12. Click Edit

13. Checkmark to apply new deduction to this income

14. Click OK

You will need to repeat steps 10 through 14 for each custom income category

You will apply the Loan Repayment deduction to each employee as needed

To update employees to apply the Loan Repayment Deduction
15. Click Employees from Shortcuts

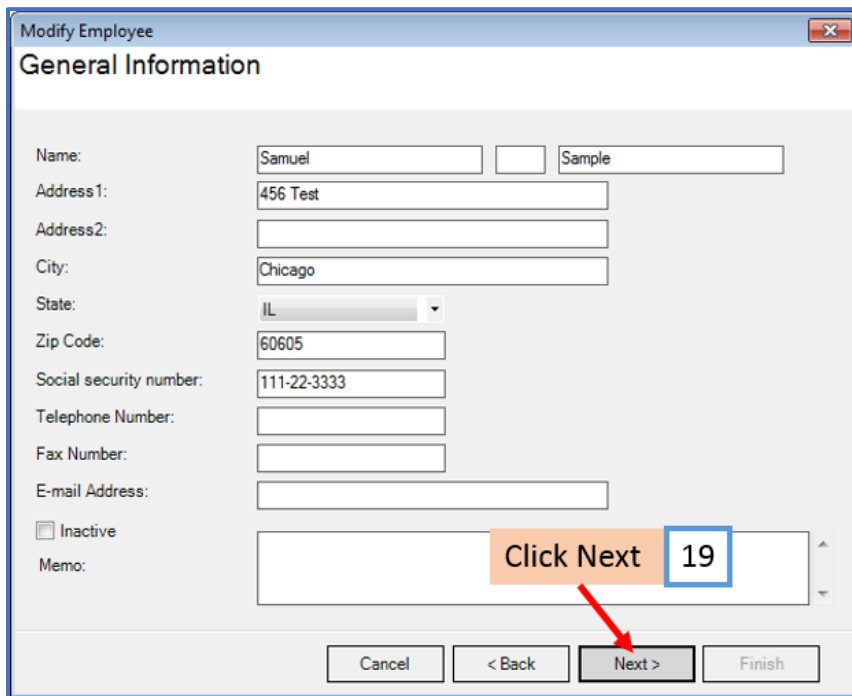16. Select an employee from the list of employee's names

17. Click Edit
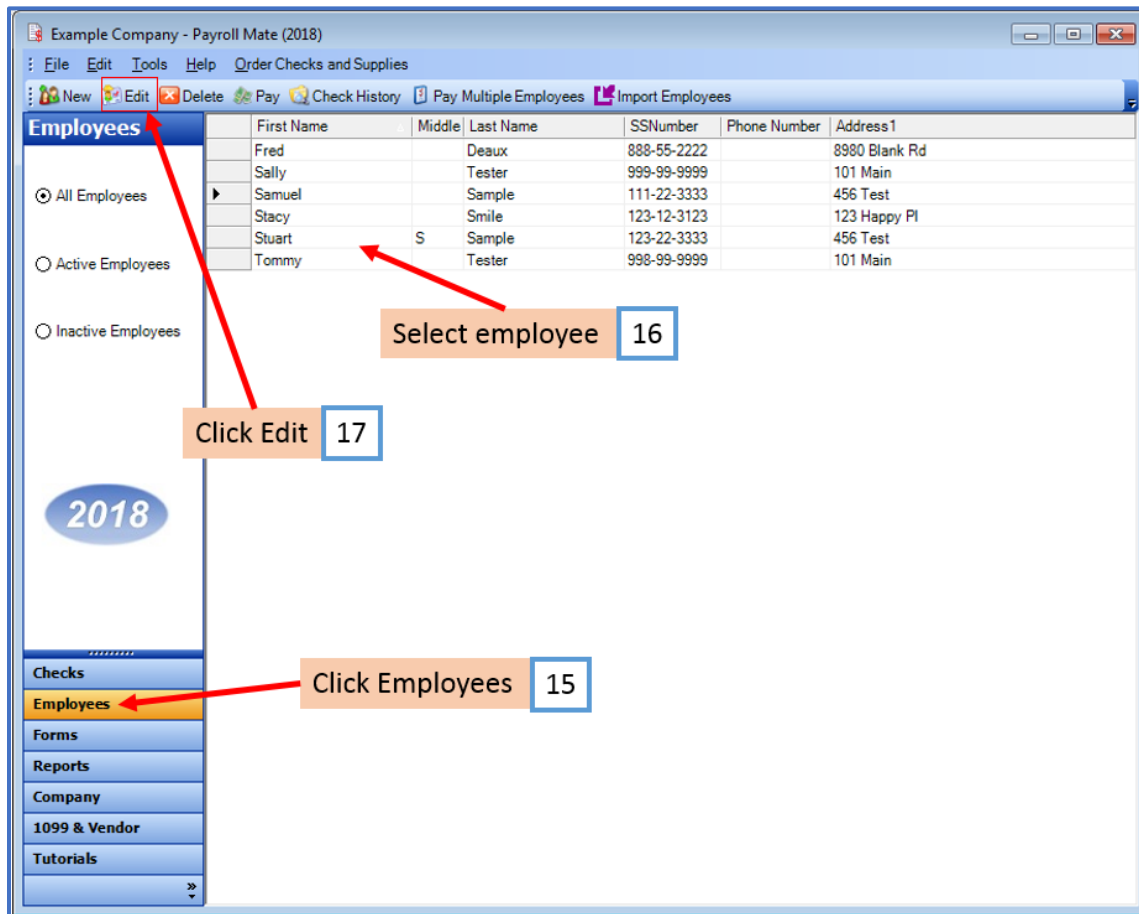
The Modify Employee Wizard will appear on the screen

18. Click Next
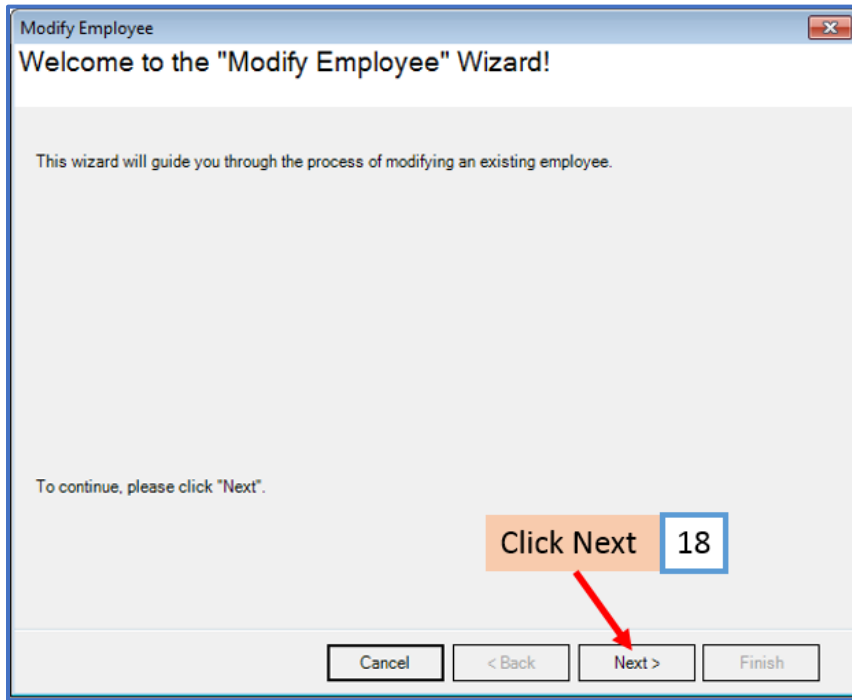
19. Click Next

20. Click Next

21. Click Next

22. Click Next

23. Checkmark to select Loan Repayment and enter amount for each paycheck

24. Click Next

25. Click Next

26. Click Next

27. Click Finish

Note: Your information will not be saved if you do not click Finish
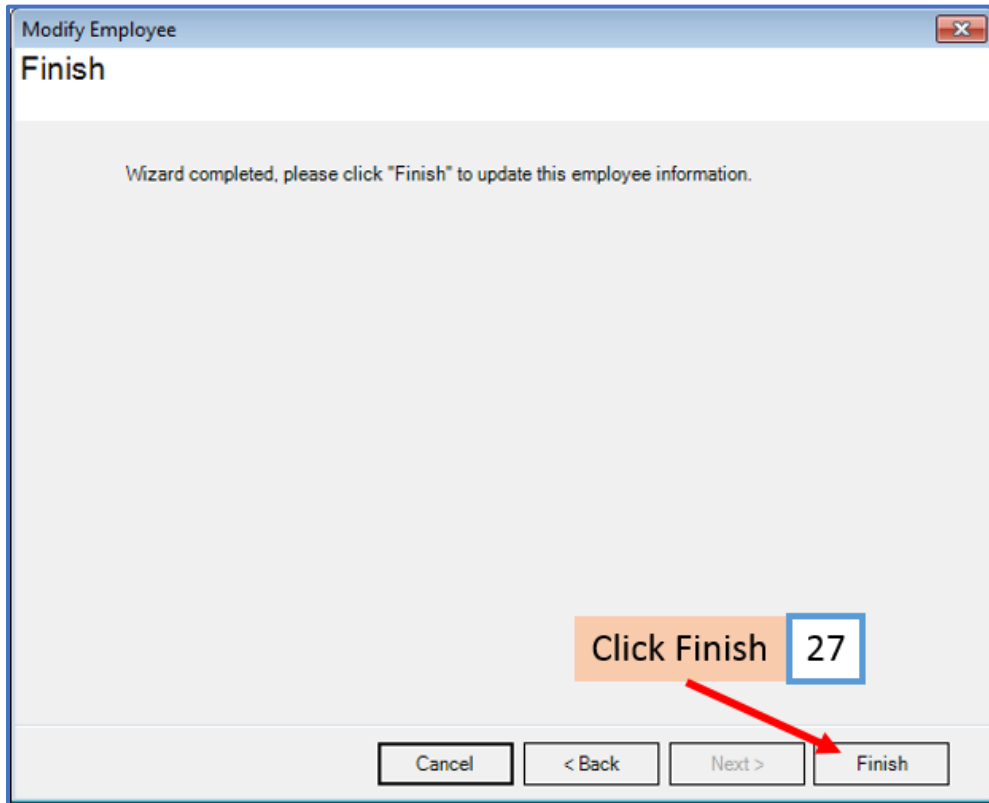
Repeat steps 15-27 for each applicable employee

28. When creating a new payroll check for the employee the loan repayment deduction category will be visible