

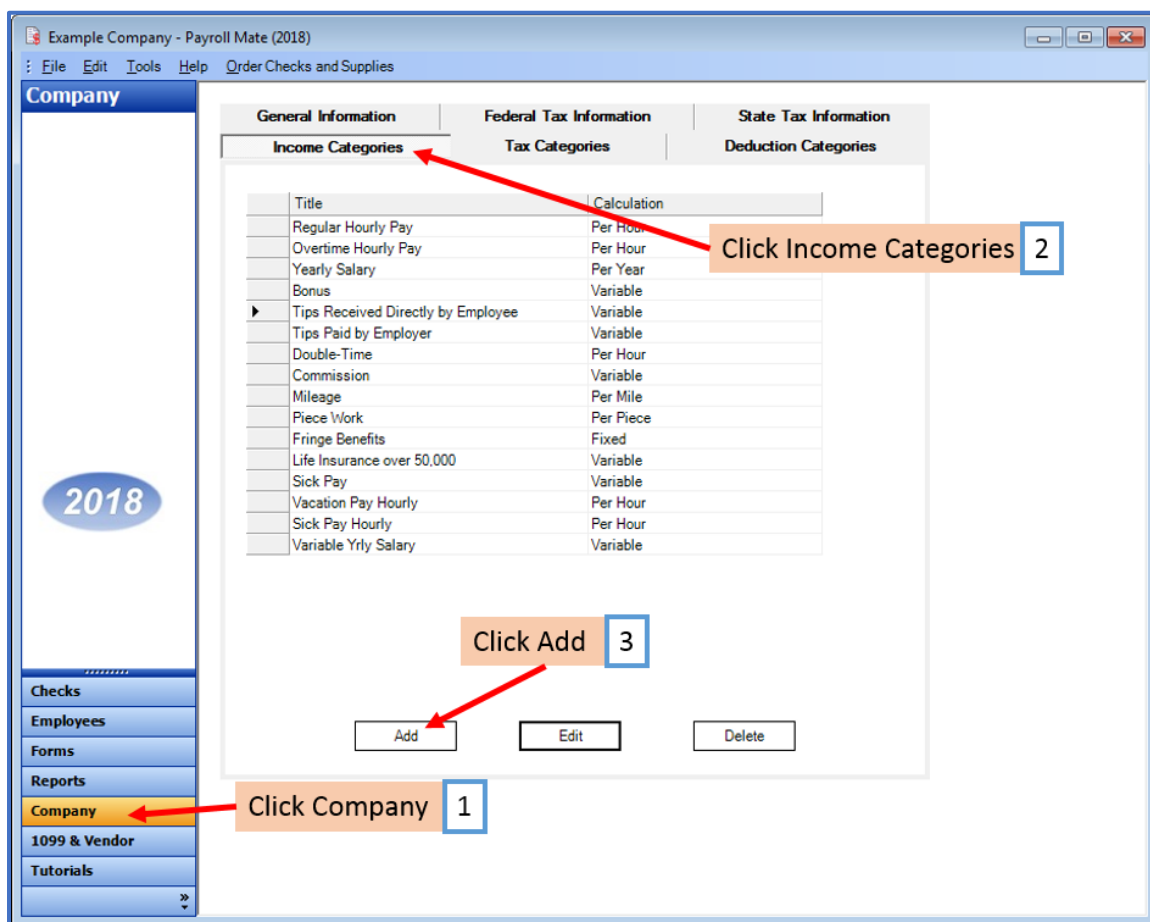
How to Set Up Reimbursements inside Payroll Mate

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.

We recommend reimbursements are made outside the Payroll Mate software.

If you are going to make reimbursements on an employee's paycheck we recommend setting up the reimbursement category and running a sample check (that can be deleted) to confirm the figures are being reported as expected on Form 941 and W2.

1. Click Company from Shortcuts
2. Click Income Categories
3. Click Add



4. Enter Title

5. Select Pay Type from drop-down menu

6. Edit Taxes and Deductions as needed

Note: This tutorial assumes the reimbursement is NOT included on the 941/W2/W3 as taxable income. Reimbursements are included in the net pay and are exempt from Federal Income tax, Social Security, Medicare, and Federal Unemployment. You will need to uncheck the applicable taxes and deductions when creating the income.

State tax laws vary. Please consult your tax advisor to determine if any state taxes are affected by this payroll item and update your setup accordingly.

7. Click OK

The screenshot shows the 'Income Details' dialog box with the following fields and options:

- Title:** Employee Reimbursement (Step 4)
- Abbreviation:** Reimburse
- Type:** Variable (Step 5)
- W-2 Box 12 Code:** (empty)
- W-2 Box 14 Abbreviation:** (empty)
- Reported tips (to edit this box, delete this income and re-create)
- Omit from Net Pay
- Inactive
- Taxes Applied:**
 - Federal Income Tax
 - Social Security (Employee)
 - Social Security (Employer)
 - Medicare (Employee)
 - Medicare (Employer)
 - Fed Unemployment (Employee)
 - State Income Tax
 - State Unemployment (Employer)
- Deductions Applied:**
 - 401K (Employee)
 - 401K (Employer)
 - Health Insurance
 - Box 12 data
 - Dependent Care FSA
 - Medical FSA
 - Health Saving Acct HSA
 - Cafeteria Plan

At the bottom, there are **OK** and **Cancel** buttons (Step 7).

Numbered callouts in the image:

- 4** Enter Title
- 5** Select Pay Type
- 6** Edit Taxes and Deductions as needed
- 7** Click OK

Reimbursement income category is now in the list of Income Categories

The screenshot shows the 'Example Company - Payroll Mate (2018)' application window. The left sidebar contains a menu with 'Company' selected, and a '2018' badge. The main area displays a table of income categories under the 'General Information' tab. The table has columns for 'Title' and 'Calculation'. The 'Employee Reimbursement' entry is highlighted in red, and a red arrow points to it from a callout box that says 'Employee Reimbursement income category is now in list'. Below the table are 'Add', 'Edit', and 'Delete' buttons.

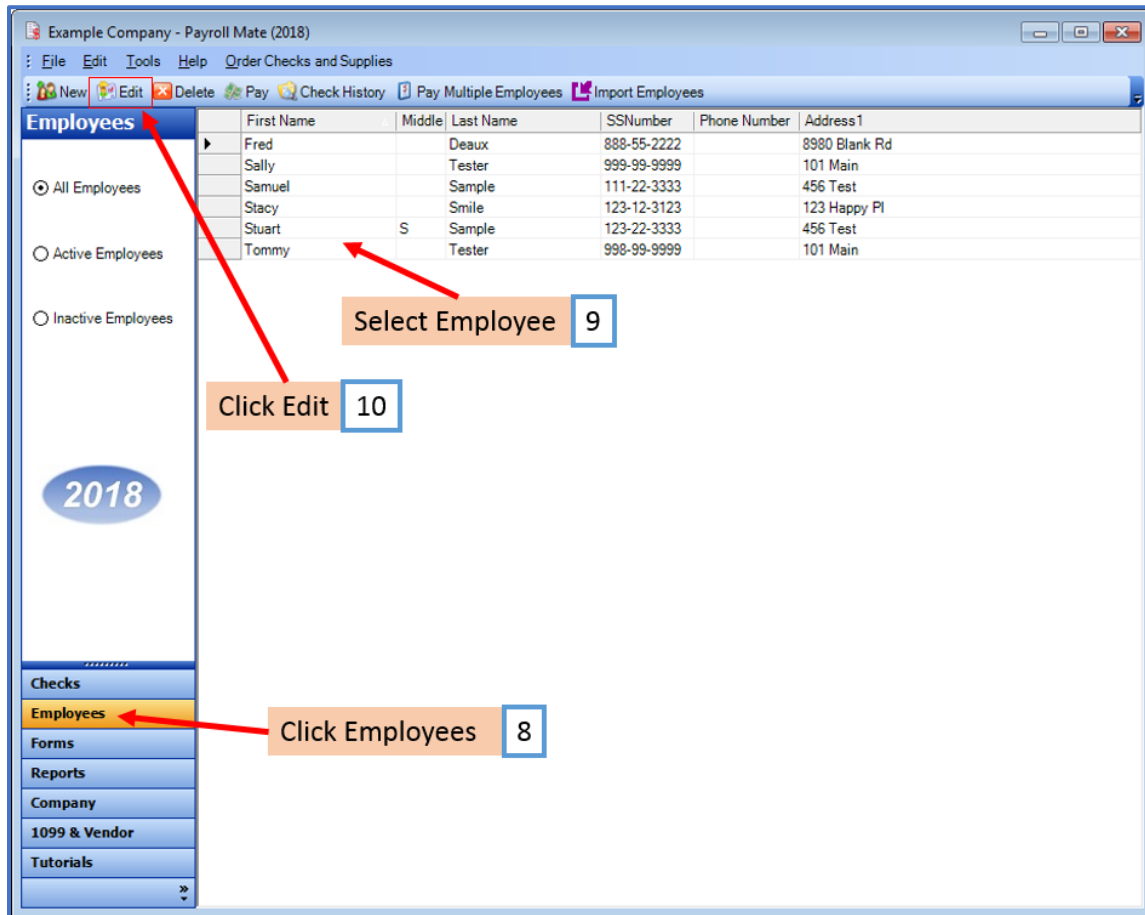
Title	Calculation
Overtime Hourly Pay	Per Hour
Yearly Salary	Per Year
Bonus	Variable
Tips Received Directly by Employee	Variable
Tips Paid by Employer	Variable
Double-Time	Per Hour
Commission	Variable
Mileage	Per Mile
Piece Work	Per Piece
Fringe Benefits	Fixed
Life Insurance over 50,000	Variable
Sick Pay	Variable
Vacation Pay Hourly	Per Hour
Sick Pay Hourly	Per Hour
Variable Yrly Salary	Variable
Holiday Pay	Per Hour
Retroactive Pay	Variable
Severance Pay	Variable
Housing Allowance Cash	Per Year
Housing Allowance In Kind	Per Year
Employee Reimbursement	Variable

You will need to apply the Reimbursement income to each employee as needed

8. Click Employees from Shortcuts

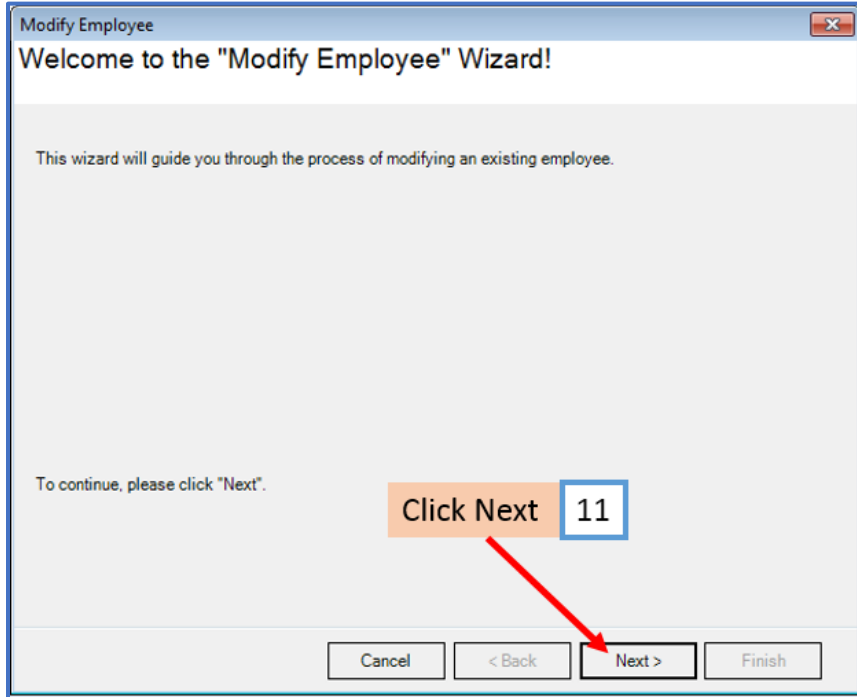
9. Select an employee from the list of employee's names

10. Click Edit

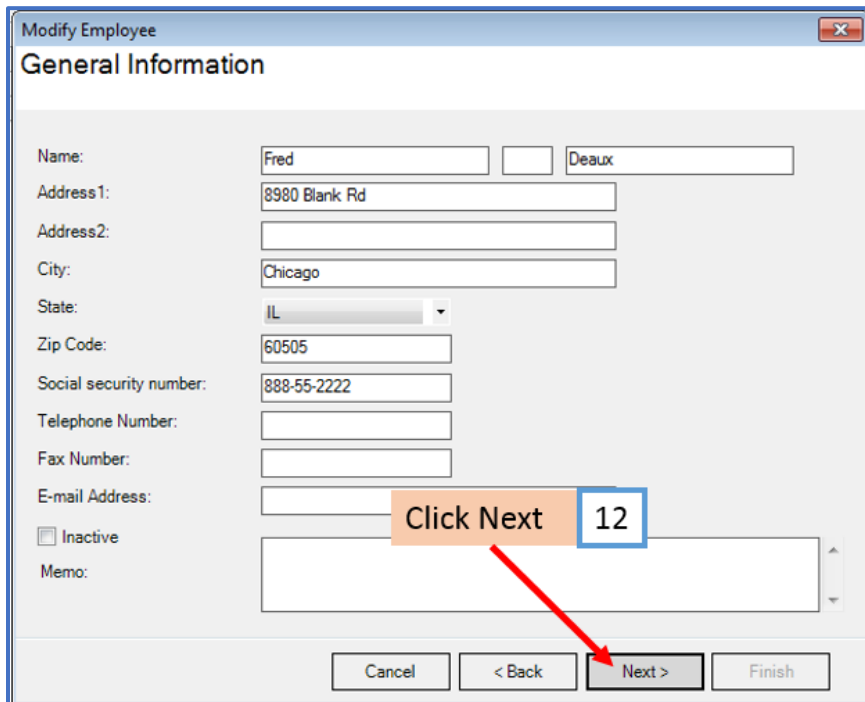


The Modify Employee Wizard will appear on the screen

11. Click Next



12. Click Next



13. 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 13

Cancel < Back Next > Finish

14. Checkmark to select reimbursement as applicable

15. Click Next

Modify Employee

Incomes

<input type="checkbox"/>	Holiday Pay	[Per Hour]	<input type="text" value="0.00"/>
<input type="checkbox"/>	Housing Allowance Cash	[Per Year]	<input type="text" value="0.00"/>
<input type="checkbox"/>	Housing Allowance In Kind	[Per Year]	<input type="text" value="6000.0000"/>
<input type="checkbox"/>	Bonus	[Variable]	
<input type="checkbox"/>	Tips Received Directly by Employee	[Variable]	
<input type="checkbox"/>	Tips Paid by Employer	[Variable]	
<input type="checkbox"/>	Commission	[Variable]	
<input type="checkbox"/>	Life Insurance over 50,000	[Variable]	
<input type="checkbox"/>	Sick Pay	[Variable]	
<input type="checkbox"/>	Variable Yrly Salary	[Variable]	
<input type="checkbox"/>	Retroactive Pay	[Variable]	
<input type="checkbox"/>	Severance Pay	[Variable]	
<input checked="" type="checkbox"/>	Employee Reimbursement	[Variable]	

Checkmark to select Employee Reimbursement income 14

Click Next 15

Cancel < Back Next > Finish

16. Click Next

The screenshot shows the 'Modify Employee' window with the 'Taxes' tab selected. A list of tax items is displayed, each with a checked checkbox and a '[Percentage]' label. The items are: Federal Income Tax, Social Security (Employee), Social Security (Employer), Medicare (Employee), Medicare (Employer), Fed Unemployment (Employer), State Income Tax, State Unemployment (Employer), Local Income Tax, State Disability Insurance (Employee), State Disability Insurance (Employer), NY Disability, and Chicago City Tax. At the bottom, there are four buttons: 'Cancel', '< Back', 'Next >', and 'Finish'. A red arrow points from a callout box containing the text 'Click Next' and the number '16' to the 'Next >' button.

17. Click Next

The screenshot shows the 'Modify Employee' window with the 'Deductions' tab selected. A list of deduction items is displayed, each with a checked checkbox, a label, and a value in a text box. The items are: 401K (Employee) with a '[Percentage]' label and value '4.000000', 401K (Employer) with a '[Percentage]' label and value '2.000000', Health Insurance with a '[Fixed]' label and value '25.000000', and Box 12 data with a '[Percentage]' label and value '1.500000'. At the bottom, there are four buttons: 'Cancel', '< Back', 'Next >', and 'Finish'. A red arrow points from a callout box containing the text 'Click Next' and the number '17' to the 'Next >' button.

18. Click Next

Modify Employee

Direct Deposit

Include in Direct Deposit Process

Banking Information

Account Type:

Bank Routing Number:

Account Number:

Click Next 18

Cancel < Back Next > Finish

19. 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 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 Check:

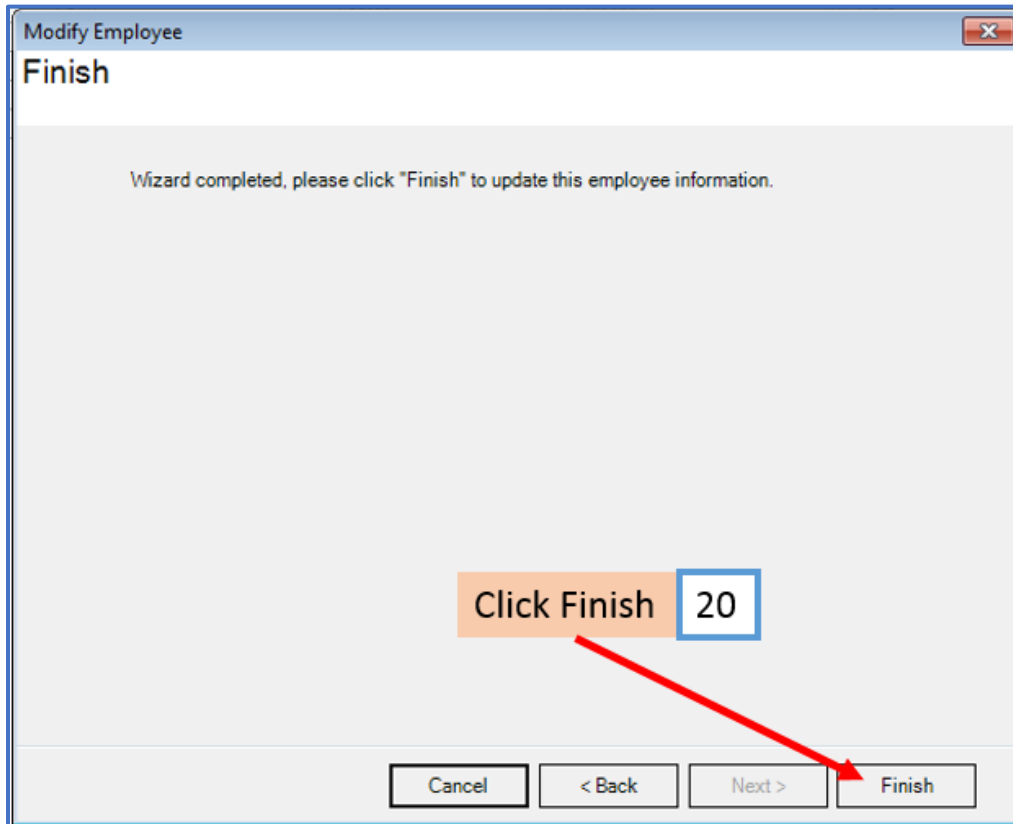
Maximum Sick Hours Earned Per Year: limited hours per year; fill with 0.00 for zero hours per year

Click Next 19

Cancel < Back Next > Finish

20. Click Finish

Note: Your information will not be saved if you do not click Finish



Repeat steps 8-20 for each applicable employee

21. When creating a new payroll check for the employee the new income category will be visible

Check Details

General Information Pay Frequency: Weekly (52 Pay Periods)

Employee: Deaux, Fred Begin Date: May 24, 2018

Check #: 10 Pay Date: May 24, 2018 End Date: May 24, 2018

Recalculate

Income Details						Vacation / Sick Hours		
Income	Rate	Type	Quantity	Amount	YTD		Amount	YTD
Regular Hourly Pay	20.0000	Per Hour	40.0000	800.00	1500.00	Vac. hours earned	4.62	4.62
Employee Reimbursement	50.0000	Variable	N/A	50.00	50.00	Vac. hours used	0.00	0.00
						Sick hours earned	4.62	4.62
						Sick hours used	0.00	0.00

Tax Details			Deduction Details		
Tax	Amount	YTD	Deduction	Amount	YTD
Federal Income Tax	83.80	152.24	401K (Employee)	32.00	60.00
Social Security (Employee)	49.60	93.00	Health Insurance	25.00	50.00
Medicare (Employee)	11.60	21.75	Box 12 data	12.00	22.50
State Income Tax	39.60	72.86	Medical PSA	25.00	25.00
Local Income Tax	0.00	0.00			
State Disability Insurance (Employee)	0.00	0.00	401K (Employer)	16.00	30.00
NY Disability	0.60	1.20			
Chicago City Tax	0.80	1.50			
Cook County Tax	58.00	108.75			
Social Security (Employer)	49.60	93.00			
Medicare (Employer)	11.60	21.75			

Employee Reimbursement 21

Other Optional Details			Check Summary			
	Amount	YTD	Total Incomes	Total Taxes	Total Deductions	Net Pay
Hours Worked	0.00	.00	This Check: 850.00	244.00	94.00	512.00
Weeks Worked	0.00	.00	YTD: 1550.00	451.30	157.50	941.20

MEMO:

OK Cancel