# How to Set Up Washington Labor and Industry Tax 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.

The Washington Labor and Industries (L&I) tax is a payroll tax generally paid by both the company and employee. The tax is based on hours worked with different rates for different occupations. Users will need to set up two items per employee to calculate the L&I tax: one tax for the company contribution and one tax for the employee deduction.

Make sure you have the correct Company open inside Payroll Mate

1. Click Company from shortcuts menu

2. Click Tax Categories

3. Click Add
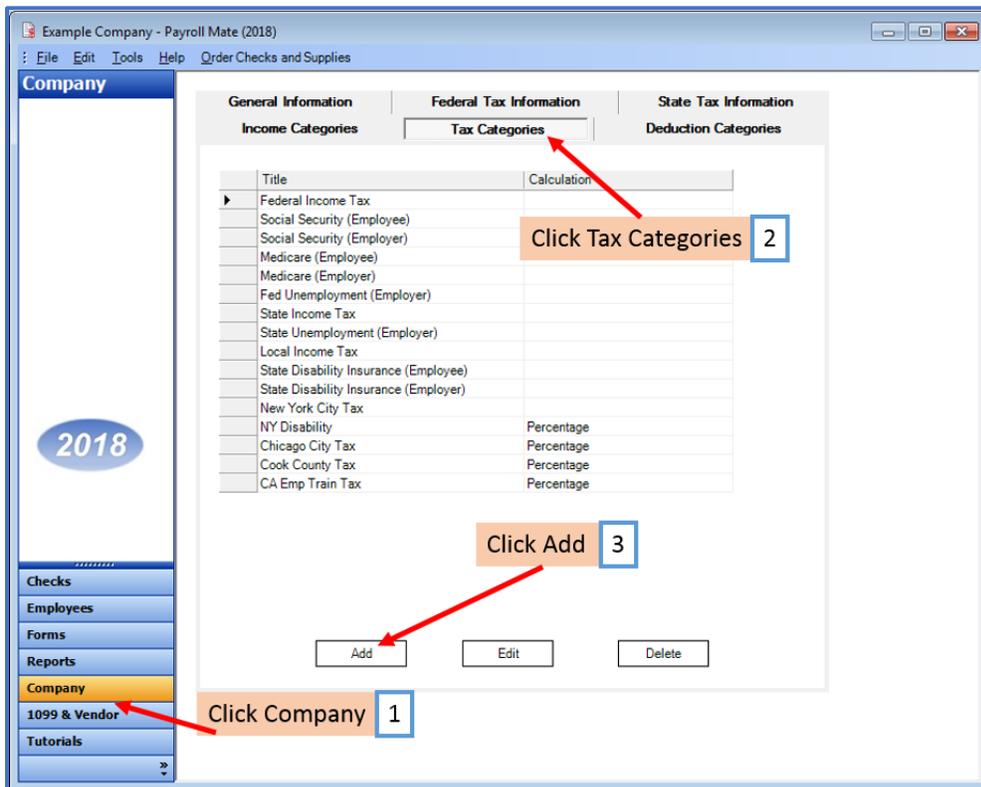
4. Enter new Tax Details for Employer paid contribution

4a. Enter W2 Options as needed (contact WA L&I for questions regarding W2 reporting)

5. Click OK

If you have any custom incomes, you will receive the following notice.
(Custom income update steps 12-16)
6. Click OK

7. Click Add

8. Enter new Tax Details for Employee paid contribution

8a. Enter W2 Options as needed (contact WA L&I for questions regarding W2 reporting)

9. Click OK

If you have any custom incomes, you will receive the following notice.
(Custom income update steps 12-16)

10. Click OK

11. Two new Tax Categories are now listed
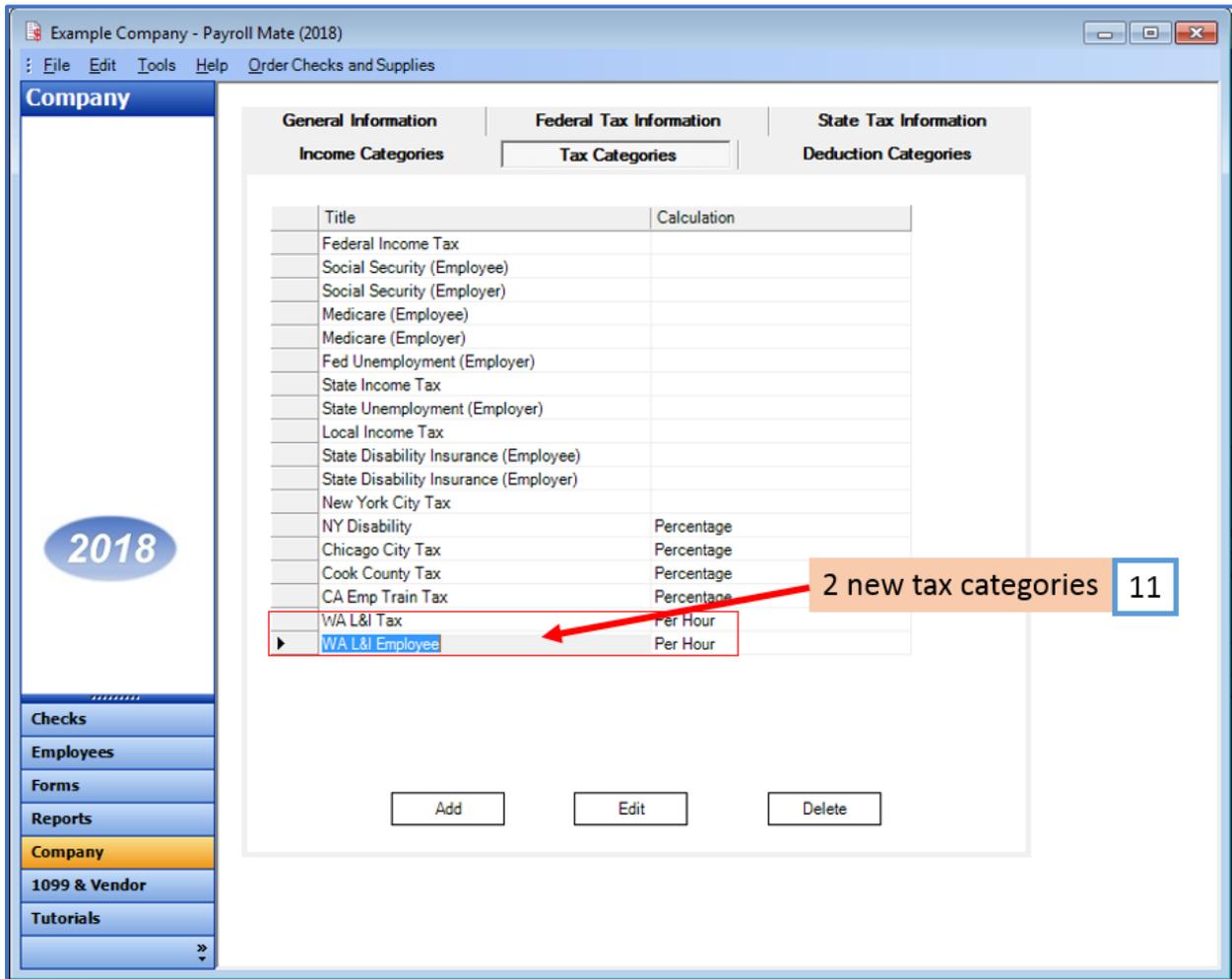
You may need to add multiple categories for:

Employee/Employer Paid tax
Each rate class

Rate Notice Example:
http://www.lni.wa.gov/ClaimsIns/Insurance/RatesRisk/How/ExpFactor/PremRate/RateNotice/Default.asp
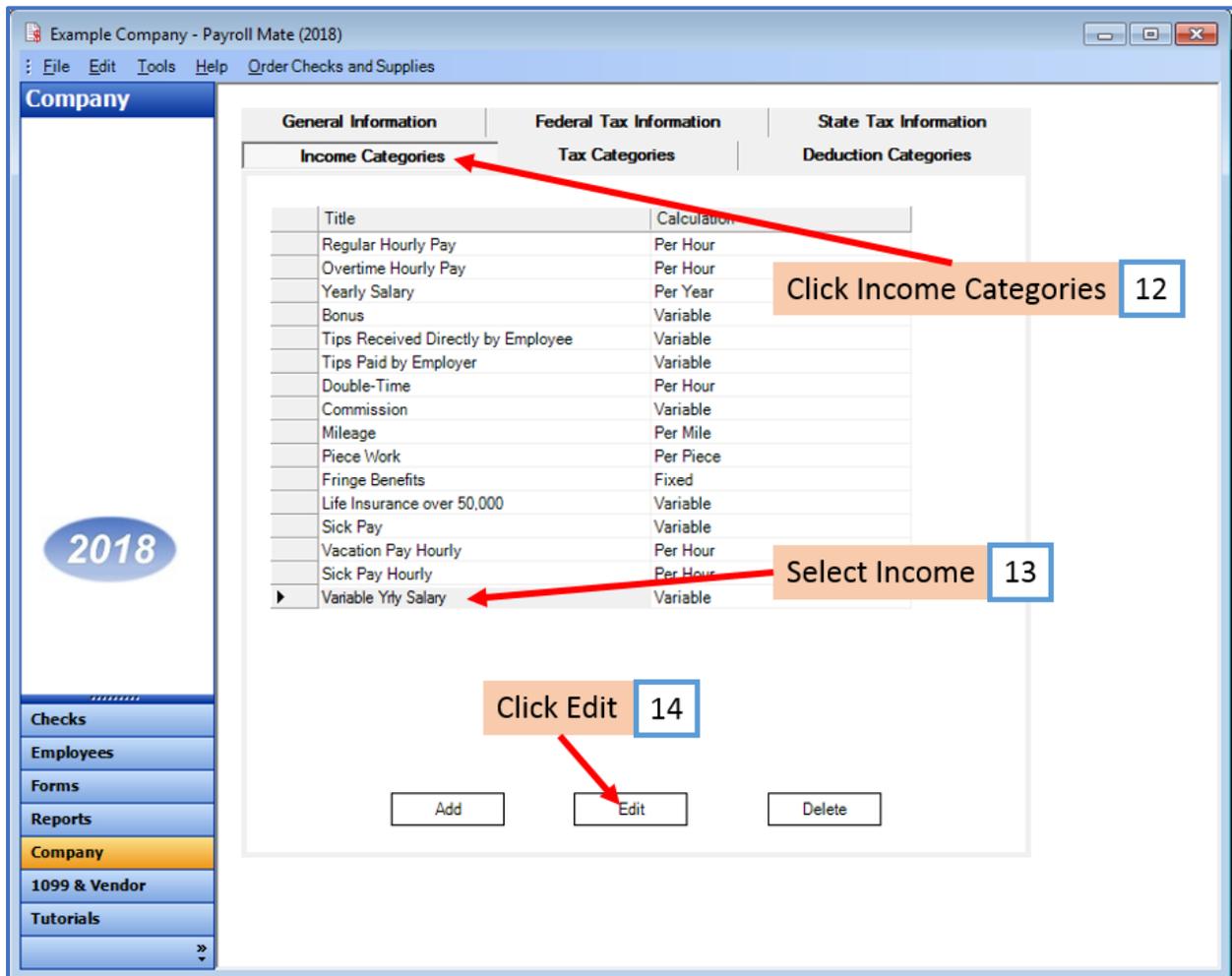
*To update custom income categories

Note: If you do not have any custom incomes continue on to step 17

12. Click Income Categories

13. Select the custom income

14. Click Edit

15. Checkmark to apply the new taxes to this income
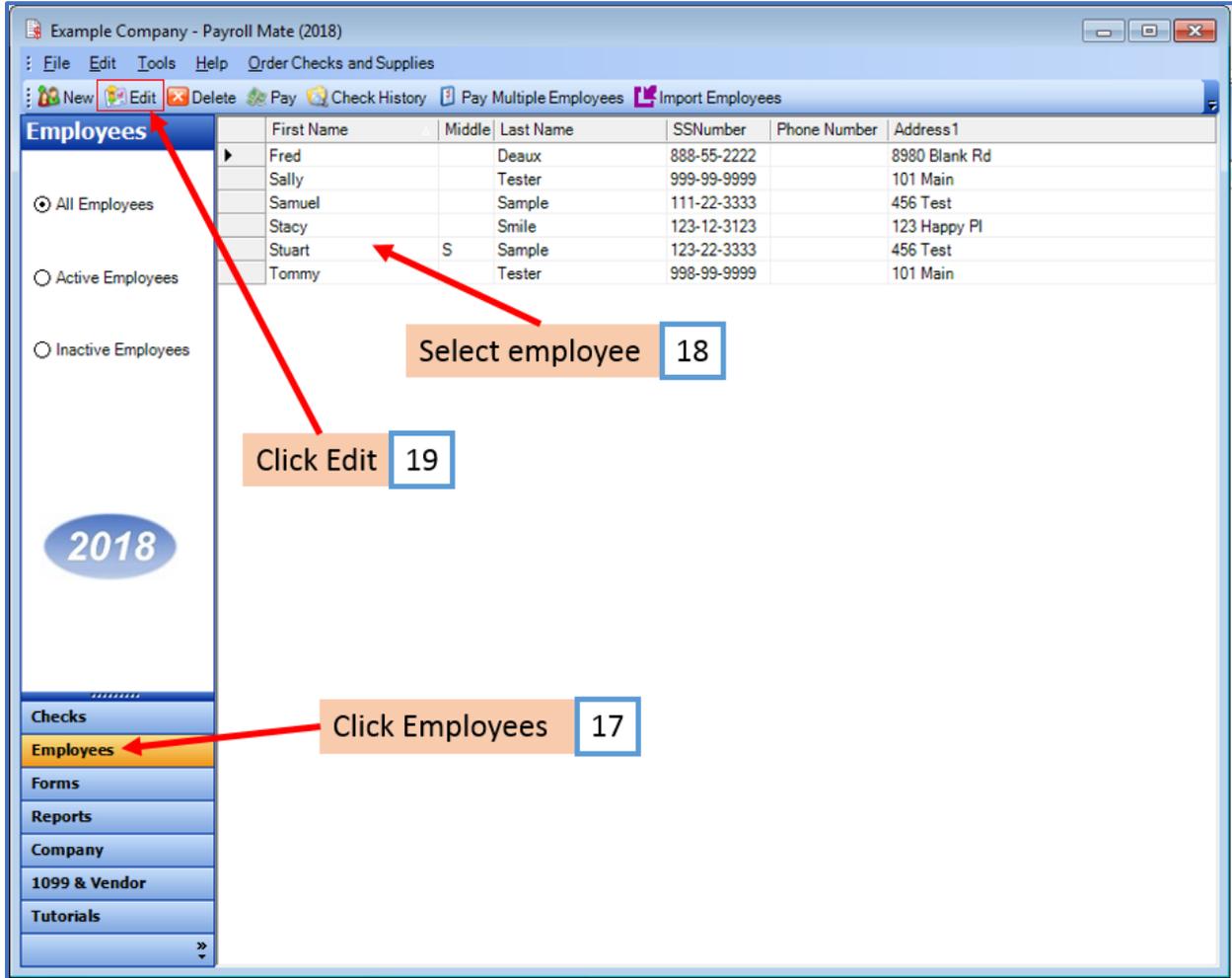
16. Click OK

You will need to repeat steps 12 through 16 for each custom income category

*To update employees to apply the new taxes
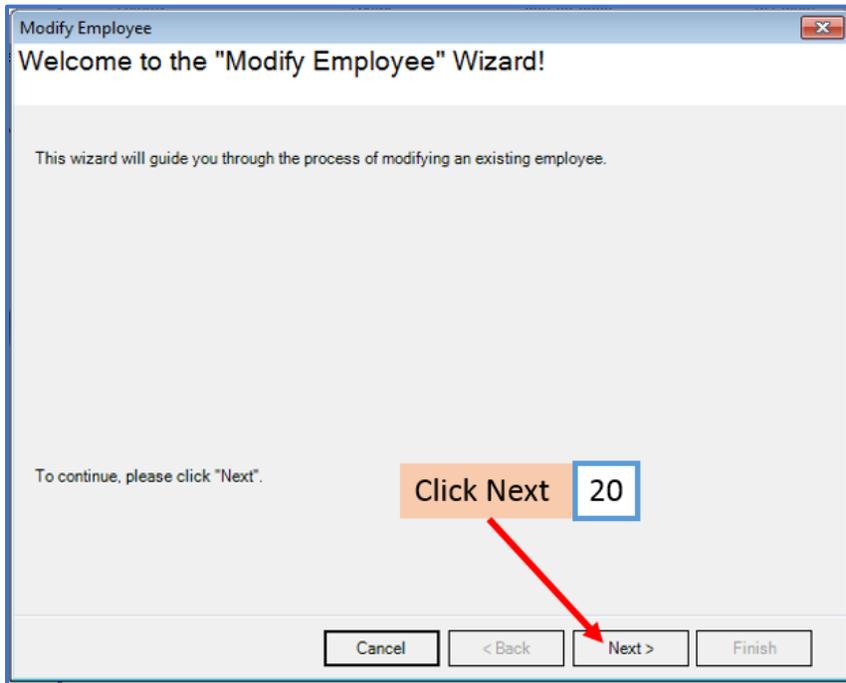
17. Click Employees from shortcuts menu
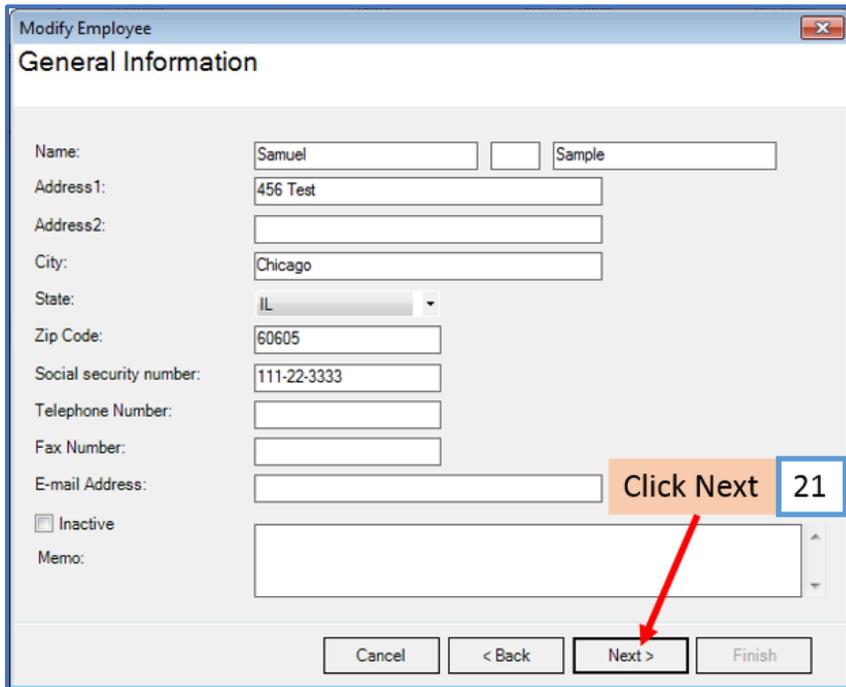
18. Select employee to edit

19. Click Edit

This will open the Modify Employee Wizard

20. Click Next

21. Click Next

22. Click Next

23. Click Next

24. Checkmark the new tax categories to apply to this employee

25. Click Next

26. Click Next

27. Click Next

28. Click Finish

You will need to repeat steps 17 through 28 for each employee

29. When creating a new payroll check for the employee the new tax categories will be visible

For more information about Washington L & I payments and rates contact the state or see the following state website Washington State Department of Labor & Industries.