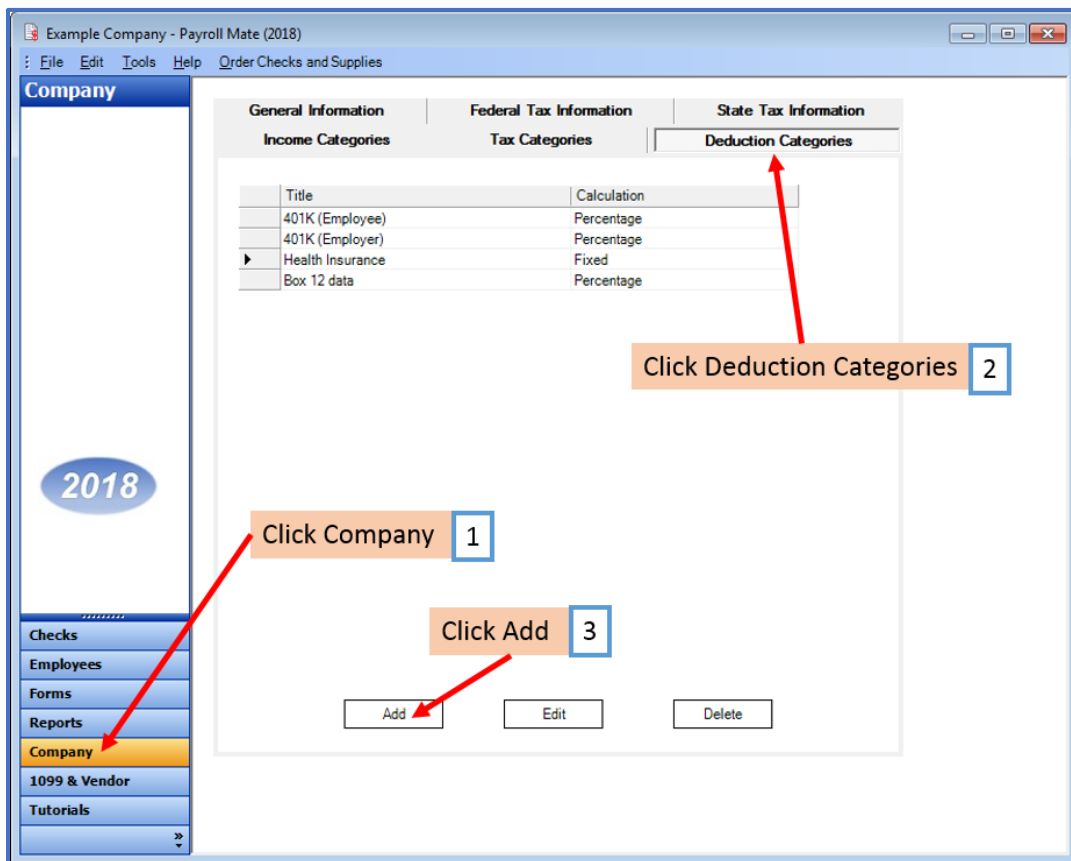


How to Set Up a Percentage of Net Pay Deduction Inside Payroll Mate

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 (example: Garnishment), Abbreviation, Select Calculation (Percentage of Net Pay) and Paid by

5. Enter Rate (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

Note: This tutorial assumes that the Percentage of Net Pay deduction payroll item is NOT exempt from Federal taxes. You can't rely on this tutorial for tax advice and you will need to double check with a tax professional.

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

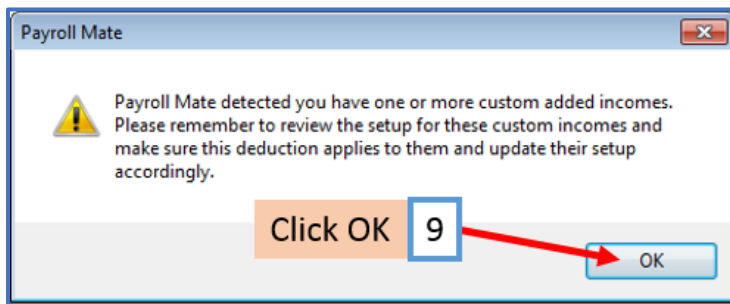
8. Click OK

The screenshot shows the 'Deduction Details' dialog box with the following fields and callouts:

- Callout 4:** Points to the Title (Garnishment), Abbreviation (Garnishment), Calculation (Percentage of Net Pay), and Paid by (Employee) fields.
- Callout 5:** Points to the Rate and Cutoff fields, with a note 'Leave Blank for No Cutoff'.
- Callout 6:** Points to the W-2 Options section, which includes checkboxes for 'Use on Box 10 (Dependent Care Benefits)', 'Use on Box 12', and 'Use on Box 14 (Other)'. The 'Use on Box 12' checkbox is checked.
- Callout 7:** Points to the Exemptions dropdown menu.
- Callout 8:** Points to the OK button.

Additional text in the dialog box includes: 'Pre-tax payroll deductions are deductions that lower your employee's taxable wages. When you check any of the taxes in the list below you are lowering the taxable wages for that tax by the amount of the deduction you are creating here.'

Note: If you have any custom incomes, you will receive the following notice
9. Click OK



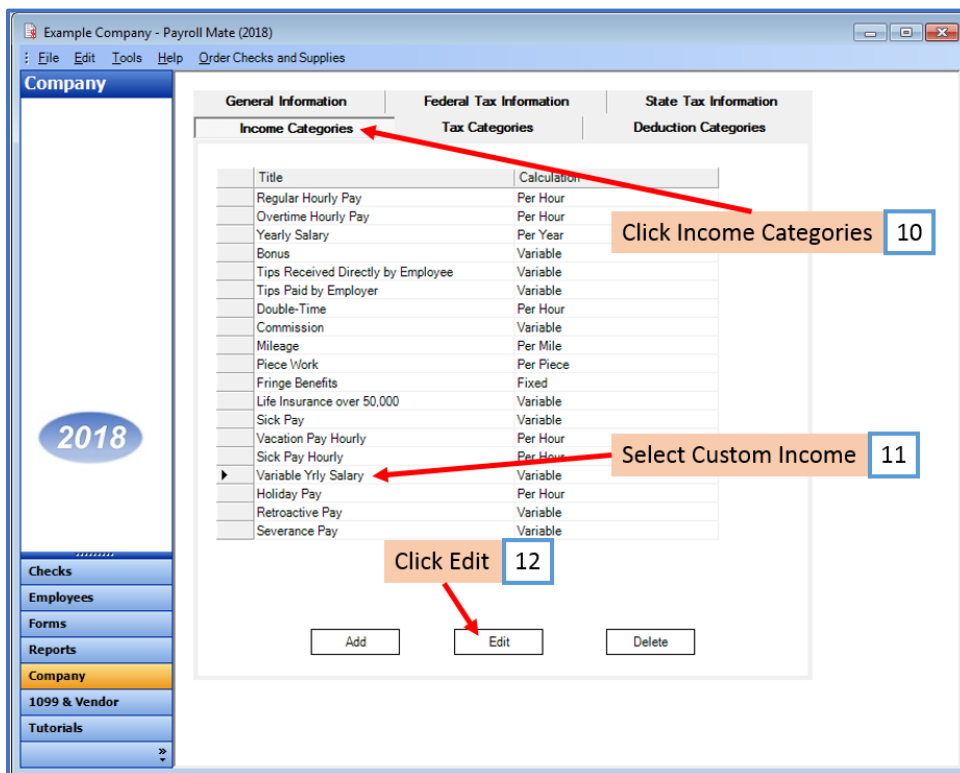
Note: If you need to update custom income categories to apply the Percentage of Net Pay deduction refer to steps 10-14. If this does not apply to you, please proceed to step 15

To update custom income categories

10. Click Income Categories

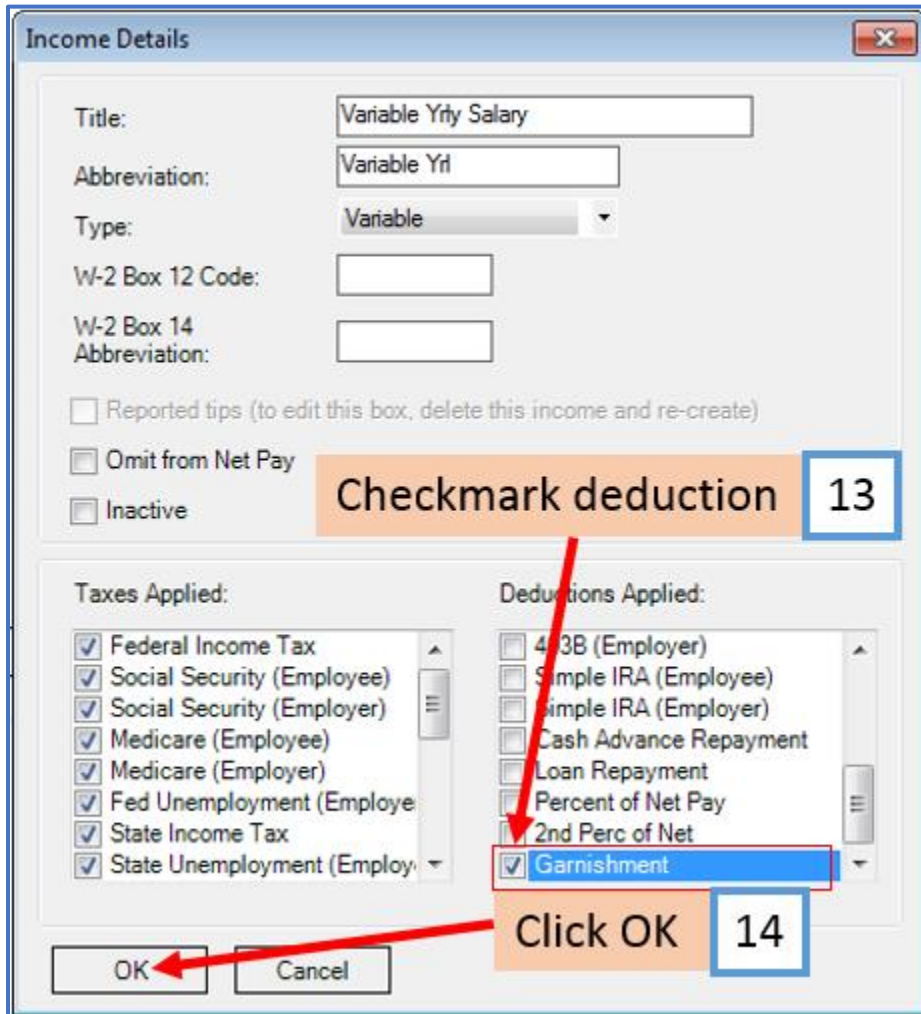
11. Select the custom income

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

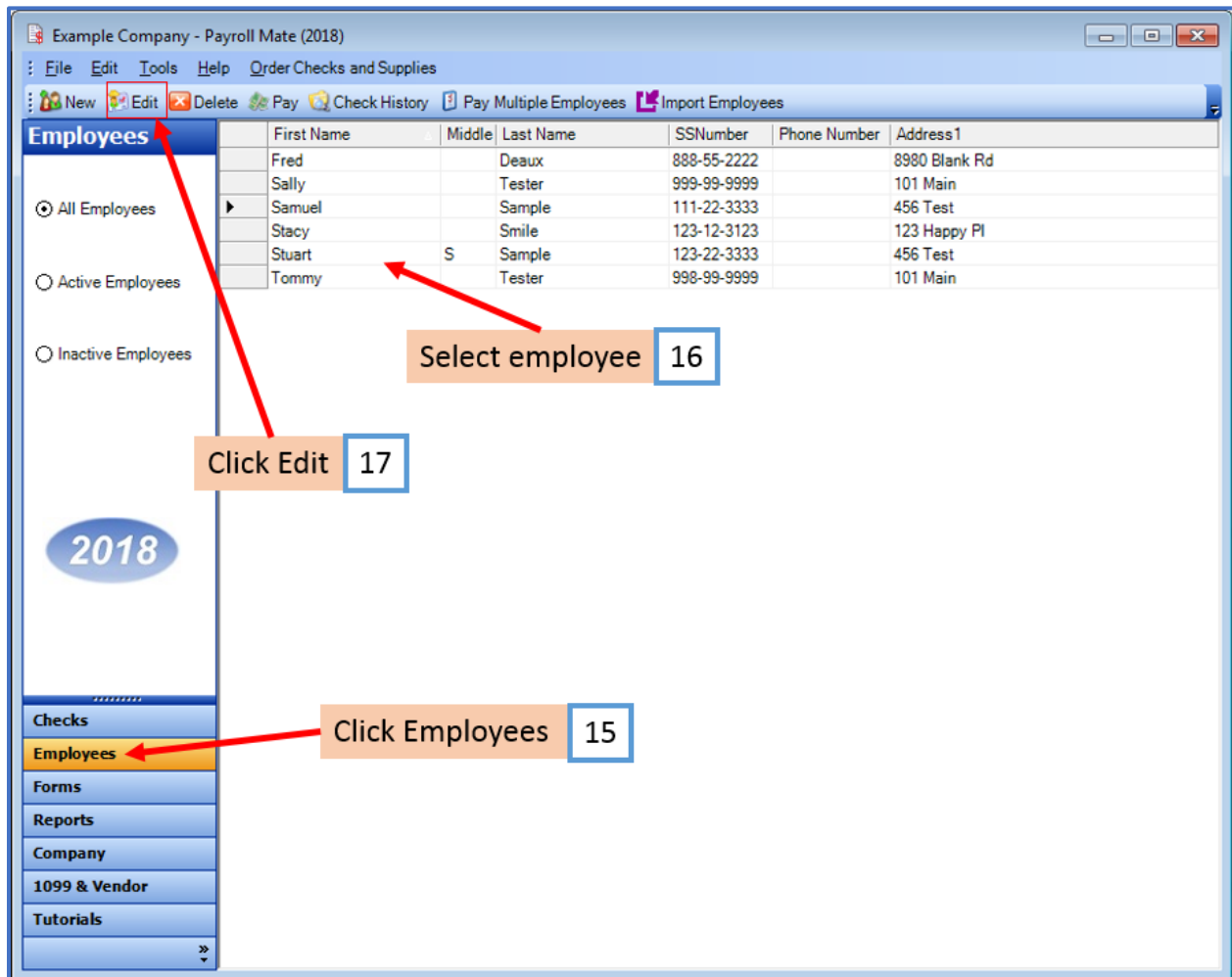
You will apply the Percentage of Net Pay deduction to each employee as needed

To update employees to apply the Percentage of Net Pay Deduction

15. Click Employees from Shortcuts

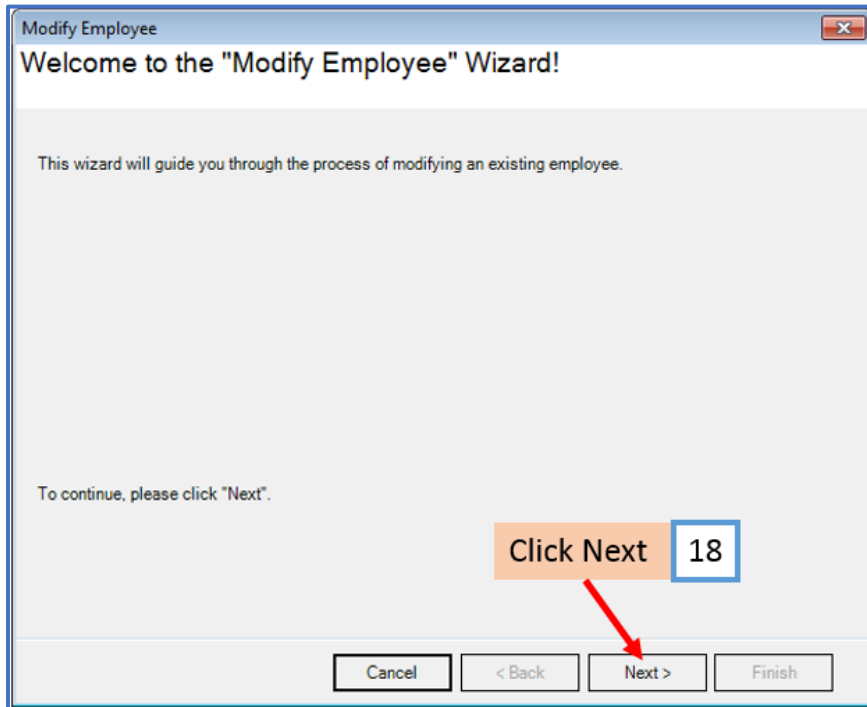
16. Select an employee from the list of employee's names

17. Click Edit

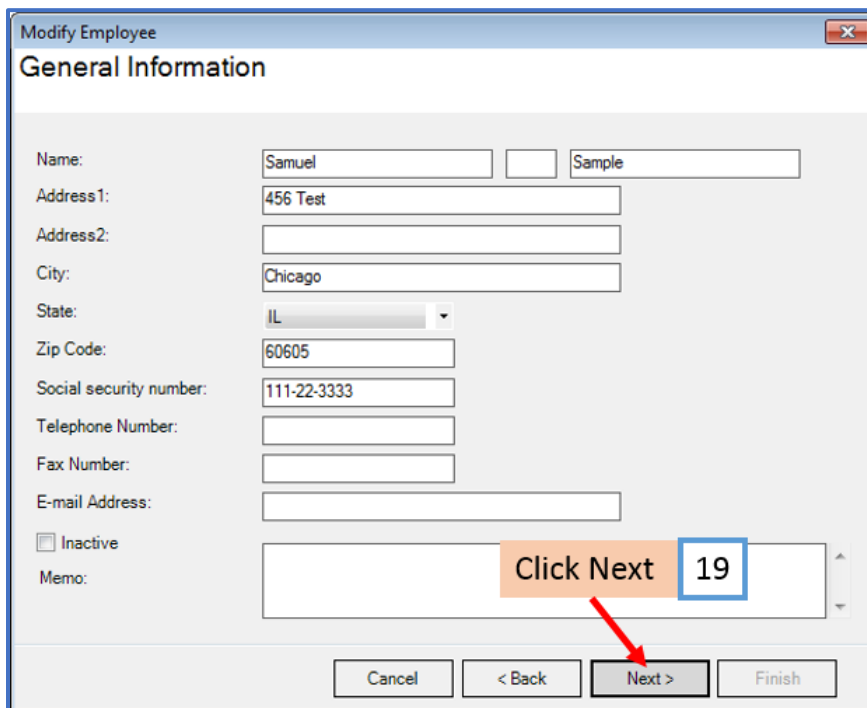


The Modify Employee Wizard will appear on the screen

18. Click Next



19. Click Next



20. Click Next

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 20

Cancel < Back **Next >** Finish

21. 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]

Holiday Pay [Per Hour]

Bonus [Variable]

Tips Received Directly by Employee [Variable]

Tips Paid by Employer [Variable]

Click Next 21

Cancel < Back **Next >** Finish

22. Click Next

The screenshot shows the 'Modify Employee' window with the 'Taxes' tab selected. A list of tax items is shown, all with checked boxes. The 'Next >' button is highlighted with a red arrow and a callout box labeled '22'.

Tax Item	Type
Federal Income Tax	[Percentage]
Social Security (Employee)	[Percentage]
Social Security (Employer)	[Percentage]
Medicare (Employee)	[Percentage]
Medicare (Employer)	[Percentage]
Fed Unemployment (Employer)	[Percentage]
State Income Tax	[Percentage]
State Unemployment (Employer)	[Percentage]
Local Income Tax	[Percentage]
State Disability Insurance (Employee)	[Percentage]
State Disability Insurance (Employer)	[Percentage]
NY Disability	[Percentage]
Chicago City Tax	[Percentage]

23. Checkmark to select the deduction and enter deduction percentage for each paycheck

24. Click Next

The screenshot shows the 'Modify Employee' window with the 'Deductions' tab selected. A list of deduction items is shown. The 'Garnishment' row is highlighted with a red box. A callout box labeled '23' points to the 'Garnishment' row, and another callout box labeled '24' points to the 'Next >' button.

Deduction Item	Type	Value
Dependent Care FSA	[Fixed]	20.000000
Medical FSA	[Fixed]	25.000000
Health Saving Acct HSA	[Fixed]	20.000000
Cafeteria Plan	[Fixed]	25.000000
403B (Employee)	[Percentage]	1.000000
403B (Employer)	[Percentage]	0.500000
Simple IRA (Employee)	[Percentage]	3.000000
Simple IRA (Employer)	[Percentage]	3.000000
Cash Advance Repayment	[Fixed]	0.000000
Loan Repayment	[Fixed]	25.000000
Percent of Net Pay	[Percentage of Net Pay]	5.000000
2nd Perc of Net	[Percentage of Net Pay]	1.000000
Garnishment	[Percentage of Net Pay]	2.000000

25. Click Next

Modify Employee

Direct Deposit

Include in Direct Deposit Process

Banking Information

Account Type:

Bank Routing Number:

Account Number:

Click Next 25

Cancel < Back Next > Finish

26. 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:

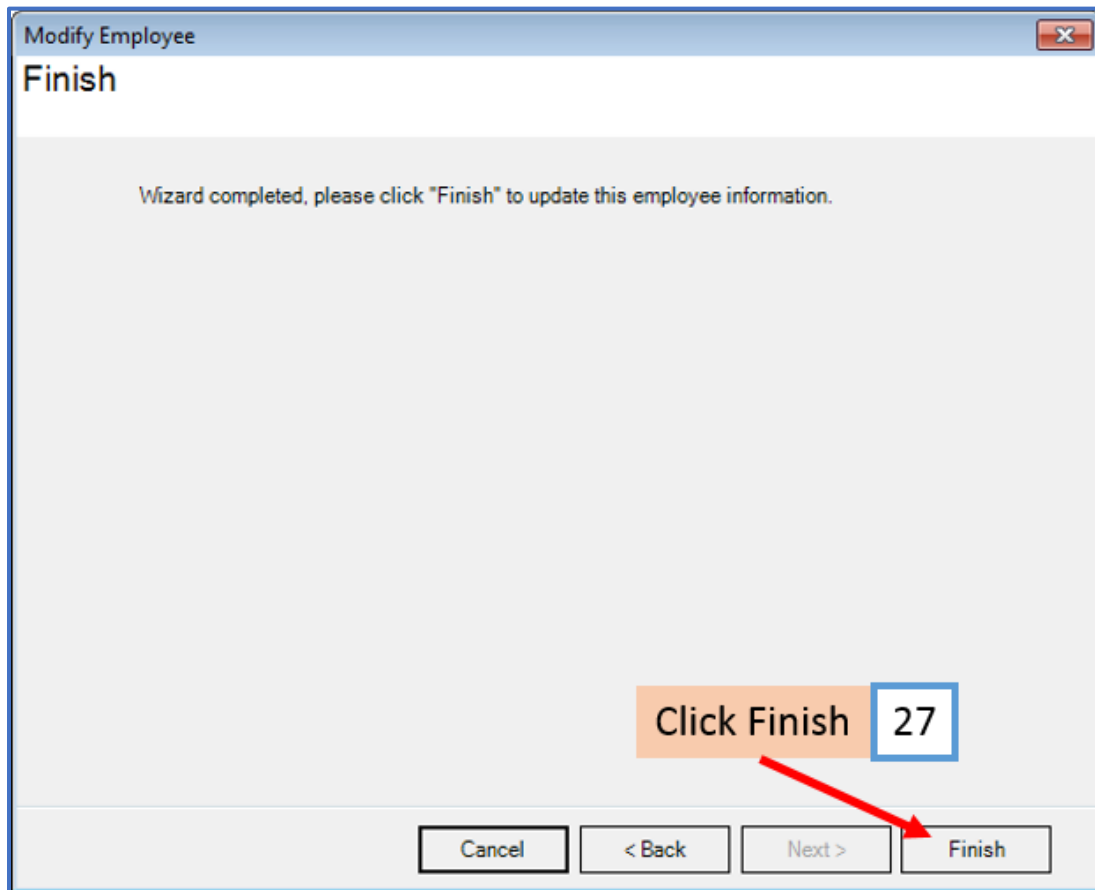
Maximum Sick Hours Earned Per Year: Keep blank for unlimited hours per year; fill with 0.00 for zero hours per year

Click Next 26

Cancel < Back Next > Finish

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 percentage of net pay deduction will be visible

Check Details Pay Frequency: Weekly (52 Pay Periods)

General Information
 Employee: Sample, Samuel Begin Date: July 16, 2018 Recalculate

Check #: 36 Pay Date: July 16, 2018 End Date: July 16, 2018

Income Details Vacation / Sick Hours

Income:	Rate:	Type:	Quantity:	Amount:	YTD:		Amount:	YTD:
Regular Hourly Pay	23.0000	Per Hour	40.0000	920.00	5474.00	Vac. hours earned	0.00	4.62
Overtime Hourly Pay	35.0000	Per Hour	2.0000	70.00	70.00	Vac. hours used	0.00	0.00
						Sick hours earned	1.05	7.67
						Sick hours used	0.00	0.00

Tax Details Deduction Details

Tax:	Amount:	YTD:	Deduction:	Amount:	YTD:
Social Security (Employee)	61.38	175.46	Garnishment	13.32	13.32
Medicare (Employee)	14.36	41.04			
Federal Income Tax	124.06	341.38			
State Income Tax	49.01	140.09			
Local Income Tax	0.00	0.00			
State Disability Insurance (Employee)	0.00	0.00			
Chicago City Tax	0.99	2.83			
Cook County Tax	71.78	205.18			
2nd Cook Co Tax	2.48	4.78			
Social Security (Employer)	61.38	175.46			
Medicare (Employer)	14.36	41.04			

Deduction 28

Other Optional Details Check Summary

	Amount:	YTD:	Total Incomes:	Total Taxes:	Total Deductions:	Net Pay:
Hours Worked	0.00	118.00	<u>This Check:</u> 990.00	324.06	13.32	652.62
Weeks Worked	0.00	3.00	<u>YTD:</u> 5544.00	910.76	26.64	4606.60

MEMO: _____

OK Cancel