

# Payroll Files Affected During Year-end Processing

## Important Points to Remember

- The Payroll module maintains one Payroll year at a time.
- Prior years' history may be retained if the Retain Perpetual Payroll History check box is selected.
- It is important to close the current Payroll year before you begin the first Payroll cycle of the next year.
- Make sure the Quarterly Governmental Report, Quarterly 941, and the employee W-2 Forms have been printed before proceeding with Year-end Processing.
- If you are using Magnetic Media, make sure that your disks have been created before completing Year-end Processing.
- After Year-end Processing is completed, verify the accuracy of the state Unemployment Tax Rate in Tax Table Maintenance before processing the next quarter's Payroll.

Select **Payroll Options** from the Payroll **Setup** menu to view the data affected during Year-end Processing.

| Payroll Options (PR0)   |
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| <p style="text-align: center;"><b>MAIN TAB</b></p> <p><b>Current Processing Year:</b> Increments current year to the next year.</p> <p><b>Current Processing Period:</b> Changes current quarter from 4 to 1.</p> <p><b>Retain Year to Date Check History:</b> If selected, the Check History file is purged in Year-end Processing only. If not selected, the Check History file is purged during each Quarter-end Processing.</p> <p><b>Retain Perpetual Payroll History:</b> If selected, retains check history indefinitely. To manually clear perpetual history, select and perform <b>Purge Perpetual Payroll History</b> from the <b>Period End</b> menu.</p> <p style="text-align: center;"><b>ADDITIONAL TAB</b></p> <p><b>Reset Employee Benefits Limits at Year End:</b> If selected, modifies the Benefits section of the Earnings and Vacation Inquiry screen in Employee Maintenance as follows.</p> <ul style="list-style-type: none"><li>• The Hrs Accrued column is set to zero.</li><li>• The Hrs Used column is set to zero.</li><li>• The Carry-Over column is supplemented by the difference of the Hrs Accrued column minus the Hrs Used column.</li></ul> <p>If the <b>Base Benefit Availability</b> is set to <b>Accrual</b> and the employees benefit code does not have an Eligibility Wait period defined in Benefit Maintenance, the <b>Available</b> column is populated based on the formula:</p> $(\text{Hrs Accrued} - \text{Hrs Used}) + \text{Carry-Over}$ <p>If the <b>Base Benefit Availability</b> is set to <b>Limit</b>, the <b>Available</b> column is populated based on the formula:</p> $(\text{Annual Limit} - \text{Hrs Used}) + \text{Carry-Over}.$ |

## Employee Masterfile (PR1)

### MAIN TAB

**Termination Date:** This field changes based on employee status. If a termination date exists, the employee will be purged. However, if an inactive date exists, the employee will be not purged.

### MAIN TAB – EARNINGS BUTTON

**Vacation Carry-Over Hours** = Vacation Hours Accrued – Vacation Hours Used

**Vacation Hours Accrued** is reset to zero

**Vacation Hours Used** is reset to zero

**Sick Carry-Over Hours** = Sick Hours Accrued – Sick Hours Used

**Sick Hours Accrued** is reset to zero

**Sick Hours Used** is reset to zero

**3<sup>rd</sup> Benefit Carry-Over Hours** = 3<sup>rd</sup> Benefit Hours Accrued – 3<sup>rd</sup> Benefit Hours Used

**3<sup>rd</sup> Benefit Hours Accrued** is reset to zero

**3<sup>rd</sup> Benefit Hours Used** is reset to zero

If the Reset Employee Benefit Limits at Year-end flag is selected in P/R options.

### MAIN TAB – TAX SUMMARY BUTTON – FEDERAL BUTTON

Pension Plan **field** is reset to zero

Cafeteria Plan Deduction **field** is reset to zero

Allocated Tips **field** is reset to zero

Fringe Benefits **field** is reset to zero

Non-Qualified Plan **field** is reset to zero

Dependent Care Benefits **field** is reset to zero

If the Reset Employee Benefit Limits at Year End flag is selected in P/R Options:

- **Annual Limit hours (Vacation)** is reset to Benefit Schedule Code defaults
- **Annual Limit hours (Sick)** is reset to Benefit Schedule Code defaults
- **Annual Limit hours (3<sup>rd</sup> Benefit)** is reset to Benefit Schedule Code defaults

## Employee Tax Summary (PR3)

**Federal Tax records:** QTD & YTD fields for wages and taxes are reset to zero

**State Tax records:** QTD & YTD fields for wages and taxes are reset to zero

**Local Tax records:** QTD & YTD fields for wages and taxes are reset to zero

**Employee Earnings/Deductions Summary (PR4)**

**Earnings Records**

All Earnings Codes records are removed. New records get created upon posting the initial payroll for the new year

**Deductions records**

- The QTD, YTD Deduction Amount fields are set to zero for all Deduction Codes
- The Month 1, 2, and 3 fields are set to zero for all Deduction Codes
- Deduction Codes that have achieved their Deduction Goals are purged. The exception to this is for pension-type deductions with a standard limit amount. The flag in Deduction Code Maintenance allows you to reset pension-type deduction balances at year-end equal to the goal.

**Check History (PR5)**

The Check History file is cleared.

**Worker's Comp Detail File (PRM)**

The Worker's Compensation Detail file is cleared.

**Quarterly Tax Recap (PRO)**

The Quarterly Tax Recap file is cleared.

**941 Form File (PRR)**

The 941 Form File is cleared.