Payroll Helpful Hints

Important Facts to Remember

- The Payroll module is based on a calendar year. There is no future period in Payroll. You cannot post a payroll in process with a check date in a future quarter until the current quarter is closed by selecting **Quarter/Year-end Processing** from the **Period End** menu.

- Payroll Year-end Processing in MAS 90 can only be "reversed" by restoring data from a current backup. Reopening a year is not allowed. Data for the current year is cleared during Year-end Processing with the exception of Perpetual History files. Always keep a current backup.

- Do not perform Payroll Period-end Processing until the W-2s are printed and Electronic Reporting has been processed. Keep a backup of the data for future use prior to closing, if needed.

- Tax tables are system-wide files. PR_09.SOA, PRU.SOA, PRV.SOA, AND PRW.SOA are stored in the PR directory with the Payroll module program files. All companies on one MAS 90 system use the global tax table files. The only exceptions to this are the following Tax Table Maintenance fields.

    Company Tax ID Number (federal, state, and local)

    G/L Accrual Account (federal, state, and local)

    Unemployment Tax (state and local)

Hidden Options

The Fix Button

If you have Supervisor rights while viewing the Tax Summary window in Employee Maintenance, the **Fix** button is available to access the Quarter-to-Date and Year-to-Date wage data. Using this option, you can access and modify the hours worked, days worked, and weeks worked for these fields. NOTE: This option does not update the files used for Federal & State eFiling and Reporting.

Federal Tax Summary

Wages	Quarter To Date	Year To Date		Quarter To Date
Gross Wages	6,384.85	8,678.57	Pension Plan	27.70
Withholding	6,357.15	8,650.87	Cafeteria Plan	.00
Employee FICA	6,357.15	8,650.87	Allocated Tips	.00
Employee FICA Tips	.00	.00	Fringe Benefit	.00
Employer FICA	6,357.15	8,650.87	Nonqualified	.00
Employer FICA Tips	.00	.00	Dependent Care	.00
Employee Med.	6,357.15	8,650.87		
Employer Med.	6,357.15	8,650.87		

	Quarter To Date	Year To Date
Unemployment	6,357.15	8,650.87
Hours Worked	206	206
Tips Reported	.00	.00
Days Worked	55	75
Tips Deemed	.00	3.05
Weeks Worked	11	15

Payroll Taxes	Quarter To Date	Year To Date
Withholding	713.98	1,018.40
Employee FICA	342.13	423.56
Employee FICA Tips	.00	.00
Employee Med.	92.18	125.44
EIC	.00	3.05

Fix   OK   Cancel

Prior to clicking the **Fix** button, many fields are unavailable ("grayed out"). After clicking the **Fix** button, all fields are available for data entry and the actual wages are shown as subject to the specific tax with no limits - observe the limits as specified in Tax Table Maintenance.

CAUTION!
Be very careful using this option as you are saving information directly to the Tax Summary file and your reports will reflect changes made incorrectly.

Incorrect Amounts on the 941 - PRZDRR

This option is used to alter the values (numbers) reported on the 941 Form and allows direct modification to the current quarter 941 Record in the Payroll 941 Form file. The actual 941 print program will function in exactly the same manner, and you will still need to enter the required adjustments and deposits in the 941 Form Printing options.

Print the 941 Form as an audit trail prior to modifying the Payroll 941 Form record. This hidden option overwrites the information in the Payroll 941 Form file with your information, making you solely responsible for the entry of correct data.

You can access the 941 Data Entry Utility by selecting **Run** from the **File** menu. In the Run dialog box, type *PRZDRR* for program name and click **OK**.

Please note this utility does not update the 941 available in Federal eFiling & Reporting. To update the Form 941 in eFiling & Reporting, the amounts can be edited in the Form Viewer.

Steps to Reverse an Out-of-Balance Check

Payroll is not designed to let you complete an Out-of-Balance entry. However, if something occurs after the entry, (such as a Deduction Code record dropped from the Check lines) then an Out-of-Balance may occur. An Out-of-Balance message may appear on the Audit Report or the Daily Transaction Register.

Typically, an Out-of-Balance will be caused by an Earnings line, Deduction line, or Tax line being dropped during an update, which results in the Check Amount not equaling the Total Earnings less Deductions less Taxes.

Out-of-Balance messages can usually be corrected if caught prior to the Check Register update. If the Out-of-Balance is noticed after the Check Register update, you must determine where the Out-of-Balance occurred.

To Reverse the Out-of-Balance Check

1. Print the following reports

    Quarterly Tax Report
    Earnings Report
    Deductions Report
    Check History

2. Verify that the amounts have been updated by the last payroll.

3. If the **QTD** and **YTD Earnings Amounts** are incorrect on the Earnings Report, use the Library Master Utilities Data File Display & Maintenance on PR4 and modify the Earnings Records. Refer to the File Layouts section to see which amounts correspond to which field.

4. If the **QTD** and **YTD Deductions Amounts** are incorrect on the Deductions Report, select Employee Maintenance from the Main menu, then select Deductions Maintenance, and make appropriate corrections.

5. If **QTD** and **YTD Wages** or **Taxes** are incorrect on the Quarterly Tax Report, click the **Fix** button on the Tax Summary screen in Employee Maintenance to make any corrections.

6. If the Amounts on the Check History Report are not correct, they can be corrected using the utility Data File Display & Maintenance.

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Payroll Posting Dates

There are two important dates that affect Payroll Files and Reports.

Check Date	Pay Period Ending Date
Files Updated	
PR3 – Employee Tax Summary File	PR4 – Employee Earnings/Deductions Summary File
PR5 – Check History File	PRM - Worker's Compensation Detail File
PRO – Quarterly Tax Recap File	
PRR – 941 Form File	
PR_22 – Perpetual History Header File	
PR_23 – Perpetual History Detail File	
PR_40—Federal/State eFiling and Reporting	
Reports	
Quarterly Tax Report (PR3)	Earnings Report (PR4)
Quarterly Governmental Report (PR3)	Deduction Report (PR4)
W2 Form Printing (PR3)	Worker's Compensation Report (PRM)
Federal eFiling and Reporting(PR_40 & PR_41)	
State eFiling and Reporting (PR_40)	
Check History Report (PR5)	
Quarterly Pay Period Recap (PRO)	
Quarterly 941 (PRR)	
Payroll Perpetual History Report (PR_22) & (PR_23)	

How Taxes are Calculated

Payroll annualizes wages in the calculation of withholding taxes, which is why it may differ from the Circular E distributed by the IRS. Annualizing offers a more exact method of calculating taxes.

To manually calculate taxes you must consider the following information.

1. Filing Status
2. Pay Cycle
3. Fringe Benefits
4. 401k & Cafeteria Plans
5. Tax Calculation Steps

SAMPLE

Calculating California State Withholding Tax

- Employee Salary = $1600.00

- Filing Status = Married

- Dependent Exemptions = 0

- Personal Exemptions = 1

- Pay Cycle = Monthly

- Fringe Benefits = $500.00

- 401k & Cafeteria Plan = $100.00

- Tax Calculation Steps = 2-9-6-4-7-5

1		Calculate Taxable Amount
		Salary + Fringe – Cafeteria Plan = Taxable Amount
		1,600.00 + 500.00 – 100.00 = 2,000.00
2	Step 2	Annualize Wages
		Taxable Amount * (Pay Cycle* # Pay Cycle per Year)
		2,000.00 * (1 * 12) = 24,000.00
3	Step 9	Check against Low Income Limit (Low Income Limit = 16,080.00)
		Low Income Limit(16,080.00) < Taxable Amount(24,000.00)
4	Step 6	Check Dependent Exemption
		Dependent Exemptions = 0
5	Step 4	Subtract Standard Deduction
		Standard Deduction = 5,166.00
		Taxable Amount – Standard Deduction
		24,000.00 - 5,166.00 = 18,834.00
6	Step 7	Apply Tax Table
		Taxable Amount – At Least Amount
		18,834.00 – 10,032.00 = 8,802.00
		8,802.00 * 2% (percent of excess) = 176.04
		176.04 + 100.32 = 276.36
7	Step 5	Subtract Personal Exemption annual amount
		276.36 – 68.00 = 208.36
		208.36 = Annual Tax Amount
8		Divide Annual Tax Amount by Number of Pay Cycles per Year
		208.36/12 = 17.36