

Setting up employee detail for in-house payroll

Goal: For processing payroll in-house using Ajera, set up options for salaried, hourly, or overtime pay. Enter, for each employee, payroll items such as any pay types, deductions, taxes, direct deposit, and fringe benefits.

Important! Before proceeding with this lesson, be sure to see the *Setting up employees* quick lesson. It describes how to set up general information, addresses, time and expense options for employees, and generic payroll information.

Before entering employee detail for payroll, be sure that your firm's payroll is set up in *Company > Preferences*. See the *Setting up company preferences* quick lesson.

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Step 1: Add any additional types of pay

In Ajera, types of pay are called *pays*.

When you set up in-house payroll, you define the pays your firm needs. In this lesson, you will add any additional pays for the employee, such as vacation accrual or automobile allowance.

Begin by first following the quick lesson, *Setting up employees*. Now, continue working on the Setup > Employees > Pay Information tab as follows.

Select the additional pay you want to add for the employee.

You can change the amount, as needed. Depending on the calculation method, you can enter an amount, percent, or rate.

If there is a yearly maximum amount or number of hours for the pay, enter it.

These fields apply to a pay you set up for accrual. For more details, from the Contents in Help, select Employees > Setting up employees for in-house payroll. Also, in the Index, select accruing > hours > Setting up pays to accrue hours.

Ajera automatically enters the calculation method based on the pay.

To include this pay in every paycheck automatically, leave the On Demand check box cleared.

To ensure that this pay is not included on supplemental paychecks, such as a bonus, leave the Supp check box cleared.

Step 2: Set up payroll taxes

Note: If you set up Ajera to process state withholding for multiple states (Company > Preferences > Payroll tab), be sure to follow the specific directions in Help, and skip this step. From the Contents in Help, select Payroll > Processing payroll in-house > State withholding for multiple states.

1. Click the **Payroll Taxes** tab.
2. Enter information provided by the employee on the W-4 and state withholding forms.

Select the employee's federal and state filing status, and enter the number of exemptions.

The federal and state filing status can affect the available options for withholding.

The state you entered in the Company > Preferences > Payroll tab > Home State field automatically appears here. You can change it for this employee, if needed.

Ajera adds additional fields if the state where the employee pays income tax requires a special code.

For example, when you select Indiana as the home state, the Number of Dependents field appears because that state's W-4 includes a line to specify dependent exemptions.

If the employee lives and works in the same state, Ajera uses the home state information for tax calculations.

If the employee lives and works in different states, you can specify which state collects withholding, disability, and unemployment taxes.

The screenshot shows the 'Employee - Mary T. Boyle' window with the 'Payroll Taxes' tab selected. The 'Status' is 'Active'. The 'Payroll Taxes' section includes the following fields and options:

- Federal filing status: Married
- Federal exemptions: 2
- Additional federal withholding: 0.00
- EIC status: Not Applicable
- Home state: Oregon
- Work state: Oregon
- State filing status: Married
- State exemptions: 2
- Additional state withholding: 0.00
- Options: Covered by retirement plan, Covered by HIRE ACT
- State withholding options:
 - Home state: State withholding, State disability, State unemployment
 - Work state: State withholding, State disability, State unemployment

At the bottom, there is a table for 'Additional State Withholding' with columns: Demand, Supp, Limit, Limit Period, and Notes. The 'Supp' column has a checked box in the first row.

Buttons at the bottom: Close, Save, Cancel, Delete, Help.

Step 2: Set up payroll taxes (continued)

3. Enter the remaining information for payroll taxes.

For W-2 reporting, select this check box if the employee is covered by your firm's retirement plan.

When you print W-2 forms, Ajera checks the retirement plan box on the W-2 form for this employee.

To deduct any additional taxes from the employee's paycheck, such as a city tax, use the Additional Taxes table.

Additional Taxes

Tax	Calculation	Amount	On Demand	Supp	Limit	Limit Period	Notes
Multnomah County tax	Flat Amount	25.0000	<input type="checkbox"/>	<input type="checkbox"/>			

Select the tax.

Ajera automatically enters the calculation method based on the tax. You can change it, if needed.

If you selected a flat amount calculation method, type the amount here.

To deduct this tax on every paycheck, leave the On Demand check box cleared.

If you select the check box, then when running payroll, you choose to deduct on-demand taxes for employees.

If you want to deduct this tax on supplemental paychecks, select the Supp check box.

If there is a maximum annual amount for this tax that an employee pays, enter it here.

Step 3: Set up deductions, direct deposit, and fringes

1. Click the **Deductions/Fringes** tab.
2. For each deduction you want to enter for the employee, complete a row on the Deductions table.

Select the deduction.

Ajera automatically enters the calculation method based on the deduction. You can change it, if needed.

Enter the amount to deduct.

To include the deduction on every paycheck, leave the On Demand check box cleared.

If you want to include this deduction on supplemental paychecks, select the Supp check box.

If there is a maximum annual amount for the deduction, enter it here. For example, if you were setting up a 401(k) deduction, and if the current year's contribution limit for this employee is \$16,500, you would enter that amount as the limit.

Deduction	Calculation	Amount	On Demand	Supp	Limit	Limit Period	Notes
401k	Percent of Total Pay	4.0000	<input type="checkbox"/>	<input type="checkbox"/>	16,500.00	Per Year	...
Insurance	Flat Amount	55.0000	<input type="checkbox"/>	<input type="checkbox"/>			
Section 125	Flat Amount	10.0000	<input type="checkbox"/>	<input type="checkbox"/>			
*							

Step 3: Set up deductions, direct deposit, and fringes (continued)

- For each direct deposit you want to enter for the employee, complete a row on the Direct Deposits table.

The screenshot shows the 'Employee - Mary T. Boyle' window with the 'Direct Deposits' table highlighted. The table has the following data:

Routing Number	Account	Type	Prenote	On Demand	Supp	Remaining	Amount	Notes
543265982	1245634	Savings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	100.00	
I 543265981	1245786	Checking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0.00	

Callout boxes provide the following instructions:

- Type the routing number that identifies the employee's bank.** (points to the Routing Number column)
- Type the account number.** (points to the Account column)
- Select the type of bank account.** (points to the Type column)
- If your company's bank requires a prenotification to verify the bank information, select the Prenote check box before making the first actual deposit for this employee. After your bank approves the direct deposit, clear this check box so that the employee's direct deposit amount will be included in the next payroll.** (points to the Prenote column)
- To include this direct deposit in every paycheck, leave the On Demand check box cleared.** (points to the On Demand column)
- If you want to include this direct deposit on a supplemental paycheck, select the Supp check box.** (points to the Supp column)
- Select the Remaining check box to deposit the balance of the check to the account on this row.** (points to the Remaining column)
- Enter the amount to deposit to the account.** (points to the Amount column)

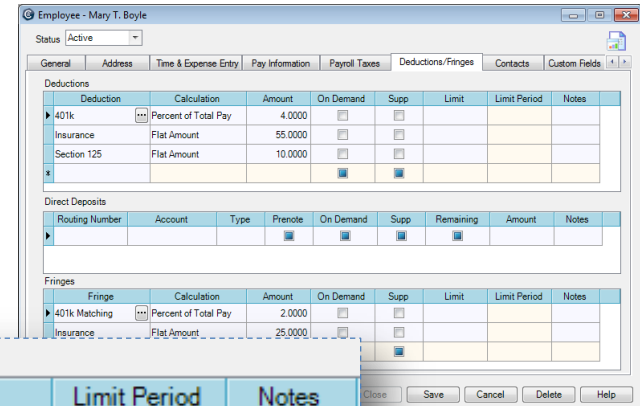
The background window shows the 'Deductions' table with the following data:

Deduction	Calculation	Amount	On Demand	Supp	Limit	Limit Period	Notes
401k	Percent of Total Pay	4,000.00	<input type="checkbox"/>	<input type="checkbox"/>			
Insurance	Flat Amount	55,000.00	<input type="checkbox"/>	<input type="checkbox"/>			
Section 125	Flat Amount	10,000.00	<input type="checkbox"/>	<input type="checkbox"/>			

Step 3: Set up deductions, direct deposit, and fringes (continued)

- In Ajera, fringe benefits, such as medical insurance or matching 401(k) contributions, are called *fringes*.

For each fringe you want to enter for the employee, complete a row on the Fringes table.



Fringe	Calculation	Amount	On Demand	Supp	Limit	Limit Period	Notes
Insurance	Flat Amount	25.0000	<input type="checkbox"/>	<input type="checkbox"/>			
401k Matching	Percent of Total Pay	2.0000	<input type="checkbox"/>	<input type="checkbox"/>			
*				<input checked="" type="checkbox"/>			

Select the fringe.

If there is a maximum annual amount for the fringe, enter it here.

Ajera automatically enters the calculation method based on the fringe setup, which you can change as needed.

Enter the amount.

To include this fringe in every paycheck, leave the On Demand check box cleared.

If you want to include this fringe on a supplemental paycheck, select the Supp check box.

Summary

In this lesson, you learned how to set up the employee for processing payroll in-house using Ajera.