

QuickBooks - Setting up payroll deductions for SaskWorks Venture Fund

1. In your main menu bar: go to Lists> payroll item list.

a. Create new deduction named "Labour sponsored deduction".

Payroll item type

Select the type of payroll item you want to create.

- Wage (Hourly, Salary, Commission, Bonus)
- Addition
- Deduction
- Company Contribution
- Other Tax

Name used in pay cheques and payroll reports

Enter name for deduction:
Labour Sponsored deduction

For example, if you are creating a deduction for contributions to an RRSP you may want to call it "RRSP Contributions".

Payroll item is inactive
To hide this item on the Payroll Item list, select the checkbox.

b. Create a new vendor to remit the deductions to monthly. As well, you will create a new payable account in the "other current liabilities" section. (This account will clear to zero when you remit each month.)

c. Tax tracking type – none.

Agency for employee-paid liability

Enter name of agency to which liability is paid: Prometa (SaskWorks)

Enter the number that identifies you to agency:

Liability account (employee-paid): SaskWorks payable
This liability account tracks deductions to be paid. You can change this account at any time.

Tax tracking type

The tax tracking type determines how the payroll item appears on tax forms. Be sure to choose the correct tax tracking type to ensure that your forms are correct.

None

Are you sure you want 'None' as the tax tracking type?

'None' is typically used for payroll items such as net additions, deductions, or company contributions that don't affect taxes or tax forms. These include items such as expense reimbursements, miscellaneous after-tax fees, employee loans, and charitable contribution deductions.

If you want to report this payroll item on your tax forms, choose a different tax tracking type.

d. Taxes – only federal income taxes will be reduced due to this deduction.

e. Choose neither – you will set up a flat deduction amount per pay period.

Taxes

QuickBooks Desktop allows you to select the taxes that will be affected by this deduction. From the table below, select the taxes that will be decreased as a result of this deduction.

PAYROLL ITEM	Default
<input checked="" type="checkbox"/> Federal Income Tax	<input type="checkbox"/>
<input type="checkbox"/> CPP - Company	<input type="checkbox"/>
<input type="checkbox"/> CPP - Employee	<input type="checkbox"/>
<input type="checkbox"/> EI - Company	<input type="checkbox"/>
<input type="checkbox"/> EI - Employee	<input type="checkbox"/>
<input type="checkbox"/> QPP - Company	<input type="checkbox"/>

Click Default to revert to QuickBooks Desktop automatic settings.

Calculate based on quantity

Calculate this item based on quantity
Select this item if you want this payroll item to be calculated based on a quantity that you enter manually on pay cheques.

Calculate this item based on hours
Select this item if you want this payroll item to be calculated based on the Regular Pay and Overtime Pay hours worked.

Include Sick and Vacation hours

Neither
Select this item if you want this payroll item to be based on a percent of Net or Gross, or a flat amount per pay cheque.

f. Enter the default rate for your employees (it can be zero as well) – you can change for individual employees on their personal records, if needed.

g. Use the amounts determined on the spreadsheet from SaskWorks. (i.e. If your employees are paid bi-weekly, the deduction will be \$192.31 per pay period.)

Default rate and limit

The rate you enter here will be the default rate for this item when added to the employee record. To change the rate or amount for a particular employee, edit their record directly. QuickBooks Desktop will use the number in the employee record when calculating pay cheques. Enter a percent symbol (%) after the number if this is a percentage.

192.31

If this item has an upper limit, enter it here. If you leave the limit blank on an employee's record, this limit will be used. If you leave this limit blank, the limit entered on an employee's record will be used. If you enter a limit both here and on an employee's record, the lower of the two will be used.

5,000.00

Limit Type
Annual - Restart each year

2. Go to the payroll module and set up the deduction for each applicable employee.
 - a. This is where you can change the default, if needed.

INFORMATION FOR **Joe Deduction**

Personal
Address & Contact
Additional Info
Payroll Info
Employment Info

PAYROLL_SCHEDULE: Biweekly
PAY FREQUENCY: Biweekly

Direct Deposit
Taxes and TD1...
Accrual Hours...
Vacation Pay...

EARNINGS

ITEM NAME	HOURLY/ANNUAL RATE
Salary	75,000.00

Use time data to create pay cheques

Employee is inactive

OK Cancel Help

ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS

ITEM NAME	AMOUNT	LIMIT
Labour Sponsore...	-192.31	-5,000.00

- b. Click the taxes tab to update the federal and provincial TD1 amounts for the revised exemption calculated on the spreadsheet from SaskWorks. This will ensure the proper amount of taxes are deducted.

Taxes and TD1 for Joe Deduction

Tax Table: Saskatchewan

SUBJECT TO

Federal Income Tax
Federal TD1: 16,809.00
Additional Tax: 0.00

Employment Insurance
EI Factor: 1.4

Canada Pension Plan
Provincial TD1: 24,398.33

OTHER TAXES

Item Name	Amount	Limit

OK
Cancel
Help

- c. Based on a bi-weekly investment, you should only see a \$66.35 decrease in the employee net cheque.

Open Pay Cheque Detail...

EMPLOYEE	GROSS PAY	TAXES	DEDUCTIONS	NET PAY	EMPLOYER TAXES	CONTRIBUTIONS	TOTAL HOURS
Betty Nodeduction	2,884.62	-828.79	0.00	2,055.83	203.16	0.00	40.00
Joe Deduction	2,884.62	-702.83	-192.31	1,989.48	203.16	0.00	40.00