

Payroll User Guide

Version 9.0 February 2006 Document Number PRUG-90UW-01

Lawson Human Capital Management

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Overview of Payroll Application

The Lawson® Payroll is a comprehensive system for generating and maintaining all payroll-related information, including payment writing, labor distribution, quarterly reporting, and W-2 processing. When integrated with the Lawson Human Resources application and related Lawson systems, the Payroll is a management tool capable of handling all of your human resource needs.

This user guide also covers the Tips application and Time and Attendance.

Payroll: The Big Picture

This user guide is structured in six sections to reflect payroll business processes:

- Setup
- Employee
- Time Records
- Payroll Cycle
- Manual Processes
- Reports

The big picture flow illustrates Payroll's main processes, breaks the processes down into sub-processes, and serves as a reminder of where you are in the big picture.



Payroll Process Flow

The Payroll's functionality can be divided into seven parts:

- Setup
- Employee
- Time Records
- Payroll Cycle
- Manual Processes
- Reports

This section provides an overview of each of these main processes.

Setup

Before using the Payroll, you must consider your payroll, benefits, tips, and time and attendance needs. Then determine the structure that best fits those needs.

When you set up your Payroll, you define the following elements:

- Pay Structure
- Time Accrual or Absence Management
- Tax Structure
- Deduction Structure
- Workers' Compensation
- Garnishments
- Bank Codes
- Funding Sources
- Tips

Employee

After you set up the Payroll, you must assign payroll elements to employees before you can enter time records and process payroll.

You can assign the following elements to employees:

- Pay
- Taxes
- Deductions
- Workers' Compensation State
- Garnishments
- Payroll Distributions
- Direct Deposit Distributions
- Standard Time Records

Payroll User Guide

Time Records

To process a payroll cycle you must enter time records for employees. To enter time records you perform the following tasks:

- Pre-Entry Maintenance
- Create Time Records
- Create Pension Payment Records
- Move Time Records

Payroll Cycle

To process a payroll cycle you can complete the following tasks:

- Edit Time Records
- Pre-Cycle Maintenance
- Calculate Earnings and Deductions
- Create Payments
- Close Payroll
- Troubleshoot the Payroll Cycle

Manual Processes

Manual processes let you perform payroll functions outside of the regular payroll cycle. You can perform the following tasks outside of the regular payroll cycle:

- Manual Payments
- Replacement Payments
- Adjustments
- Payment Modeling
- Bank Reconciliation
- Purge Data
- Tips
- Time and Attendance

Reports

Throughout the year you create reports that let you balance Payroll for each pay cycle, month, quarter, and year. Payroll provides the functionality to create many of the reports required by the governments of the US, Canada, and the U.K. Payroll also provides reports for balancing and verifying data in the Payroll.

How Payroll Integrates With Other Lawson Applications

^{}This chapter explains how the Lawson Payroll interfaces with other Lawson applications.

Integration with Other Human Resources Applications

This section describes the integration of Payroll to the others within Human Capital Management.

- "Payroll to Time and Attendance" on page 25
- "Payroll to Tips (U.S. and C.A.)" on page 25
- "Payroll to Time Accrual" on page 25
- "Payroll to Benefits Administration" on page 25
- "Human Resources to Payroll" on page 26
- "Time Accrual to Payroll" on page 26
- "Benefits Administration to Payroll" on page 26

Payroll to Time and Attendance

Time and Attendance codes are tied to pay codes, position codes, or employee codes and are used in payroll processing. Every time you run and close a payroll cycle, the Time and Attendance application is updated with any occurrences of Time and Attendance codes tied to pay codes in that payroll cycle.

Payroll to Tips (U.S. and C.A.)

You give pay summary groups an indicator that defines each group as direct or indirect tips. Payroll stores this indicator on an ongoing basis every time you run the payroll cycle. Tips reports are driven off of this indicator.

Payroll to Time Accrual

Payroll provides the pay records for Time Accrual to track hours used, accruals, and plan eligibility.

Payroll to Benefits Administration

When you close a payroll cycle, Payroll updates Benefits Administration history. This update includes savings bond year-to-date contributions and vesting and compensation related to defined contributions and defined benefits.

Human Resources to Payroll

The HR application is the center of all other Human Resources applications. HR provides the employee information for payroll. It also provides employee grouping and HR codes that qualify employees for benefits and track certifications and education.

Time Accrual to Payroll

Time record entry in Payroll reads Time Accrual balances for errors, in case an employee is using hours not yet earned.

Benefits Administration to Payroll

Through the enrollment screens in Benefits Administration, the payroll deductions are created in the Employee Deduction master for the benefits that the employee chooses. Sequence numbers are assigned to these benefit and deduction records so that multiple enrollments are tracked.

Personnel Administration to Payroll

Depending on your setup, position information from the Personnel Administration application can default to employee time records.

Integration to Other Lawson Applications

This section describes the integration of the Payroll with Lawson applications outside of Lawson Human Capital Management.

- "Payroll to Project Accounting" on page 27
- "Payroll to General Ledger" on page 27
- "Payroll to Accounts Payable" on page 27

Payroll to Project Accounting

As Payroll incurs expenses, the expenses represent a commitment to an activity. When you select time records with an activity attached to them, Payroll creates commitments in the Project Accounting Commitment file.

When you close a payroll cycle, all accounting distributions associated with an activity are posted to the Activity Transaction file.

Payroll to General Ledger

Periodically, you post payroll information to the general ledger. When you post to the General Ledger application, all accounting distributions associated with that payroll cycle are created in the General Ledger Transaction file.

If you have GL Commitments defined in General Ledger, Payroll will interface expense amounts to Genral Ledger.

Payroll to Accounts Payable

When you close a payroll cycle, the Payroll application can send payroll liability information such as benefit deductions, garnishments, and employment tax to the Accounts Payable application for payment.

Integration to Third Party Applications

This section describes the integration of the Payroll application with third-party (non-Lawson) applications.

BSI to Payroll (U.S. and C.A.)

BSI maintains the correct tax tables for employee tax deductions. When you create earnings and deductions, the Payroll application uses the tax tables from BSI to create employee tax deductions.

Human Capital Management integrates with additional solutions to augment and enhance the functionality of your Lawson products.

Lawson Employee and Manager Self-Service

Lawson Employee and Manager Self-Service gives employees and managers access to vital information over your organization's intranet. Lawson Employee and Manager Self-Service lets the HR and Payroll departments avoid excessive manual data entry by letting employees and managers update their own information. Your organization determines what information is available for employees and managers to view or update. Employees and managers access the information whenever and wherever it is needed.

Setting Up Pay Structure

This chapter covers how to set up the structure that the Payroll application uses to calculate pay for a company's employees, including overtime pay, where pay is expensed, and where pay history is stored.

STOP Before you set up pay structure, you must set up the Human Resources application. For more information, see the *Human Resources User Guide*.

Concepts in this Chapter

TIP For more information, see "Procedures in this Chapter" on page 44. The following concepts provide background and conceptual information for the procedures within this chapter.

- "What are Pay Codes?" on page 30
- "What are Pay Summary Groups?" on page 32
- "What are Pay Classes?" on page 33
- "How are Pay Rates Calculated?" on page 34
- "What are Pay Plans?" on page 36
- "How does Payroll Calculate FLSA Overtime?" on page 37
- "What are Step and Grade Schedules?" on page 41
- "What is a Progressive Pay Plan?" on page 42
- "What are Exception, Offset Time Record Rules?" on page 42

What are Pay Codes?

You enter pay codes on time records to indicate what type of pay the employee receives. Pay codes define the following:

- · How pay is calculated
- Where pay is expensed to in the general ledger (optional)

Pay codes can be alphabetic or numeric. For time card entry, numeric codes are usually more efficient.

You must assign each pay code to a pay summary group. For more information, see "What are Pay Summary Groups?" on page 32.

Overtime Pay Codes

When you define an overtime pay code, you define regular and overtime premium rates separately. You need to define these separately for use in special calculations, such as FLSA overtime due to an employee and, optionally, for separate expensing of regular and premium pay.

Shift Pay Codes

You can set up pay codes to use for different shifts. You can set up shift pay with up to four flat amount shift differentials or percentage shift differentials; or you can set up shift pay codes to use a shift table. Shift tables allow up to nine shifts with different rates defined by job code, grade range schedule, or step and grade schedules.

Example

The Two Rivers Company defined the following pay codes (for clarity, these examples are alphabetic codes).

| Kind of Pay | Pay Code |
|------------------|----------|
| Regular pay | REG |
| West Coast Shift | SHW |
| East Coast Shift | SHE |
| Overtime 1 | OT1 |
| Overtime 2 | OT2 |
| Vacation | VAC |
| Sick Pay | SIK |
| Indirect Tips | ITP |
| Direct Tips | DTP |
| Bonus | BNS |
| Cell Phone | CEL |
| Group Term Life | GTL |

Figure 1. Example: Pay codes

Pay Codes REG SHW SHE OT1 OT2 VAC SIK ITP DTP BNS CEL GTL

What are Pay Summary Groups?

A pay summary group combines one or more pay codes for the following purposes:

- Store pay history
- · Determine how the Payroll system calculates taxes on pay
- Determine the description of pay that prints on payments, direct deposit receipts, and reports
- · Define parameters for FLSA overtime calculation
- · Define the tax reporting form associated with United States pay
- Define the type of tip pay for a tipped payment

To define which pay codes belong to which pay summary group, you attach a pay summary group to each pay code. Each pay code can only belong to one pay summary group, but a pay summary group can have any number of pay codes. For more information, see "What are Pay Codes?" on page 30.

You define pay summary group relationships between pay summary groups and pay classes. You can tie a pay summary group to more than one pay class to apply different edits and calculations, and to use for reporting. If a pay summary group does not require special edits or calculations or you do not have special reporting needs, you do not need to define a relationship with a pay class. For more information, see "What are Pay Classes?" on page 33.

Example

The Two Rivers Company has grouped their pay codes into the following pay summary groups:

Figure 2. Example: Pay Summary Groups, and Pay Codes



In this example, the pay code for the west coast shift, SHW, and the pay code for the east coast shift, SHE, are grouped into a pay summary group SFT to provide a common description on their payments. Also, the history for both Overtime 1 (OT1) and Overtime 2 (OT2) is stored together in the pay summary group OVT.

What are Pay Classes?

Pay Classes group pay summary groups for:

- Performing special calculations
- Applying special system edits
- Reporting

Pay summary groups can be associated with more than one pay class.

The Human Resources application automatically creates three pay classes if you define them when you create a company:

- Overtime—Edits against paying overtime to exempt employees. Commonly abbreviated as OVT.
- Noncash—Administers the proper calculation of non-cash income. Commonly abbreviated as NON.
- Tip Pay—Allows for entry of both hours and amount on time record without being multiplied together. Applies edits using Tip pay for non-tipped employees. Commonly abbreviated as TIP.

You can define other pay classes for reporting or to use with other Human Resources applications. For example, you can define a vacation or sick pay class to track usage in the Time and Attendance application, or define a pay class to calculate deductions based on certain types of pay.

There is no limit on the number or type of pay classes you can create; however, you must define the overtime, non-cash, and tips pay classes on the HR company or Payroll will not activate special hard-coded edits and calculations.

Example

The Two Rivers Company established the following pay classes:

- VAC—used with the Time and Attendance application to track usage of vacation time.
- GTL—used for W-2 reporting of taxable Group Term Life Insurance premiums.
- OVT—used for the special edit against paying overtime to exempt employees.
- NON—used to calculate non-cash income.
- ITP and DTP—both used for tips to allow for the entry of both hours and amounts on the time records without the figures being multiplied together.

Figure 3. Pay classes, pay summary groups, and pay codes



How are Pay Rates Calculated?

NOTE For more information, see "Defaults and Overrides" on page 657.

The calculation type you select on the pay code determines how Payroll calculates the associated pay:

Normal Rate—The rate on the time record (using pay rate defaulting logic) is used to calculate earnings.

Hourly: Hours * Rate = Gross Pay

• Salaried: Annual Salary / the number of Pay Periods (as defined by the employee's Pay Frequency) = Gross Pay.

Percentage Rate—A percentage is entered in the Rate field, the Premium field, or both on the pay code.

- Hourly: Rate * Percentage * Hours = Gross Pay
 - Salaried: Annual Salary / (Annual Hours * FTE) = Hourly Rate

Hourly Rate * Percentage * Hours = Gross Pay

Rate Shift Differential—Payroll uses the shift on the employee record, which can be overridden on the time record, and the shifts or shift table on the pay code to calculate the shift differential.

- Hourly: (Rate + Shift Differential) * Hours = Gross Pay
 - Salaried: Annual Salary / (Annual Hours * FTE) = Hourly Rate

(Hourly Rate + Shift Differential) * Hours = Gross Pay

Percent Shift Differential—Payroll uses the shift on the employee record, which can be overridden on the time record, and the shifts or shift table on the pay code to calculate the shift differential.

- Hourly: [Rate + (Rate * Shift Diff)] * Hours = Gross Pay
 - Salaried: Annual Salary /(Annual Hours * FTE) = Hourly Rate

[Hourly Rate + (Hourly Rate * Shift Diff)] * Hours = Gross Pay

Percentage with Rate Shift Differential—Combines the calculation types Percentage Rate and Rate Shift Differential. Payroll uses the shift on the employee record, which can be overridden on the time record, and the shifts or shift table on the pay code to calculate the shift differential.

Hourly: (Rate + Shift Differential) * Percentage = New Rate

New Rate * Hours = Gross Pay

Salaried: Annual Salary / (Annual Hours * FTE) = Hourly Rate

(Hourly Rate + Shift Differential) * Percentage = New Rate

New Rate * Hours = Gross Pay

Percentage with Percentage Shift Differential—Combines the calculation types Percentage Rate and Percent Shift Differential. Payroll uses the shift on

the employee record, which can be overridden on the time record, and the shifts or shift table on the pay code to calculate the shift differential.

• Hourly: [Rate + (Rate * Shift Diff)] * Percentage = New Rate

New Rate * Hours = Gross Pay

Salaried: Annual Salary / (Annual Hours * FTE) = Hourly Rate

[Hourly Rate + (Hourly Rate * Shift Diff)] * Percentage = New Rate

New Rate * Hours = Gross Pay

Additional Flat Rate—An additional flat rate is entered on the pay code, the employee record, or the time record to be paid to the employee. Payroll ignores any hours entered on the time record.

Noncash Income—Payment-in-kind, such as automobile allowance, moving expenses, or excess group term life. The amount of a non-cash pay code is added to gross wages and taxable wages, and is subtracted out before Payroll calculates Net Pay.

Hours Only—Payroll uses this calculation type to track only the hours associated with an event, such as eligible hours for benefit purposes or to track leaves of absence.

Custom Calculation—You can establish a unique calculation logic to associate with this calculation type.

Example

Based on the pay structure established by Two Rivers Company, they defined the following pay code calculations.

| Pay Code | Calculation Type | Additional Information |
|----------|--|---|
| REG | Normal Rate | |
| REG% | Regular Percent | Rate = 100%, to be used to calculate an hourly rate for salaried employees. |
| SHW | Rate Shift Differential | Shifts = 0, .25, .50, .75 |
| SHE | Percent Shift Differential | Shifts = 5, 10, 15, 20 |
| OT1 | Percentage Rate | Rate = 100% / Prem = 50% |
| OT2 | Percentage with Rate Shift Differential | Rate = 100% / Prem = 50% |
| | | Shifts = 0, .25, .50, .75 |
| VAC | Normal Rate | |
| SIK | Normal Rate | |
| ITP | | |
| DTP | | |
| BNS | Normal Rate | |
| CEL | Non-cash Income | Rate = 100.00 |
| ELG | Hours Only | |

Pay plans define the pay and work periods Payroll uses during payroll processing. Optionally, pay plans define how Payroll calculates overtime to meet FLSA requirements or collective bargaining agreement requirements.

Payroll requires separate overtime plans for different work periods and pay frequencies, and for other differences such as daily overtime calculation and fixed or fluctuating work periods for salaried employees. For more information, see "How does Payroll Calculate FLSA Overtime?" on page 37.

Payroll uses the first pay-period end date, the pay frequency, the first work-period end date, and the number of days in the work period defined on the pay plans to create pay periods and work periods for a year, plus one period into the next calendar year.

When you close Payroll for the year, Payroll creates the next calendar year pay periods and work periods using the parameters on the pay plan.

You must assign a pay plan to every employee in your company so that pay period ending dates can be derived based on the time record dates.

For employees exempt from overtime or employees for which you do not calculate FLSA Overtime, you can assign pay plans to the employees by pay frequency, by process levels, or by the company as a whole.

For employees who are not exempt from overtime, you must select an FLSA overtime pay plan on each of the employees' records.

Example

River Bend Hospital pays employees using bi-weekly and monthly pay frequencies, and defined the following pay plans for 2001:

BWEX—Bi-Weekly Exempt Pay Schedule

BWEX is assigned to all Bi-weekly exempt employees in the company.

• First pay period end date = January 13, 2001

Pay frequency = Bi-Weekly

MEX—Monthly Exempt Pay Schedule

MEX plan is assigned to all Monthly exempt employees in the company.

- First pay period end date = January 31, 2001
- Pay frequency = Monthly
How does Payroll Calculate FLSA Overtime?

TIP If you do not need to calculate FLSA overtime, you do not need to create overtime pay plans. You can use overtime pay codes on your time records to process overtime.

NOTE Overtime hours are the number of hours worked in excess of the daily or work period maximum defined on the pay plan.

NOTE You define eligible hours and wages on pay summary groups.

Overtime pay plans provide the parameters to calculate overtime for FLSA (Fair Labor Standards Act) requirements. FLSA is a United States act.

There are two options for calculating overtime pay plans:

- "Calculating Overtime Hours" on page 37
- "Supplying Overtime Hours" on page 38

Calculating Overtime Hours

The Calculated Hours method calculates the number of overtime hours an employee works based on the plan parameters, and applies the weighted average rate to all overtime records.

If you choose to calculate overtime hours, Payroll calculates overtime in the following steps:

- 1. Payroll calculates gross pay for each time record in the work period.
 - For hourly employees, Payroll multiplies the number of hours on the time record by the pay rate to calculate the work period gross.
 - For salaried employees, Payroll divides the employee's annual salary from the employee record by the number of work periods in a year.
 For example, for 7-day work periods, annual salary is divided by 52 to get the work period gross. This might be different from the calculation of wages for a pay period.
- 2. Payroll calculates the weighted average rate of pay for the work period by dividing the total eligible wages by the total eligible hours.

Payroll compares the weighted average rate with the minimum wage. If the weighted average rate is less than the minimum wage, the minimum wage replaces the weighted average rate used in the calculation of overtime.

If you define the overtime plan with a fixed number of hours in the work period, Payroll uses the fixed number of hours in the calculation rather than the actual hours worked.

- 3. Payroll calculates overtime hours for the work period.
- 4. Payroll calculates overtime pay for the work period by multiplying the weighted average rate of pay by the overtime premium rate. The result is then multiplied by the number of overtime hours.

Overtime credit is the sum of all premium wages paid (the additional "premium" portion of pay, such as a shift differential). This premium pay is only credited against the overtime calculation if it is flagged as Yes in the Eligible Premium Credit field on the pay summary group.

- 5. Payroll calculates overtime credit for the work period.
- 6. Payroll calculates the overtime adjustment pay-code amount for the work period by subtracting the overtime amount credited (step 5) from the required overtime amount (step 4).

IMPORTANT If the amount credited is more than the overtime adjustment amount, the system does not create a time record.

7. The overtime time records that are associated with the overtime pay class are updated to use the weighted average rate of pay calculated in Step 2.

Supplying Overtime Hours

The Supplied Hours method applies the weighted average rate to overtime hours which you enter into the application.

If you choose to supply overtime hours, Payroll calculates overtime in the following steps:

- 1. Payroll calculates gross pay for each time record in the work period.
 - For hourly employees, the system multiplies the number of hours on the time record by the pay rate to calculate the work period gross.
 - For salaried employees, the system divides the employee's annual salary by the number of work periods in a year. For example, for 7-day work periods, annual salary is divided by 52 to get the work period gross. This might be different from the calculation of wages for a pay period.
- 2. Payroll calculates the weighted average rate of pay for the work period by dividing the total eligible wages by the total eligible hours.

Payroll compares the weighted average rate with the minimum wage. If the weighted average rate is less than the minimum wage, the minimum wage replaces the weighted average rate used in the calculation of overtime.

Example

Two Rivers defines the following FLSA overtime pay plan:

NOTE Overtime hours are the number of hours worked in excess of the daily or work period maximum defined on the pay plan.

NOTE You define eligible hours and wages on pay summary groups.

BWNE—Bi-Weekly Non-Exempt FLSA Overtime Pay Schedule

This overtime pay plan calculates overtime on all time records in excess of eight hours. Two Rivers uses daily time records for employees with this pay plan.

- Calculate Overtime Hours = Yes
- First pay period end date = 1/13/01
- Pay Frequency = Bi-weekly
- First work period end date = 1/5/01
- Days in a work period = 7
- Hours in a work period = 40
- Maximum Hours per day = 8
- Overtime Premium Rate = 50.00
- Overtime Pay Code = FLSA
- Work Period = Fixed

This plan is assigned to all Bi-weekly non-exempt employees in the company.

FLSA Overtime Calculation

The payroll clerk at Two Rivers enters the following time records for Janet.

Figure 4. Example: Hours entered for FLSA overtime

| Pay | | | | |
|------|-------|----------|---------|-------|
| Code | Hours | Job Code | Rate | Date |
| REG | 28.00 | HOSTESS | 6 .2500 | 10397 |
| SIK | 16.00 | HOSTESS | 6 .2500 | 11097 |
| REG | 14.00 | WAITRESS | 5.0000 | 10397 |
| REG | 26.00 | WAITRESS | 5.0000 | 11097 |

Janet is assigned the Bi-weekly Non-Exempt pay plan, which defines the regular hours in a work period as 40 and the overtime premium rate as 50 percent.

When the payroll manager processed the Overtime Calculation in update mode, the following calculation was completed for the work period ending January 3, 2001:

1. Eligible Wages = 245.00

Eligible Hours = 42

- 2. 245.00 / 42 = 5.83 average weighted rate of pay
- 3. 42 40 = 2 overtime hours
- 4. 5.83 x 50% x 2 = 5.83 overtime pay
- 5. Premium Credit = \$0.00
- 6. 5.83 \$0 = 5.83 overtime due the employee

The following calculation was completed for the work period ending January 10, 2001:

1. Eligible Wages = 230.00

Eligible Hours = 42

- 2. 230 / 42 = 5.48 average weighted rate of pay
- 3. 42 40 = 2 overtime hours
- 4. 5.48 x 50% x 2 = 5.48 overtime pay
- 5. Premium Credit = 0.00
- 6. 5.48 \$0 = 5.48 overtime due the employee

Figure 5. Example: FLSA overtime calculated for Janet

| Work Period | Eligible Pay | Hours Horked | Reg Rate Of Pay | Ovt Hrs | Total Ovt Due | Credited Overtime | Adjustнent Аноиnt |
|-------------|--------------|-----------------|--------------------|------------|------------------|----------------------|----------------------|
| 12/28-01/03 | 245.00 | 42.00 | 5.83 | 2.00 | 5.83 | 0.00 | 5.83 |
| 01/04-01/10 | 230.00 | 42.00 | 5.48 | 2.00 | 5.48 | 0.00 | 5.48 |

Therefore, the following FLSA time records were created for the overtime due to the employee:

| Paul | | | | |
|-------|-------|----------|--------|-------|
| Code | Hours | Job Code | Rate | Date |
| REG | 28.00 | HOSTESS | 6.2500 | 10397 |
| БІК 🛛 | 16.00 | HOSTESS | 6.2500 | 11097 |
| REG [| 14.00 | WAITRESS | 5.0000 | 10397 |
| REG [| 26.00 | WAITRESS | 5.0000 | 11097 |
| FLSA | 2.00 | WAITRESS | 2.9150 | 10397 |
| FLSA | 2.00 | WAITRESS | 2.7400 | 11097 |

Figure 6. Example: FLSA overtime time records create for Janet

Step and grade schedules are matrixes of pay rates based on graduated steps and grades.

When you assign an employee to a specific schedule, grade, and step on the employee record, the employee's pay rate defaults from the schedule. When you change the schedule, the pay rate changes for all employees assigned to that schedule.

If you choose, you can create a step and grade shell (an empty matrix) and indicate the amount or percentage increase of the steps and grades, and Payroll computes and fills in the rates for you.

Payroll doesn't use schedules until you add a time record with a date equal to or greater than the schedule's effective date. Therefore, you can create future step and grade schedules. Also, you can create one schedule with multiple tables that each have a different effective date.

Example

Two Rivers has a Step and Grade Schedule established for the custodians that work throughout the organization.

| Grade | Step: 1 | Step: 2 | Step: 3 | Step: 4 |
|-------|---------|---------|---------|---------|
| Α | 23,000 | 25,500 | 28,000 | 30,500 |
| В | 24,500 | 25,500 | 27,000 | 31,000 |
| С | 26,000 | 28,000 | 30,000 | 32,000 |
| D | 28,000 | 31,000 | 34,000 | 38,000 |

Entry level custodians are assigned to Grade A, Step 1, and advance one step with each year of service. Experienced custodians hired into Two Rivers can be assigned to any step of any grade.

A progressive pay plan is a type of pay plan you can use to make changes to employee pay rates. You use progressive pay plans if you want to give raises to employees based on length of service rather than based on merit.

Within a pay plan you define:

- Which employees are eligible for the plan
- When employees are eligible for the plan
- · The points at which employees enter and leave the plan
- The rates employees are paid ** When you update the progressive pay plan, the Payroll application creates pending personnel actions for employee pay increases. To update employee pay, you run Action Update (PA100) before you enter time records for each payroll cycle.

Example

Two Rivers Company employs grounds keepers on a part-time basis. These grounds keepers make five dollars an hour for the first 90 days of their employment. After the 90 day probationary period, they increase to eight dollars an hour. For every 90 days employees work, the grounds keepers receive a pay increase of .25 per hour. After five years of service, the grounds keepers move to another pay plan.

Two Rivers Company creates a progressive pay plan for the grounds keepers. The plan creates pending personnel actions that automatically increase their pay rates every time they complete an additional 90 days of service. Two Rivers Company defines the plan so employees are removed after five years of service and placed in a new plan.

What are Exception, Offset Time Record Rules?

Exception, offset time record rules define how Payroll reduces one type of pay for an employee when another, specific type of pay is added to the employee's time records. Payroll uses these rules to create offsetting time records for individual employees on a case-by-case basis. These rules are most often used for employees with standard time records who also have time records for paid time off such as vacation or sick time. The rules ensure that salaried employees' hours are not overstated, and hourly employees are not overpaid.

However, you do not typically use exception, offset time records for company-wide holidays. This sort of global offset can be created using the automatic time record feature.

Current status time records containing an exception pay code will cause a negative or offset pay code for the same number of hours to be created when the Offset Time Record Creation program is run.

Exception, offset time record rules consist of two types of pay codes:

Exception pay code—the pay code that triggers the need for pay to be reduced. For example, vacation time, sick time, and so on.

Offset pay code—the pay code for which Payroll creates a negative time record.

*^{**}If your company has a flex plan, the Benefits Administration application creates standard time records for flex credits that employees receive as pay, even if the employee does not have standard time records set up on their employee record. For companies that do not want to issue a flex credit payment for an employee who does not have any other pay for the pay cycle, the Benefits Administration application can delete flex time records if no other time records exist for the employee in the pay cycle. For more information, see the *Benefits Administration User Guide*.

Example

Riverbend Hospital uses an 80-hour standard time record for their full time exempt employees to reduce the amount of data entry required for time record entry. These time records are created using the pay code REG for Regular Pay. The hospital also uses the following exceptions to Regular Pay: Sick, Vacation, and Leave Of Absence.

Dick Franken is an employee who had a 80-hour REG standard time record created in this payroll cycle. He actually used 40 hours of Vacation time and only worked 40 hours. The payroll officer keys in 40 hours of Vacation for Dick, which causes his time records to total 120 hours for this payroll cycle. The payroll officer then runs the Offset Time Record Creation program, and the application automatically creates another time record line for Dick with a negative 40 hours of Regular time, correctly reducing his total time for this pay period to 80 hours (40 hours Regular and 40 hours Vacation).

Riverbend Hospital set up exception pay codes with the related offsetting pay codes as follows:

| Exception Pay Code | Offset Pay Code |
|----------------------|-----------------|
| VAC—Vacation | REG - Regular |
| SIC—Sick | REG - Regular |
| LOA—Leave of Absence | REG - Regular |

Procedures in this Chapter

To set up pay structure, you must define pay classes, pay summary groups, relationships between pay summary groups and pay classes, pay codes, pay plans, and assign default pay plans. You can also define step and grade schedules, shift tables, FLSA overtime pay plans, progressive pay plans, employee leave plans, and offset, exception time record rules.

| "Creating Step and Grade Schedules" on page 46 | Create a schedule of pay rates using steps and grades. |
|--|--|
| "Creating Shift Tables" on page 52 | Define shift differential rates for up to nine shifts and many rates within each shift for job codes, grade ranges, and/or step and grade schedules. |
| "Defining Pay Classes" on page 53 | Define pay classes. |
| "Defining Pay Summary Groups" on page 54 | Define pay summary groups. |
| "Defining Pay Summary Group Relationships" on page 57 | Define relationships between pay summary groups and pay classes. |
| "Defining Pay Codes" on page 58 | Define pay codes. |
| "Defining Pay Plans" on page 62 | Define pay plans. |
| "Defining FLSA Overtime Pay Plans" on page 64 | Define pay plans used for FLSA overtime. |
| | Define pay plans you can use to make changes to employee pay rates. |
| "Defining Exception, Offset Time Record Rules" on page 67 | Define how Payroll reduces one type of pay for an employee when another, specific type of pay is added to the employee's time records. |





Creating Step and Grade Schedules

Step and grade schedules define a matrix of pay rates based on steps and grades.

Need More Details? Check out the following concepts:

"What are Step and Grade Schedules?" on page 41

STEPS To create a step and grade schedule

- 1. Access Step And Grade Schedule (PR16.1).
- 2. Type a name and description of the schedule in the Schedule fields.
- 3. Type the first day you can use the schedule in the Effective Date field.
- 4. Select the type of currency for the step and grade schedule in the Currency field.
- 5. Select if the step and grade schedule is for salaried or hourly employees in the Salary Class field.
- 6. Type a grade in the Grade field.
- 7. On the same line as the grade, type up to five step amounts in the Step fields.
- 8. Repeat steps 6 and 7 for each grade in the step and grade schedule.

Related Reports and Inquiries

| То | Use |
|-------------------------------|---|
| list step and grade schedules | Step and Grade Schedule Listing (PR216) |

Options for Creating Step and Grade Schedules

You can also create step and grade schedules automatically using another schedule, or shell, as the basis for the new schedule. There are five options for automatically creating step and grade schedules:

- "Creating a step and grade schedule from a shell" on page 46
- "Mimicking an Existing Step and Grade Schedule" on page 47
- "Mimicking and Updating an Existing Step and Grade Schedule" on page 48
- "Updating an Existing Schedule" on page 50
- "Copying an Existing Step and Grade Schedule" on page 51

Creating a step and grade schedule from a shell

You can create a step and grade schedule using an empty schedule (shell) you created on Step and Grade Schedule (PR16.1).

STOP Before you create a step and grade schedule from a shell, you must create a step and grade schedule that contains no rates. For more information, see "Creating Step and Grade Schedules" on page 46.

TIP If you change to a currency other than the company's base currency, Payroll uses the Base Rates tab to display the selected step and grade amounts in the company's base currency. **Q Need More Details?** Check out the following concepts:

• "What are Step and Grade Schedules?" on page 41

STEPS To create a step and grade schedule from a shell

- 1. Access Step and Grade Schedule Update (PR116).
- 2. Select the schedule (shell) you want to create the new step and grade schedule from in the Schedule field.
- 3. Select Create from Shell in the Report Selection field
- 4. Select Update in the Update field.
- 5. Type a value in the Base Rate field. This value becomes the rate for the first grade of the first step.
- 6. Define the rate increases for the new schedule.

| If the schedule increases by | Then type |
|------------------------------|--|
| A percentage | the percent increase of each grade in the left Increase Percent field and the percent increase of each step in the right Increase Percent field. |
| An amount | the amount increase of each grade in the left Increase Amount field and the amount increase of each step in the right Increase Amount field. |

- 7. Type the value of the grades and steps in the Grade, Step fields.
- 8. Run the report.
- 9. Payroll creates the schedule from the shell defined on Step and Grade Schedule (PR16.1).

Mimicking an Existing Step and Grade Schedule

You can create a step and grade schedule using an existing schedule. Payroll ignores any existing rates in the step and grade schedule you mimic. The schedule does not need to be empty as it does when you create a step and grade schedule from a shell. For more information, see "Creating a step and grade schedule from a shell" on page 46.

STOP Before you mimic a step and grade schedule, you must create a step and grade schedule you want to mimic. For more information, see "Creating Step and Grade Schedules" on page 46.

NOTE The effective date displays when you select the schedule.

TIP If you want to review the step and grade schedule before you add it to the system, select Report in the Update field. **Q** Need More Details? Check out the following concepts:

• "What are Step and Grade Schedules?" on page 41

STEPS To mimic an existing schedule

- 1. Access Step and Grade Schedule Update (PR116)
- 2. Type the name of the new step and grade schedule in the Schedule field.
- 3. Type the date the new schedule comes into effect in the Effective Date field.
- 4. Select Create From Mimic Shell in the Report Selection field.
- 5. Select Update in the Update field.
- 6. Define the schedule you want to mimic. Consider the following fields.

| Schedule | The existing schedule or shell, that you want to mimic. | | |
|---------------|---|--|--|
| | NOTE The mimic schedule determines which grades are created on the new schedule. | | |
| New Desc (New | The description of the new table you are creating. | | |
| Description) | | | |

- 7. Type a value in the Base Rate field. This value becomes the rate for the first grade of the first step.
- 8. Define the rate increases for the new schedule.

| If the schedule increases by | Then type |
|------------------------------|--|
| A percentage | the percent increase of each grade in the left Increase Percent field and the percent increase of each step in the right Increase Percent field. |
| An amount | the amount increase of each grade in the left Increase Amount field and the amount increase of each step in the right Increase Amount field. |

- 9. Type the value of the last step in the Step field.
- 10. Run the report.
- 11. Payroll creates the schedule from the shell defined on Step and Grade Schedule (PR16.1).

Mimicking and Updating an Existing Step and Grade Schedule

You can create a new step and grade schedule using an existing schedule as the basis for rates. This option is useful for creating a new schedule with a future effective date for a cost-of-living increase.

TIP If you want to review the step and grade schedule before you add it to the system, select Report in the Update field. **STOP** Before you mimic and update a step and grade schedule, you must create a step and grade schedule you want to mimic. For more information, see "Creating Step and Grade Schedules" on page 46.

Q Need More Details? Check out the following concepts:

"What are Step and Grade Schedules?" on page 41

STEPS To mimic and update an existing schedule

- 1. Access Step and Grade Schedule Update (PR116).
- 2. Type the name of the new step and grade schedule in the Schedule field.
- 3. Type the date the new schedules comes into effect in the Effective Date field.
- 4. Select Mimic With Update in the Report Selection field.
- 5. Select Update in the Update field.
- 6. Define the schedule you want to mimic. Consider the following fields.

Schedule The existing schedule or shell, you want to mimic.

NOTE The mimic schedule determines which grades are created on the new schedule.

New Desc (NewThe description of the new table you are creating.Description)

7. Define the rate changes for the new schedule.

TIP If you want to review the step and grade schedule before you add it to the system, select Report in the Update field.

| If the schedule changes by | Туре |
|----------------------------|--|
| A percentage | the percent in the Percent Change field. |
| | NOTE Type a negative symbol with the percent if the change is a decrease. |
| An amount | the amount in the Amount Change field. |
| | NOTE Type a negative symbol with the amount if the change is a decrease. |
| | |

A new flat value for all steps and the value in the New Rate field. grades

- 8. Run the report.
- 9. Payroll creates the schedule from the shell defined on Step and Grade Schedule (PR16.1).

Updating an Existing Schedule

You can update existing schedules with new rates without creating a new schedule.

STOP Before you update a step and grade schedule, you must create the step and grade schedule you want to update. For more information, see "Creating Step and Grade Schedules" on page 46.

Need More Details? Check out the following concepts:

"What are Step and Grade Schedules?" on page 41

STEPS To update an existing schedule

- 1. Access Step and Grade Schedule Update (PR116).
- 2. Select the step and grade schedule you want to update in the Schedule field.
- 3. Select Update Existing Schedule in the Report Selection field.

NOTE The effective date displays when you select the schedule.

TIP If you want to review the step and grade schedule before you add it to the system, select Report in the Update field.

- 4. Select Update in the Update field.
- 5. Define the rate changes for the updated schedule.

| If the schedule changes by | Туре |
|------------------------------------|--|
| A percentage | the percent in the Percent Change field. |
| | NOTE Type a negative symbol with the percent if the change is a decrease. |
| An amount | the amount in the Amount Change field. |
| | NOTE Type a negative symbol with the amount if the change is a decrease. |
| A new flat value for all steps and | the value in the New Rate field. |

grades

- 6. Type the value of the grades and steps in the Grade, Step fields.
- 7. Run the report.
- 8. Payroll creates the schedule from the shell defined on Step and Grade Schedule (PR16.1).

Copying an Existing Step and Grade Schedule

You can copy a schedule without changing the rates.

STOP Before you copy a step and grade schedule, you must create the step and grade schedule you want to copy. For more information, see "Creating Step and Grade Schedules" on page 46.

Q Need More Details? Check out the following concepts:

• "What are Step and Grade Schedules?" on page 41

STEPS To update an existing schedule

- 1. Access Step and Grade Schedule Update (PR116).
- 2. Type the name of the new step and grade schedule in the Schedule field.
- 3. Type the date the new schedules comes into effect in the Effective Date field.
- 4. Select Mimic Without Update in the Report Selection field.

NOTE By typing values in the Grade, Step fields, you can update a portion of a schedule while the remainder of the schedule stays the same. **TIP** If you want to review the step and grade schedule before you add it to the system, select Report in the Update field.

- 5. Select Update in the Update field.
- 6. Define the schedule you want to mimic. Consider the following fields.

| Schedule | The existing schedule or shell, you want to mimic. |
|-------------------------------|--|
| New Desc (New Description) | The description of the new table you are creating. |

- 7. Run the report.
- 8. Payroll creates the schedule from the schedule defined on Step and Grade Schedule (PR16.1).

Creating Shift Tables

Create shift tables to define shift differential rates for up to nine shifts and many rates within each shift for job codes, grade ranges, and/or step and grade schedules.

STOP Before you define shift tables you must define job codes in the Human Resources application, grade range schedules in the Personnel Administration application, and step and grade schedules if you plan to use them as parameters for shift tables. For more information, see the *Human Resources User Guide* and the *Personnel Administration User Guide*. For more information, see "Creating Step and Grade Schedules" on page 46.

Q Need More Details? Check out the following concepts:

- "What are Pay Codes?" on page 30
- "How are Pay Rates Calculated?" on page 34
- "What are Step and Grade Schedules?" on page 41

STEPS To define shift tables

- 1. Access Shift Table (PR24.1).
- 2. Type a name and description for the shift table in the Shift Table fields.
- 3. Type the date the table goes into effect in the Effective Date field.
- 4. Select the currency you want to assign to this table in the Currency field.
- 5. Select whether or not the rates on this table are a percent of grade range in the Grade Range Percent field.
- 6. Determine the criteria for each shift. Consider the following fields.

Shift

The shift number you want to define shift differential pay rate for.

NOTE You can define more than one set of criteria for the same shift.

| Job Code | The job code you want to associate with the shift differential pay rate. Only employees with this job code can use this shift differential rate. |
|------------|--|
| Туре | Determines if pay for this shift is based on a grade range or on a step and grade schedule. |
| Schedule | The schedule (grade range or step and grade) that applies to this shift. |
| Grade | If pay for this shift is based on a step and grade schedule, select the applicable pay grade. |
| Step | If pay for this shift is based on a step and grade schedule, select the applicable step. |
| Rate | A flat rate or percentage that the shift differential rate is based on. |
| Percent Of | Determines if the shift differential percentage should be based on the minimum, midpoint, or maximum rate for the shift. |

7. Define override distribution information for the shift table on the Expenses tab.

Defining Pay Classes

Define pay classes to group types of pay for special system edits and calculations, and for reporting purposes.

Q Need More Details? Check out the following concepts:

• "What are Pay Classes?" on page 33



CAUTION If you create the overtime, non cash or tips pay classes directly on Pay Class (PR20.1), special hard-coded edits and calculations will NOT be activated. You MUST define these pay classes on Company (HR00.1). HR00.1 automatically adds these three pay classes to Pay Class (PR20.1). Other pay classes can be created directly on PR20.1.

STEPS To define pay classes

- 1. Access Pay Class (PR20.1).
- 2. Type a code to represent the pay class in the Class field.
- 3. Type a name for the pay class in the Description field.

Related Reports and Inquiries

Use

view a listing of pay codes, pay classes, pay summary groups and pay summary group relationships. Pay Code Listing (PR220)

Defining Pay Summary Groups

То

A pay summary group represents one pay code or a group of pay codes, and can be tied to pay classes.

Q Need More Details? Check out the following concepts:

- "What are Pay Summary Groups?" on page 32
- "What are Pay Codes?" on page 30

STEPS To define pay summary groups

- 1. Access Pay Summary Group (PR20.2).
- 2. Select the country you want the pay summary group to represent in the Country field.

IMPORTANT The country you select in the Country field determines what information you can enter on the Tax tab. If the company does not use multiple countries, this country code must be the same as the company's country code.

- 3. Type a code to represent the pay summary group in the Group field.
- 4. Type the name of the pay summary group in the Description field.
- 5. Type the description you want to print on payments and direct deposits in the Payment Description field.
- 6. If you calculate FLSA overtime for employees, define pay or premiums used in the calculation of FLSA overtime. Consider the following fields.

| Eligible Overtime, Pay | Determines whether or not the straight portion of wages for this pay summary group should be considered in the calculation of the weighted average rate. |
|-----------------------------|---|
| Eligible Overtime, Hours | Determines whether or not the hours for this pay summary group should be considered in the calculation of the weighted average rate. |
| Eligible Premium, Pay | Determines whether or not the premium portion of wages for this pay summary group should be considered in the calculation of the weighted average rate. |

TIP If you select United States or Canada in the Country field, BSI uses that country to calculate taxes for this pay summary group.

| | | Eligible Premium, Credit | Determines whether or not the premium portion of wages for this pay summary group should be used as a credit against the overtime calculated. |
|--|----|---|---|
| TIP The Tips application only uses direct tips in the allocation process | 7. | If the pay summary group is associated with tips pay being tracked by the Lawson Tips application, select the value that identifies the pay as direct or indirect tips. | |
| | | Define additional tax information for the pay summary group. Consider the following fields. | |
| | | Payment Type | The type of pay included in this pay summary group. BSI uses this payment type to determine how to calculate taxes for this pay summary group. |
| | | | NOTE This field is required for pay summary groups with a country code of Canada and defaults to Regular. |
| | | Supplemental Tax Code | The tax method you want to use for this pay summary group. |
| | | | BSI uses this payment type to determine how to calculate taxes for this pay summary group. |
| | | | TIP If you select US Exempt or Canada Exempt in the Supplemental Tax Code field, all pay for the pay summary group is exempt from taxes. |
| | | | If you select US Manual Override or Canada Manual Override, use Tax Overrides (PR20.6) to define the authority type that has deduction amounts or percents overridden for this pay summary group. |
| | | Remuneration Code | If you selected Canada in the Country field and selected Supplemental in the Payment Type field, select C001 (Bonus) for bonus payments. |
| | | | BSI uses this payment type to determine how to calculate taxes for this pay summary group. |
| | | Income Type | If this is a Canada pay summary group, select the income type. |
| | | | BSI uses this payment type to determine how to calculate taxes for this pay summary group. |

9. Choose the Add form function to add the pay summary group.

NOTE Tax Overrides are used when it is necessary, from a global standpoint, to override the normal taxation for a pay type. This is not where tax overrides are defined for an individual employee.

- 10. If you selected US Manual Override or Canada Manual Override in the Supplemental Tax Code field, define tax overrides for pay summary groups:
 - a. Access Tax Overrides (PR20.6).
 - b. Select the pay summary group you want to create tax overrides for the Pay Summary Group field.
 - c. Define the override tax information you want to use for this pay summary group. Consider the following fields.

| Туре | The type of tax authority you want to override for |
|------|--|
| | the selected pay summary group. |

TIP The type Federal does not include Social Security, Medicare in the US or CPP, QPP, Employment Insurance in Canada

| Indicator | Indicates if the override is an amount or percent. |
|--|--|
| Amount, Percent The amount or percent of the override. | |

11. Define any tax deductions from which the pay summary group is either exempt from taxes or is subject to update taxable wages only.

STOP Before you define tax exemptions for a pay summary group, you must define tax deductions. For more information, see "Defining Tax Deduction Codes" on page 104.

- a. Access Tax Exemptions (PR20.5).
- b. Select the pay summary group you want to create tax exemptions for in the Pay Summary Group field.
- c. Select the deduction in the Deduction field from which the pay summary group is either exempt from taxes or is subject to update taxable wages only.
- d. Select the value that determines how Payroll processes the deduction.

| If you want to | Select |
|---|----------------------|
| Indicate that the selected pay summary group is exempt from withholding taxes for this deduction | Exempt. |
| Indicate that for this deduction, taxable wages are updated by, but no taxes are withheld from, the selected pay summary group | Update Taxable Only. |

Related Reports and Inquiries

ToUseView a listing of pay codes, payPay Code Listing (PR220)

View a listing of pay codes, pay classes, pay summary groups and pay summary group relationships.

Defining Pay Summary Group Relationships

Pay summary group relationships tie pay summary groups to pay classes to apply special edits or calculations, and for reporting.

STOP Before you define pay summary group relationships, you must define pay classes and pay summary groups. For more information, see "Defining Pay Classes" on page 53. For more information, see "Defining Pay Summary Groups" on page 54.

Need More Details? Check out the following concepts:

- "What are Pay Summary Groups?" on page 32
- "What are Pay Classes?" on page 33

STEPS To define pay summary group relationships

- 1. Access Pay Summary Group Relationship (PR20.3).
- 2. Select the pay class you want to define relationships for in the Pay Class field.
- 3. Select the pay summary group you want to associate with the pay class in the pay summary group field.
- 4. Select if hours identified by this pay summary group are included, excluded, or subtracted for calculation and reporting in the Hours field.

TIP You can associate a pay summary group with more than one pay class. **TIP** If the pay class is used in other Human Resources applications, make sure that the values in the Hours and Wages fields correctly affect the reporting or calculation in those applications. 5. Select if the wages identified by this pay summary group are included, excluded, or subtracted for calculation and reporting in the Wages field.

Related Reports and Inquiries

| То | Use |
|----------------------------------|--------------------------|
| View a listing of pay codes, pay | Pay Code Listing (PR220) |
| classes, pay summary groups and | |
| pay summary group relationships | |

Defining Pay Codes

When you define pay codes, you designate how pay associated with the pay code calculates and you can, optionally, identify the accounts in the general ledger to which the pay expense is charged.

IMPORTANT It is important that you tie Lawson delivered pay classes to pay summary groups before attempting to create the pay codes. For more information, see "Defining Pay Summary Group Relationships" on page 57.

Need More Details? Check out the following concepts:

- "What are Pay Codes?" on page 30
- "What are Pay Summary Groups?" on page 32
- "How are Pay Rates Calculated?" on page 34

STEPS To define pay codes

- 1. Access Pay CodePay Code (PR20.4).
- 2. If you want this pay code to be used only for employees in a specific process level, select the process level in the Process Level field. You can select both a process level and a job code.
- 3. If you want this pay code to be used only for employees assigned to a specific job code, select the job code in the Job Code field. You can select both a job code and a process level.
- 4. Type the pay code in the Pay Code field.
- 5. Type a name for the pay code in the Description field.

TIP You can override the employee's job code at time record entry to correspond with the job code defined for the pay code.

| NOTE For calculation |
|-----------------------------|
| types Percentage |
| Rate; Rate Shift |
| Differential; Percent |
| Shift Differential; |
| Percentage with Shift |
| Diff; Percentage with |
| Percent Shift Payroll |
| divides the annual |
| salary by annual hours |
| multiplied by the FTE |
| from the employee |
| record. |
| |

6. Select how you want to calculate the pay associated with this pay code:

| If you want to calculate pay | Select | |
|--|--|--|
| Based on the rate on the employee time record (using pay rate defaulting logic) | Normal Rate. | |
| Based on a percentage you type in the Rate field, Overtime Premium field, or both | Percentage Rate. | |
| Based on a normal rate with a rate shift differential | Rate Shift Differential. | |
| Based on a normal rate with a percentage shift differential | Percent Shift Differential. | |
| Based on a percentage rate with a rate shift differential | Percentage with Rate Shift Diff. | |
| Based on a percentage rate with a percent shift differential | Percentage with Percent Shift Diff. | |
| As noncash, such as automobile allowance, moving expenses, | Noncash Income. | |
| excess group term life | TIP A non-cash pay code must be tied to a pay summary group | |
| NOTE This type of pay updates taxable wages. | which is tied to the NON pay class. | |
| As the hours associated with an event, not the dollars | Hours Only. | |
| Based on a user-defined calculation | Custom Calculation. | |
| As an additional flat rate to be paid that does not calculate against any hours entered or relate to employee's normal rate or hourly rate | Additional Flat Rate. | |
| Depending on the calculation type you selected, select additional calculation parameters. Consider the following fields. | | |

| Service Code | If you us Absence Management processing, select the service code associated with this pay code. |
|--------------------|---|
| Attendance Code | Select the code that represents a reason for an employee's absence or hours worked. |

7.

| Rate Currency | The rate or percent used to calculate pay. The currency of the rate of | Use with calc types: • Normal • Percentage Rate • Noncash • Additional Flat Rate |
|---------------------|---|--|
| Overtime Premium | pay. The premium rate used to calculate workers' compensation premiums based only on the straight time portion of the overtime pay and to post the amounts to a separate general ledger account. | Use with calc types: Percentage Rate Percentage with Shift Differential Percentage with Rate Shift Differential |
| Shifts (1-4) | The shift premiums used to calculate pay based on the employee shift. | Use with calc types: Rate Shift Diff Percent Shift Diff Percentage with Rate Shift Diff Percentage with Percentage with Percent Shift Diff |
| Shift Table | The shift table you want to use to calculate pay | Use with calc types: Rate Shift Diff Percent Shift Diff Percentage with Rate Shift Diff Percentage with Rate Shift Diff |
| Units of Measure | Select the unit of measure for this pay code. Note: If a unit of measure pay code is being used and this pay needs to be used for FLSA calculation, time accruals, benefit eligibility, and/or benefit vesting, you must use a unit of measure pay code that allows hours. FLSA calculation, time accrual, and benefit vesting all rely on the number of hours for calculating correctly. | |

| Allow Hours | Select whether to allow hours to be entered with other units of measure. NOTE This is only valid with the Rate X Unit calculation type. Note: Select Yes if the hours for unit of measure pay need to be included in overtime, direct contribution plans west and/or time accruals. | |
|----------------------|--|---|
| Non Earnings | Select whether the pay code will be used for non-earnings such as mileage or tuition reimbursement. Non-earnings are not used | |
| | In tax calculations or for prorating deductions. Payment reporting will separate earnings from non-earnings. | |
| Pay Summary Group | The pay summary group this pay code belongs to. | |
| Disposable Income | Indicates if the pay associated with the pay code is included in or excluded from disposable income. | NOTE Payroll uses disposable income to calculate garnishment deductions. If you choose Include/Exclude, it applies to all garnishments. If Include/Exclude applies to individuals, define it at the garnishment level. |

8. If you want to use General Ledger accounts, define them for the pay code. Consider the following fields.

| Wage Expense | The general ledger expense account you want to define for the pay code. |
|-----------------|---|
| Premium Expense | For pay codes with overtime premium rates, select the premium expense account you want to associate the premium portion of pay to. |
| | TIP Select the Premium Expense button to define premium expense accounts for specific job codes. |
| Shift Expense | For pay codes with shift differential rates, select the shift expense account you want to associate the shift differential portion of pay to. |
| Non Cash Credit | For pay codes with a non cash calc type, select the credit account. |
| | If you leave the Non Cash Credit fields blank, the system uses the noncash credit account defined for the company. |
| Activity | Select an activity with which you want to associate the pay code. |

Related Reports and Inquiries

| То | Use |
|--|--|
| View a listing of pay codes, pay classes, pay summary groups and pay summary group relationships | Pay Code ListingPay Code Listing (PR220) |

Defining Pay Plans

Pay plans define pay periods and work periods. This procedure is for non-overtime pay plans only. You can also define FLSA overtime pay plans. For more information, see "Defining FLSA Overtime Pay Plans" on page 64. **Need More Details?** Check out the following concepts:

• "What are Pay Plans?" on page 36

STEPS To define pay plans

- 1. Access Pay Plan (PR21.1).
- 2. Type the name and description of the pay plan in the Pay Plan fields.
- 3. Type the date the pay plan goes into effect in the Effective Date field.
- 4. Select No in the Overtime Plan field.
- 5. Type the end date of the first pay period to be processed by this pay plan in the First Pay Period End Date field.
- 6. Select how often pay is calculated for this pay plan in the Pay Frequency field.
- 7. Define the work period for this pay plan. Consider the following fields.

First Work PeriodThe end date of this pay plan's first work period.End Date

| Days in Work | The number of days in this pay plan's work |
|--------------|--|
| Period | period. |

8. Select if you want to use 53 weekly or 27 biweekly pay periods instead of the standard 52 weekly or 26 biweekly pay periods for tax purposes in the Use 53, 27 for Pay Periods field.

Related Reports and Inquiries

| То | Use |
|---|-----------------------------|
| Inquire on pay periods and work periods created for pay plans | Pay Period Inquiry (PR21.2) |
| List pay plans | Pay Plan Listing (PR221) |

Defining FLSA Overtime Pay Plans

TIP If you do not need to calculate FLSA overtime, you do not need to create overtime pay plans. You can use overtime pay codes on your time records to process overtime. Overtime Pay Plans provide the same information as regular pay plans; however, they also provide the parameters to calculate overtime.

Need More Details? Check out the following concepts:

- "What are Pay Plans?" on page 36
- "How does Payroll Calculate FLSA Overtime?" on page 37

STEPS To define pay plans

- 1. Access Pay Plan (PR21.1).
- 2. Type the name and description of the pay plan in the Pay Plan fields.
- 3. Type the date the pay plan goes into effect in the Effective Date field.
- 4. Select Yes in the Overtime Plan field.
- 5. Select how you want to enter overtime hours in the Calculate Overtime Hours:

| If you want to | Select |
|---------------------------------|--------|
| Use the calculated hours method | Yes |
| Use the supplied hours method | No |

- 6. Type the end date of the first pay period to be processed by this pay plan in the First Pay Period End Date field.
- 7. Select how often pay is calculated for this pay plan in the Pay Frequency field.
- 8. Define the work period for this pay plan. Consider the following fields.

| First Work Period End Date | The end date of this pay plan's first work period. |
|-------------------------------|--|
| Days in Work Period | The number of days in this pay plan's work period. |
| Hours in Work Period | The number of hours in a work period after which point overtime is paid. |

9. Define overtime parameters. Consider the following fields.

| Maximum Hours Per Day | The number of hours in a day after which overtime is paid. | |
|--------------------------|--|--|
| | TIP Leave this field blank unless the plan is for daily overtime. Daily overtime plans require a unique time record for each day. | |

| Overtime Premium Rate | The overtime premium rate. For example, for overtime calculated at time and one half, type 50.00 to indicate the premium rate. |
|--------------------------|---|
| | TIP If you leave this field blank, the premium rate defined for the pay code defaults. |
| Overtime Pay Code | The overtime pay code. For overtime plans, Payroll automatically calculates the overtime and creates a time record for the overtime pay code. |
| | TIP Lawson recommends a unique pay code be used for FLSA overtime. |
| Work Period | Determines if overtime pay is based on a fixed work week or a fluctuating work week. |
| | A fluctuating work week means that the salary is intended to compensate the employee for the entire work week, regardless of the number of hours worked. With this method, the more overtime an employee works, the regular rate used in calculating overtime becomes smaller. |
| | A fixed work week means that the salary is intended to compensate the employee for a specified number of hours per week. |
| Fixed Hours | If you select Fixed in the Work Period field, type the number of hours a salaried employee's pay is intended to compensate for the work period. |

10. Select if you want to use 53 weekly or 27 biweekly pay periods instead of the standard 52 weekly or 26 biweekly pay periods for tax purposes in the Use 53, 27 for Pay Periods field.

Related Reports and Inquiries

| То | Use |
|---|-----------------------------|
| Inquire on pay periods and work periods created for pay plans | Pay Period Inquiry (PR21.2) |
| List pay plans | Pay Plan Listing (PR221) |

Assigning Default Pay Plans

Default pay plans are the pay plans Payroll assigns to an employee if there is no pay plan on the employee record.

STOP Before you define default pay plans, you must define pay plans. For more information, see "Defining Pay Plans" on page 62.

Q Need More Details? Check out the following concepts:

"What are Pay Plans?" on page 36

STEPS To define default pay plans

- 1. Access Pay Plan Schedules (PR22.1).
- 2. Select a company in the Company field.
- 3. Perform an Inquire to display the process levels in the selected company.
- 4. Select the default pay plans for the company. Consider the following fields.

| Weekly | The company default pay plan for employees who are paid weekly. |
|--------------|---|
| Biweekly | The company default pay plan for employees who are paid biweekly. |
| Semi Monthly | The company default pay plan for employees who are paid semi-monthly. |
| Monthly | The company default pay plan for employees who are paid monthly. |

5. Select the default pay plans for a process level. Consider the following fields.

| Weekly | The process level default pay plan for employees who are paid weekly. |
|--------------|---|
| Biweekly | The process level default pay plan for employees who are paid biweekly. |
| Semi Monthly | The process level default pay plan for employees who are paid semi-monthly. |
| Monthly | The process level default pay plan for employees who are paid monthly. |

6. Repeat step 5 for additional process levels.

Related Reports and Inquiries

То

Use

List pay plans

Pay Plan Listing (PR221)

Defining Exception, Offset Time Record Rules

Exception, offset time record rules define how Payroll reduces one type of pay for an employee when another, specific type of pay is added to the employee's time records. These rules are most often used for employees with standard time records who also have time records for paid time off such as vacation or sick time to ensure employees are not overpaid.

STOP Before you define exception, offset time record rules, you must define pay codes. For more information, see "Defining Pay Codes" on page 58.

Q Need More Details? Check out the following concepts:

- "What are Exception, Offset Time Record Rules?" on page 42
- "What are Pay Codes?" on page 30

STEPS To define exception, offset time record rules

- 1. Access Exception, Offset Time Record Rules (PR28.1).
- 2. Select the employee group to which these rules apply in the Group Name field.
- 3. Select the pay code that triggers the need for pay to be reduced in the Exception Pay Code field.
- 4. Select the pay code for which Payroll creates a negative time record in the Offset Pay Code field.
- 5. Repeat steps 3 and 4 for every exception, offset relationship the company requires.

Related Reports and Inquiries

| То | Use |
|----------------------------------|--|
| View employee leave plan history | Employee Leave Plan History (UK260) |
| View employee time history | Employee Time History Listing (UK270) |

Chapter 3

Setting Up Time and Attendance

This chapter explains how to set up Time and Attendance to evaluate employees by tracking employee attendance.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 73 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What are Attendance Codes?" on page 70
- "What are Attendance Points?" on page 71
- "What are Attendance Classes?" on page 72

What are Attendance Codes?

Attendance codes are user defined labels for an employee's absent and tardy time.

When you define the Time and Attendance structure, you organize absent and tardy hours attendance codes to track attendance records for reporting and inquiry. You can also assign points to specific attendance codes to evaluate employees.

Time and Attendance uses attendance codes to display or track attendance data on reports and inquiries on a single employee or groups of employees.

You can update attendance history by attaching attendance codes to time records and processing them through the payroll cycle; or by manually entering attendance records directly intoTime and Attendance. To easily process attendance codes through the payroll cycle, you can tie attendance codes to previously defined pay codes so that, at the point of time record entry, you can enter an attendance code and the associated pay code defaults.

You can assign attendance points to attendance codes to evaluate employees. If you choose, Time and Attendance totals these points on attendance reports for the year.

Example

River Bend Hospital decides that they need to track the absenteeism of employees when they are sick or tardy. To do so, they create the following Attendance Codes.

| Attendance Code | Points | Pay Code |
|---------------------------------------|--------|----------|
| SC—Sick, Employee phoned in | 1 | SIK |
| SK—Sick, Employee did not phone in | 2 | SIK |
| TA—Tardy | 1.5 | |

Because the SC and SK attendance codes have been tied to the SIK pay code, if an employee's time record has the attendance code of SC or SK, the application processes a SIK pay code as it processes the time record.

River Bend Hospital enters the tardy records manually because they have not tied the attendance code to a pay code.

The accumulated points for sick and tardy hours appear on the year report for each employee. The report can also be run for a group of employees.

You can use attendance classes to group several attendance codes for reporting and inquiry. Also, you can tie an attendance code to several attendance classes depending on what data you want to use for your report or inquiry.

Example

Grove Hospital established the following Attendance Codes and tied them to the Attendance Classes listed below. They set up the UNPAID Attendance Class to track the unpaid attendance codes for forecasting the payroll budget.

The Attendance Class ALL tracks all the attendance codes in order to forecast the manpower needed.

| Attendance Class | Attendance Code |
|------------------|---------------------------------------|
| UNPAID | NL - Non-Paid Leave of Absence |
| | SC - Sick (Employee did not phone in) |
| | TA - Tardy |
| ALL | ML - Medical Leave |
| | NL - Non-Paid Leave of Absence |
| | PL - Paid Leave of Absence |
| | PO - Personal Day |
| | SC - Sick (Employee phoned in) |
| | SK - Sick (Employee did not phone in) |
| | SN - Snow Day |
| | TA - Tardy |
| | VA - Vacation |
Procedures in this Chapter

To set up Time and Attendance, you must define attendance codes and have the option to set up attendance classes.

The following procedures explain how to set up Time and Attendance:

- "Defining Attendance Codes" on page 73
- "Defining Attendance Classes" on page 73

Defining Attendance Codes

You must define attendance codes if you use Time and Attendance.

STOP If you want to associate attendance codes with pay codes, you must define pay codes before defining attendance codes. For more information, see "Defining Pay Codes" on page 58.

Need More Details? Check out the following concepts:

- "What are Attendance Codes?" on page 70
- "What are Attendance Classes?" on page 72
- "What are Attendance Points?" on page 71

STEPS To define attendance codes

- 1. Access Attendance Code (TM01.1).
- 2. Type the attendance code in the Attendance Code field.
- 3. Type a description of the attendance code in the Description field.
- 4. If this attendance code uses points, type the points in the Points field.
- 5. If you want to associate this attendance code with a pay code, select the pay code in the Pay Code field.

Related Reports and Inquiries

То

Use

List attendance codes

Attendance Code Listing (TM201)

Defining Attendance Classes

You can create attendance classes to group attendance codes.

TIP If you associate a pay code with an attendance code, you can enter an attendance code during time record entry and the associated pay code defaults. **STOP** Before you can define attendance classes, you must define attendance codes. For more information, see "Defining Attendance Codes" on page 73.

Q Need More Details? Check out the following concepts:

- "What are Attendance Codes?" on page 70
- "What are Attendance Classes?" on page 72

STEPS To define attendance classes

- 1. Access Attendance Class (TM02.1)
- 2. Type the attendance class and description in the Attendance Class fields.
- 3. Select the attendance classes you want to include in the attendance class in the Attendance Code fields.

Related Reports and Inquiries

| То | Use |
|-------------------------|----------------------------------|
| List attendance classes | Attendance Class Listing (TM202) |

Chapter 4 Setting Up Tax Structure

This chapter covers how to set up taxation within the Lawson Payroll.

STOP Before you set up you tax structure, you must set up your pay structure. For more information, see "Setting Up Pay Structure" on page 29.

Concepts in this Chapter

TIP To skip directly to the procedures, see "U.S. Procedures in this Chapter" on page 81 "Canada Procedures in this Chapter" on page 85. The following concepts provide background and conceptual information for the procedures within this chapter.

- "What is BSI? (U.S. and C.A.)" on page 76
- "What is a Tax Authority? (U.S. and C.A.)" on page 77
- "What is a Garnishment-Only Tax Authority? (U.S. and C.A.)" on page 78
- "What is a Tax Reporting Group?" on page 78
- "What are Report Entities?" on page 79
- "What are Related Report Entities?" on page 80

What is BSI? (U.S. and C.A.)

Business Software, Inc. (BSI) is third-party software that Lawson uses to maintain tax tables for the Lawson Payroll. BSI maintains tax changes such as tax rates, tax laws, and tax limits.

BSI Setup Requirements and Options

BSI provides federal and most state, province, local, city, and county tax tables you need. You must separately maintain any city or county tax that BSI does not provide.

You must map each user defined Tax Code to a BSI System Tax Code within the BSI product.

You must enter the BSI company code on the Company (HR00) setup program.

During the initial installation, you must create any tax authority names and input unemployment experience ratings (custom data).

If you have multiple unemployment experience rates within the same state, you need to define multiple BSI company codes. You assign the different BSI company codes to separate process levels and different unemployment experience rates to each BSI company code.

A BSI company code on a process level overrides the BSI company on the HR company.

A BSI company code on an head process level overrides the BSI company code on the dependent process level assigned to it.

All tax deductions must be linked to the proper BSI tax authority via a tax authority for tax calculation. For more information, see "What is a Tax Authority? (U.S. and C.A.)" on page 77.

For U.S. tax jurisdictions, BSI includes a feature called TaxLocator, which automatically assigns tax deductions to employees. For more information, see "How Do I View and Modify Employee Tax Deductions?" on page 220.

Example

All of Two Rivers' divisions are in Minnesota and New Jersey.

River Bend Hospital, in Minnesota, has an unemployment experience rate different from the other Minnesota locations. Therefore, River Bend Hospital must be its own unique process level with its own unique BSI company code of TR2.

The same situation is true for Two Rivers' New Jersey locations. Grove Clinic has an unemployment experience rate different from the other New Jersey locations. So, Grove Clinic remains its own unique process level with its own unique BSI company code of TR3.

Figure 8. Example: BSI Companies



What is a Tax Authority? (U.S. and C.A.)

A tax authority creates the link between all tax deduction codes and the appropriate BSI tax code. This link tells BSI which tax tables to use to calculate the tax deduction.

You define a tax authority for federal taxes and for each of the states, provinces, and localities in which Payroll calculates taxes for your organization.

IMPORTANT Do not create more than one tax authority for each tax jurisdiction in your organization. For example, do not define one tax authority for New Jersey state withholding and one tax authority for New Jersey Unemployment. You only need one tax authority for New Jersey for BSI to calculate the appropriate taxes.

You must tie each tax authority to the appropriate BSI tax code that you set up in the BSI software. For more information on setting up BSI tax codes, see the *BSI Procedures Manual*.

When you create a tax deduction, you must specify the appropriate tax authority and tax category to direct Payroll to the appropriate tax table in BSI.

When you define a tax authority, you can also define a minimum wage for federal and for each state or province. In the United States, Payroll uses the appropriate minimum wage in the calculation of FLSA overtime, tip credit, and income protected from garnishment. During overtime calculation, if the employee's regular rate is less than either the federal or state minimum wage, Payroll replaces the regular rate with the greater minimum wage.

What is a Garnishment-Only Tax Authority? (U.S. and C.A.)

Garnishment-only tax authorities allow you to process garnishments for a locale in which you pay no taxes and, therefore, have no tax authority defined.

You do not need to create *garnishment-only* tax authorities for every locale you process garnishments for; however, you do need either a tax authority or garnishment-only tax authority set up for every jurisdiction for which you have garnishment orders.

Example

Two Rivers Company operates in Minnesota, New Jersey, and Ontario. A new employee moved from Dallas, Texas, and the payroll department received a child support order from the state of Texas. Since Two Rivers does not have a tax authority defined for Texas, they defined a new garnishment-only tax authority for Texas.

What is a Tax Reporting Group?

A tax reporting group consists of process levels grouped together for federal tax reporting. If your company has more than one tax reporting ID, you can group all process levels that share the same ID into one tax reporting group.

Each tax reporting group has a head process level and at least one dependent process level. A head process level is the "parent" for a tax reporting group—all other process levels in the tax reporting group are attached the head process level. A head process level must be independent and all other process levels in the group must be dependent.

You can change tax reporting groups at any time during the year because payroll history is stored by process level, not tax reporting group.

What is an Independent Process Level?

An independent process level is a process level that has a different tax reporting ID than the company.

If an independent process level is part of a tax reporting group, it is defined as the head process level. Each tax reporting group must have one independent process level.

If you have only one tax reporting ID in your company, you do not use independent process levels.

Example

Two Rivers Company consists of four process levels (one for each tax reporting ID). They decide to expand two tax reporting IDs into multiple process levels. Therefore, they need to group the process levels with the same tax reporting IDs into tax reporting groups for federal tax reporting.

Grove Hospital and Clinic share a tax reporting ID of #41-4321003; however since they represent separate process levels, Two Rivers groups them

together for reporting in the same tax reporting group. Grove Hospital is the head process level with Grove Clinic dependent on it.

Two Rivers Services now has four process levels that share the federal tax ID of #41-4321004. Therefore, Two Rivers groups them together for reporting in the same tax reporting group. River Bend Flowers and Gifts is the head process level and Grove Flowers and Gifts, River Bend Restaurant, and Grove Cafe depend on it.

Figure 9. Example: Tax reporting groups



What are Report Entities?

NOTE You do not perform any set up for report entities in Payroll, but Payroll uses report entities when creating tax deductions. A report entity is the process level or company to which the distribution process level on an employee's time record reports for tax reporting purposes.

The distribution process level is the process level assigned to a time record. If you do not assign a process level to a time record, the process level defaults from the employee record.

The Payroll determines the report entity as follows.

| If the distribution process level is | The report entity is |
|---|--|
| An independent process level | the same as the distribution process level. |
| A dependent process level in a tax reporting group with an independent head process level | the head process level of the tax reporting group. |
| A dependent process level under the | the company |

A dependent process level under the the company company

What are Related Report Entities?

NOTE You do not perform any set up for report entities in Payroll, but Payroll uses report entities when creating tax deductions. The Payroll application stores pay and deduction history by report entity. When you set up a company in the Human Resources application you can choose to use related report entities. When you use related report entities, Payroll uses the pay and deduction history from all report entities to determine if employees meet the ceiling amount for a tax deduction. There are two benefits of using related report entities:

- You do not need to create new deductions when an employee moves from one tax reporting ID to another.
- Employees are not over-taxed if they move from one tax reporting ID to another because their previous deduction balances move with them.

If you choose to use related report entities, HR relates report entities across the entire HR company structure—not only those report entities within a company or country. However, if an employee moves from one country to another, you do have to create new deductions because each country has a different set of tax deductions.

In the U.S., related report entities are related corporations under a common paymaster.

Example 1

Employees in Two Rivers sometimes move from employment in one tax reporting group to employment in another tax reporting group. This happens often enough that Two Rivers decides to use related report entities.

Kori Anderson is a waitress in the Grove Cafe. She earns her nurse's aide license and Two Rivers employs her as a nurse's aide at the Grove Clinic.

Because Two Rivers uses related report entities, Kori's pay and deduction history moves with her when she moves to a new tax reporting group. The result is that Two Rivers does not need to start over with new tax deductions for Kori, even though she is in a new tax reporting group.

Example 2

Two Rivers decides not to relate report entities across their company structure. If a Two Rivers employee, Rose Mackenzie, moves from one tax reporting group to another, it is necessary to start Rose's ceiling tax deductions over. However, because the system has a record of Rose's deductions associated with each previous time record and tax deduction amount, Two Rivers does not need to stop Rose's deductions in the former tax reporting group, nor do they need to add new deductions for Rose in the new tax reporting group.

U.S. Procedures in this Chapter

To define a tax structure for use in the United States, you must define tax authorities for each of the locales in which you pay taxes (for example, federal, states, counties, and so on). You can also create tax reporting groups for reporting purposes.

- "Defining United States Tax Authorities" on page 81
- "Creating U.S. Tax Reporting Groups" on page 84

Defining United States Tax Authorities

Tax authorities determine the tax tables used to calculate tax deductions and the minimum wage used to calculate FLSA overtime, tip credit, and income protected from garnishment.

STOP Before you define tax authorities, Lawson recommends that you define your BSI tax codes. For more information see the *BSI Procedures Manual* and documentation provided by BSI.

Q Need More Details? Check out the following concepts:

- "What is BSI? (U.S. and C.A.)" on page 76
- "What is a Tax Authority? (U.S. and C.A.)" on page 77
- "What is a Garnishment-Only Tax Authority? (U.S. and C.A.)" on page 78
- "What are Report Entities?" on page 79
- "What are Related Report Entities?" on page 80

Figure 10. Procedure flow: Defining U.S. Tax Authority



STEPS To define United States Tax Authorities

- 1. Access US Tax Authority (PR06.1).
- 2. Type the name and description of the tax authority in the Tax Authority fields.
- 3. Type the BSI tax code you want to link to the tax authority in the BSI Tax Code field. The code you type in this field must exactly match the code you defined in BSI.
- 4. Define reporting parameters. Consider the following fields.

| EIN (Employer Identification Number) | The tax reporting ID, also known as the employer identification number (EIN). This is used for quarterly and W-2 reporting. |
|--|--|
| | You can override this number for each process level using the Addl EIN button. |
| Employer Account Number | The employer account number for state unemployment insurance. The employer account number is used for quarterly reporting. |
| | You can override this number for each process level using the Addl EIN button. |
| W2 Description | The tax authority description you want to print on the W-2 form created by W-2 Forms (PR297) for state and local taxes. |

5. Define location information. Consider the following fields.

| State | The state in which the tax authority is located. |
|---------------------------|--|
| Reciprocity | Determines whether or not the state or locality participates in reciprocity. |
| County Code | The county code associated with the location. |
| School District Number | The school district number associated with the location. |

- 6. Select whether or not this tax authority is only used for garnishments in the Used For Garnishments Only field.
- 7. If a specific company, process level, or department uses a different EIN or Employer Account Number than the one you type on this form, choose the Addl EIN button and define any additional EINs.
- 8. If your organization calculates FLSA overtime under this tax authority you must choose the Min Wage button to define minimum wages.
- 9. If this a state tax authority that requires additional reporting information you must choose the State Rpt button to define the additional information.

NOTE The BSI tax code you type in this field determines the tax tables BSI uses for this tax authority.

NOTE Additional EINs allow you to use the the same tax tables for more than one EIN.

NOTE Minimum wage is verified in the calculation of FLSA overtime and income protected from garnishments.

Related Reports and Inquiries

То

Use

List tax authorities

Tax Authority Listing (PR206)

Creating U.S. Tax Reporting Groups

A tax reporting group consists of process levels grouped together for federal tax reporting. If your company has more than one tax reporting ID, you can group all process levels that share the same ID into a tax reporting group.

STOP Before you define tax reporting groups, you must define the head process level as independent on Process Level (HR01.1) in the Human Resources application. For more information, see the *Human Resources User Guide*.

Need More Details? Check out the following concepts:

• "What is a Tax Reporting Group?" on page 78

STEPS To define U.S. tax reporting groups

- 1. Access Head Process Level (PR09.1).
- 2. Select the process level you want to use as the head process level for this tax reporting group in the Head Process Level field.
- 3. Select the process levels you want to assign to the head process level in the Process Level fields.

Related Reports and Inquiries

| То | Use |
|---------------------------|--------------------------------------|
| List tax reporting groups | Tax Reporting Groups Listing (PR209) |

Canada Procedures in this Chapter

To define a tax structure for use in Canada, you must define tax authorities for each of the locales in which you pay taxes (for example, federal, provinces, and so on). You can also create tax reporting groups for reporting purposes.

- "Defining Canada Tax Authorities" on page 85
- "Creating Canada Tax Reporting Groups" on page 87

Defining Canada Tax Authorities

Tax authorities determine the tax tables used to calculate tax deductions.

STOP Before you define tax authorities, Lawson recommends you define your BSI tax codes. For more information see you *BSI Procedures Manual* and documentation provided by BSI.

Q Need More Details? Check out the following concepts:

- "What is BSI? (U.S. and C.A.)" on page 76
- "What is a Tax Authority? (U.S. and C.A.)" on page 77
- "What is a Garnishment-Only Tax Authority? (U.S. and C.A.)" on page 78
- "What are Report Entities?" on page 79
- "What are Related Report Entities?" on page 80

Figure 11. Procedure flow: Defining Canada Tax Authorities



STEPS To define Canada tax authorities

- 1. Access Canada Tax Authority (PR08.1).
- 2. Type the name and description of the tax authority in the Tax Authority fields.

NOTE The BSI tax code you type in this field determines the tax tables BSI uses for this tax authority.

- Type the BSI tax code you want to link to the tax authority in the BSI Tax Code field. The code you type in this field must exactly match the code you defined in BSI.
- 4. Select if this is a Federal or Provincial tax authority in the Type field.
- 5. If you selected Provincial in the Authority Type field, select the province in which this tax authority is located.
- 6. Select whether or not this tax authority is only used for garnishments in the Used For Garnishments Only field.
- Choose the Minimum Wage button to access Canada Minimum Wage (PR08.2) and define minimum wage information for the tax authority. These minimum wages are informational only.

Use

Related Reports and Inquiries

| Го | | | |
|----|--|--|--|
| | | | |

List tax authorities

Tax Authority Listing (PR206)

Creating Canada Tax Reporting Groups

A tax reporting group consists of process levels grouped together for federal tax reporting. If your company has more than one tax reporting ID, you can group all process levels that share the same ID into a tax reporting group.

STOP Before you define tax reporting groups, you must define the head process level as independent on Process Level (HR01.1) in the Human Resources application. For more information, see the *Human Resources User Guide*.

Need More Details? Check out the following concepts:

• "What is a Tax Reporting Group?" on page 78

STEPS To define Canada tax reporting groups

- 1. Access Head Process Level (PR09.1).
- 2. Select the process level you want to use as the head process level for this tax reporting group in the Head Process Level field.
- 3. Select the process levels you want to assign to the head process level in the Process Level fields.

Related Reports and Inquiries

| То | Use |
|---------------------------|---|
| List tax reporting groups | Tax Reporting Groups Listing (PR209) |

Setting Up Deduction Structure

Deduction structure determines how Payroll calculates deduction amounts and posts them to the general ledger and how deductions effect taxable wages.

IMPORTANT One-time deductions are not covered in this chapter, due to their similarity to time records and the need to maintain them before the payroll cycle. For more information, see "Time Records: Pre-entry Maintenance" on page 285.

STOP Before you set up your deduction structure you must set up your Human Resources structure. For more information, see the *Human Resources User Guide*.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 102 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What are Deduction Classes?" on page 90
- "What is a Deduction Code?" on page 91
- "How does Payroll Calculate Deductions?" on page 93
- "In What Order does Payroll Apply Deductions to Employee Pay?" on page 97
- "What is Arrears?" on page 97
- "What are Deduction Cycles?" on page 98
- "What is a Required Deduction?" on page 100
- "What is the Accounts Payable Interface?" on page 101

What are Deduction Classes?

Deduction classes are a convenient way to group deduction codes as one total on reports and to provide a common description on payments and direct deposit receipts.

You define deduction classes and then apply them to the deduction codes you want to group in the deduction classes.

You can assign a deduction class to as many deduction codes as needed, but a deduction code can only be assigned to one deduction class.

Example

The Two Rivers Company groups deduction codes into the following deduction classes.

| Deduction Class | Deduction Codes | Payment Description |
|------------------------------|---------------------------|---------------------|
| DC - Defined Contribution | 401E, 401C | DC |
| FCA - FICA Deductions | MEDE, MEDC, SS-E, SS-C | FICA |

When Two Rivers creates payments and direct deposit receipts for its employees, the payment description prints along with the total of all the deductions the employee has in that deduction class.

Two Rivers can also use the deduction classes when they run deduction listings and reports. Instead of selecting each deduction code for the listing or report, they can select the deduction class. As a result, listings or reports include all the deduction codes assigned to the deduction class.

What is a Deduction Code?

A deduction code represents a reduction in pay or an add-to-net amount that needs to be applied to employee wages. A deduction code can represent any type of deduction, including tax, workers' compensation, pre-tax, and so on.

You can define three categories of deduction codes:

- Employee-paid, which reduces employee gross pay.
- Company-paid, which calculates the amounts that companies must pay for certain deductions.
- Add-to-Net, which adds the deduction amount to employee net pay.

Payroll uses deduction codes to determine how to:

- Calculate the deduction amount
- Print descriptions of the deduction on the payment stub or direct deposit receipt
- Post deduction accruals to the general ledger
- Expense company-paid deductions to the general ledger
- Store deduction history

The following table lists the different types of deduction codes you can create:

| Тах | A deduction code Payroll uses to deduct taxes from employee pay and to calculate and expense employer paid taxes. |
|-----------------------|--|
| Company Match | A deduction code to use for a matching contribution to employee defined contribution plans, such as 401(k) plans in the U.S. |
| After Tax Limit | A deduction code to use for contributions to a defined-contribution plan after an employee reaches the federal limit for pre-tax contributions. These deductions are taxable. |
| Pre-Tax | A deduction code for deductions that Payroll deducts from employee pay before taxes are applied. |
| Garnishment | A deduction code to use for employee garnishments in the U.S. and Canada. |
| Attachment | A deduction code to use for employee attachment of earnings in the U.K. |
| Workers' Compensation | A deduction code to use for workers' compensation deductions. |
| Benefits | A deduction code tied to a benefits plan in the Benefits Administration application. |
| Add-to-Net | A deduction code which will add an amount to employee net pay. |
| Miscellaneous | A deduction code for any use including union dues, employee loans, or any other type of deduction. |

Example

Two Rivers Company has defined the following deduction codes.

| Employee-paid Deduction | Deduction Code | Company - paid Deduction | Deduction Code |
|---|-------------------|--|-------------------|
| U.S. Medicare - Employee paid | MEDE | Medicare - Company paid | MEDC |
| U.S. Social Security - Employee paid | SS-E | Social Security -Company paid | SS - C |
| U.S. Federal Tax | FIT | U.S. Federal Unemployment | FUTA |
| MN Tax | MNW | MN Unemployment | MNU |
| NJ Tax | NJW | | |
| NJ Unemployment -Employee paid | NJUE | NJ Unemployment -Company paid | NJUC |
| NJ Disability -Employee paid | NJDE | NJ Disability - Company paid | NJDC |
| Employee Loan | LOAN | | |
| Federal Tax Levy | LEVY | | |
| Child Support | CSUP | | |
| United Way | UWAY | | |
| Medica Health | HLTH | | |
| 401(k) - Employee | 401E | 401(k) - Co-Match | 401C |
| Canada Pension Plan- Employee | CPPE | Canada Pension Plan - Company paid | CCPR |
| Canada Employment Insurance - Employee | EIEE | Canada Employment Insurance - Company | EIER |

How does Payroll Calculate Deductions?

The deduction calculation type, in conjunction with the deduction priority, determines how Payroll calculates the deduction.

The following list describes each of the calculation types you can assign to a deduction:

| Percent of Employee Deduction | Calculates the deduction amount as a percentage of a specific employee deduction amount. Use this calculation type for company match deductions for defined contribution plans. |
|-------------------------------|--|
| Amount Per Hour | Calculates deduction amounts based on the number of hours worked. This calculation type is often used for union dues. |

| Percent | C alculates the deduction based on a percentage of gross wages or pay class wages. Use this calculation type for defined contribution deductions. |
|--|---|
| Тах | C alculates deduction amounts based on the BSI tax tables. Use this calculation type for all employee-paid and company-paid taxes and statutory deductions including social insurance, federal, state or province, county, city, unemployment, disability, and so on. |
| Percent of Disposable Income (U.S.) or Net Wages (Canada) | Calculates the deduction amount as a percent of disposable income or net wages. Use this calculation type for garnishments. For more information, see "What Kinds of Employee Wages does Payroll use for Garnishments?" on page 160. |
| Flat Amount | C alculates the deduction as a flat amount without regard to hours or earnings for the pay period. This calculation type is typically used for health insurance, miscellaneous, and one-time deductions. |
| Amount Per Day | Calculates a flat amount per work day based on time record dates. |
| Percent of Base Per Hour | C alculates the deduction as a percentage of the base hourly pay as defined on the employee record. For hourly employees, base hourly pay is determined in the Rate of Pay field on the employee record. For salaried employees, the gross salary is divided by the number of annual hours, then multiplied by the number of hours on the time record; the deduction percentage is then calculated from that amount. |
| Flat Amount Plus Percentage of Gross Pay | C alculates the deduction based on a flat amount plus a percentage of gross pay. Use this calculation type for garnishments. |

| Percent of Disposable Income (U.S.) or Net Wages (Canada) with a Minimum Flat Amount | Calculates the deduction amount by comparing a minimum flat amount to a percentage of disposable income. The greater of the two amounts is deducted. Use this calculation type for garnishments. For more information, see "What Kinds of Employee Wages does Payroll use for Garnishments?" on page 160. |
|--|---|
| Percent of Available Wages (Canada) | Calculates the deduction as a percent of the wages available for garnishments. For more information, see "What Kinds of Employee Wages does Payroll use for Garnishments?" on page 160. |
| UK Working Family Tax Credit | Calculates the deduction amount based on UK Working Family Tax Credit regulations. |
| UK Court Orders | Calculates the deduction amount based on UK Attachment of Earnings rules and tables. |
| UK COMPS/COSRS Pensions | Calculates the deduction amount based on UK pension schemes established through benefit plans in Benefit Plan (BN15.1). |
| Custom Calculation | C alculates the deduction according to a user-defined calculation. |

Example

Based on the deductions established by Two Rivers Company, the following deductions were defined.

NOTE Calculation types can vary. The ones listed in this example are suggestions.

| Deduction Code | Calculation Type | Additional Information |
|--|--|-----------------------------|
| MEDE (Medicare Employee-paid) | Тах | Tax Category = 5 |
| MEDC (Medicare Company-paid) | Тах | Tax Category = 6 |
| SS-E (Social Insurance Employee-paid) | Тах | Tax Category = 3 |
| SS-C (Social Insurance Company-paid) | Тах | Tax Category = 4 |
| FIT (Federal income Tax) | Тах | Tax Category = 1 |
| FUTA (Federal unemployment tax) | Тах | Tax Category = 10 |
| NJIT (New Jersey State Income Tax) | Тах | Tax Category = 1 |
| LOAN (Employee loan) | Flat Amount | Rate determined by user |
| LEVY (Garnishment levy) | Percent of Disposable Income or Net Wages | Garnishment Deduction |
| CSUP (Child support) | Flat Amount plus a % of gross pay | Garnishment Deduction |
| 401EP (401(k) contribution, employee-paid) | Percentage Rate | Rate determined by employee |
| 401CE (401(k) contribution, company-paid) | Percent of Employee Deduction | Match Deduction = 401E |
| CPPE (Canada Pension Plan, employee-paid) | Тах | Tax Category = 1 |
| CPPR (Canada Pension Plan, employer-paid) | Тах | Tax Category = 3 |
| EIEE (Canada Employment Insurance - employee paid) | Тах | Tax Category = 2 |
| EIEE (Canada Employment Insurance - employer paid) | Tax | Tax Category = 4 |

Within Payroll, the deductions that reduce employee pay are applied to employee pay in the following specific order:

- 1. Current tax deductions
- 2. Current garnishment deductions and one-time garnishment deductions
- 3. Current other deductions
- 4. One-time tax deductions
- 5. One-time other deductions

You can further define the order in which Payroll takes deductions *within the above categories* by assigning a priority number to a deduction code. A deduction with a value of 1 is taken first and a value of 9 is taken last within its category.

If all the deductions within a grouping have the same priority number, they are taken in numeric, alphanumeric order based on the four-digit deduction code value.

For more information, see "What are One-Time Deductions?" on page 286.

Example

Two Rivers Company Minnesota locations elected to have the priority field on all the deductions default to a value of one when they were established. Therefore, Payroll applies the deductions in the following order:

- 1. FED-Federal withholding
- 2. FUTA-Federal unemployment
- 3. MNWH-Minnesota withholding
- 4. LEVY
- 5. LEV1–One time levy
- 6. 401K
- 7. HLTH-Health insurance
- 8. FED1–One time federal tax deduction
- 9. HTH1-One time health insurance deduction

What is Arrears?

Arrears is the term used when deductions cannot be taken during a payroll cycle because an employee's pay is insufficient to support all scheduled deductions. The next time the employee receives pay, the deductions are applied to the pay.

Payroll creates arrears in three situations:

- 1. A deduction is defined to create arrears and an employee assigned that deduction does not have enough pay to cover the deduction when Payroll creates deductions.
- 2. An employee is assigned deductions that must be taken every pay period, but the employee does not have any time records in current, processed, or error status for a pay period. You must run an arrears automation program for Payroll to create these arrears deductions.
- 3. An employee is assigned deductions that must be taken every pay period and *does* have current time records, but does not receive any net pay (receives only non-cash pay) for a pay period. You must run an arrears automation program for Payroll to create these arrears deductions.

How does Payroll put Deductions into Arrears?

You define how a deduction goes into arrears when you define the deduction code. Below are the selections you can make to define how a deduction goes into arrears:

| All or None - Yes | If the net pay is insufficient to support the deduction in full, the application does not take the deduction and the entire amount is put into arrears. |
|-------------------|--|
| All or None - No | If the net pay is insufficient to support the deduction in full, the application does not take the deduction and no arrears are created. |
| Net to Zero - Yes | The application will take as much of |
| | the deduction as possible until net pay is zero and places the remaining amount in arrears. |

Example

Two Rivers Company has defined all the Tax deductions with arrears set to Net to Zero - Yes. Therefore, if there is not enough pay to cover the necessary tax deductions, the application will take as much as it can and put the remaining tax deductions into arrears to be taken the next time the employee is paid.

What are Deduction Cycles?

A deduction cycle identifies a combination of deductions to be taken from a payment. When you define a deduction code in Payroll, you assign it to the deduction cycles it belongs in. You can also override the deduction cycle when you assign deductions to employees.

**You assign benefits deductions to deduction cycles when you create a benefits frequency table in the Benefits Administration application. See the *Benefits Administration User Guide* for more information.

You can define up to nine unique deduction cycles. When you assign a deduction code to a deduction cycle, you designate one of the following:

- If applicable taxable wages are updated and the deduction is taken
- If applicable taxable wages are updated only

When you process the payroll cycle, you designate which deduction cycle Payroll uses to process deductions.

Example

Two Rivers uses the first deduction cycle for processing all weekly payroll cycles. The second and third deduction cycles are for two semi-monthly payrolls. Semi monthly employees use different deduction cycles during the payroll cycle, so certain deductions will only be deducted monthly (HLTH on the first paycheck and LOAN and UWAY on the second paycheck) Deduction cycle four is for sales commission and bonus pay cycles. Two Rivers uses deduction cycle nine for year-end updates of taxable wages. The remaining cycles are reserved for future use.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|------|------|-----------------------|-----------------------|-------------------------------|---------------|---------------|---------------|---------------|--------------------------------|
| | Wkly | Semi- Monthly 1 | Semi- Monthly 2 | Sales Commission/ Bonus | Future Use | Future Use | Future Use | Future Use | Update Taxable Wages Y/E |
| MEDE | Х | Х | Х | Х | | | | | Т |
| MEDC | Х | Х | Х | Х | | | | | Т |
| SS-E | Х | Х | Х | Х | | | | | Т |
| SS-C | Х | Х | Х | Х | | | | | Т |
| FIT | Х | Х | Х | Х | | | | | Т |
| FUTA | Х | Х | Х | Х | | | | | Т |
| SIT | Х | Х | Х | Х | | | | | Т |
| SUTA | Х | | Х | Х | | | | | Т |
| LOAN | Х | | Х | | | | | | |
| LEVY | Х | Х | Х | Х | | | | | |
| CSUP | Х | Х | Х | | | | | | |
| UWAY | Х | Х | Х | | | | | | |
| HLTH | Х | Х | | | | | | | |
| 401E | Х | Х | Х | | | | | | |
| 401C | Х | Х | Х | | | | | | |

^{}Required deductions are deductions that Payroll automatically assigns to the employees you enter into the Human Resources application. Using required deductions reduces the number of deductions that you need to manually assign to employees.

There are two elements that make up a required deduction:

- Deduction Code-the deduction you want to be required.
- Deduction Required Code—a code that defines the criteria employees must meet to have the deduction automatically assigned to them. You assign this code to the deduction code to make the deduction required.

Employees are only assigned the required deductions for which they meet the criteria defined in Payroll.

You can update required deductions for an individual in the Human Resources and Payroll applications or you can update required deductions for a group in Payroll.

Tax Deductions and Required Deduction Codes

For U.S. tax deductions, you cannot use required deduction codes. A feature of BSI called BSI TaxLocatorTM automatically updates tax deductions for U.S. employees. For more information, see "How Do I View and Modify Employee Tax Deductions?" on page 220.

For Canada deductions, Lawson recommends that you do use required deduction codes. Using deduction required codes eliminates the need to manually assign each employee to tax deductions. For more information, see "Employee: Taxes" on page 217.

Example

Two Rivers Company wanted to automatically assign all Canada employees in the company to Employment Insurance and Canada Pension Plan deductions (both employee-paid and company-paid). Two Rivers also wanted to automatically assign workers' compensation deductions to all U.S. employees.

Two Rivers Company defined the following deduction required codes to meet their needs:

| Deduction Required Code | Required Criteria on Employee Record | Deduction Code |
|----------------------------|---|---------------------------|
| CAN | Work country = Canada | CPPR, CPPE, EIEE, EIER |
| US | Work Country = U.S. | WCUS |

What is the Accounts Payable Interface?

^{}With Payroll, you have the option of sending deduction transactions to the Lawson Accounts Payable application for payment. If you choose to use this capability:

- All organizations or persons to be paid must be set up in Accounts Payable as vendors.
- You have the option of creating an invoice for each employee deduction or combining the deductions into one invoice.
- Accounts Payable is updated with the deductions when you close payroll each payroll cycle. Closing Payroll creates invoices in Accounts Payable ready for payment (they're sent through as released).
- Accounts Payable processes and prints checks during the regular Accounts Payable payment cycle.

Example

Two Rivers Company sends their tax payables, among other things, to Accounts Payable for payment. They establish the Minnesota Department of Revenue as a Vendor (Vendor #2) in the Accounts Payable application.

Vendor #2, the Minnesota Department of Revenue, is attached to the deduction code for Minnesota Withholding Tax so that all the money collected for Minnesota Withholding tax during the payroll cycle can be sent together to Accounts Payable for payment when the payroll is closed.

Procedures in this Chapter

NOTE One-time deductions are not covered in this chapter, due to their similarity to time records and the need to maintain them before the payroll cycle. For more information, see "Time Records: Pre-entry Maintenance" on page 285. To define a deduction structure you must define deduction codes. Optionally, you can define deduction classes, which group deduction codes.

- "Defining Deduction Classes" on page 102
- "Defining Deduction Required Codes" on page 102
- "Defining Deduction Codes" on page 103

Defining Deduction Classes

Define deduction classes to group deductions for reports and inquiries, to define a common payment description for multiple deduction codes, and to use in Benefits Administration maintenance of defined contribution deductions.

Q Need More Details? Check out the following concepts:

• "What are Deduction Classes?" on page 90

STEPS To define deduction classes

- 1. Access Deduction Class (PR02.1).
- 2. Type the deduction class in the Class field.
- 3. Type a description of the deduction class in the Description field.

Defining Deduction Required Codes

Deduction required codes define the criteria employees must meet to have a deduction automatically assigned to them. You assign a deduction required code to a deduction code to make the deduction required.

STOP Before you define deduction required codes, you must define your pay structure. For more information, see "Setting Up Pay Structure" on page 29.

Q Need More Details? Check out the following concepts:

- "What is a Required Deduction?" on page 100
- "What is a Deduction Code?" on page 91

STEPS To define a deduction required code

- 1. Access Deduction Required Code (PR03.1).
- 2. Type a code to represent the deduction required code in the Required Code field.
- 3. Type a description of the deduction required code in the Description field.
- 4. Select whether or not this required code applies to all employees in the company.
- 5. Define combinations of criteria employees must meet for the required code.
- 6. Select additional options that apply to all lines of criteria on the More tab.

Related Reports and Inquiries

| То | Use |
|---|---------------------------|
| List employees that meet required deduction code criteria | Deduction Listing (PR205) |

Defining Deduction Codes

Deduction codes represent amounts withheld from employee wages for employee paid deductions, such as taxes. Deduction codes also represent company-paid deductions that Payroll calculates for each employee and add-to-net deductions. You can define different types of deduction codes to meet your deduction needs within Payroll.

TIP If the required code applies to all employees do not define any additional criteria.

| "Defining Tax Deduction Codes" on page 104 | Create a deduction code Payroll uses to deduct taxes from employee pay. |
|---|---|
| "Defining Company Match Deduction Codes" on page 110 | Create a deduction code to use for a matching contribution to employee defined contribution plans, such as 401(k) plans in the U.S. |
| "Defining Linked After-Tax Limit Deductions" on page 114 | Create a deduction code to use for contributions to a defined-contribution plan after an employee reaches the federal limit for pre-tax contributions. These deductions are taxable. |
| "Defining Pre-Tax Deduction Codes" on page 118 | Create a deduction code for deductions that Payroll deducts from employee pay before taxes are applied. |
| "Defining US and CA Garnishment Deduction Codes" on page 122 | Create a deduction code to use for employee garnishments. |
| | Create a deduction code to use for workers' compensation deductions. |
| "Defining Benefits Deductions" on page 129 | Create deductions tied to a Benefits plan. |
| "Defining Add-to-Net Deductions" on page 131 | Create a deduction code which will add an amount to employee net pay. |
| "Defining Miscellaneous Deductions" on page 134 | Create a deduction for any use including union dues, employee loans, or any other type of deduction. |

Defining Tax Deduction Codes

Tax and statutory deduction codes represent deductions that must be taken from employee pay according to the laws governing the employee or employer.

STOP If this deduction uses deduction required codes, you must define deduction required codes before defining this tax deduction. For more information, see "Defining Deduction Required Codes" on page 102.

Need More Details? Check out the following concepts:

- "What is a Deduction Code?" on page 91
- "How does Payroll Calculate Deductions?" on page 93
- "In What Order does Payroll Apply Deductions to Employee Pay?" on page 97
- "What is Arrears?" on page 97
- "What are Deduction Cycles?" on page 98
- "What is a Required Deduction?" on page 100
- "What is the Accounts Payable Interface?" on page 101

STEPS To define a tax deduction

- 1. Access Deduction (PR05.1).
- 2. Define deduction code and description. Consider the following fields.

| Deduction Code | The code that represents the deduction. | | |
|----------------|--|--|--|
| | NOTE The alphanumeric name of the deduction code plays a role in the order in which deductions are applied to employee pay. | | |
| (Description) | The description of the deduction. | | |

| | The description of this deduction that prints on | | | |
|---|---|--|--|--|
| Payment Description | NOTE If you assign a deduction class to this deduction class to this deduction code, the payment description on the deduction class overrides this payment description. | | | |
| | | | | |
| Select Tax in the Define pay inform | Calculation Type field. ation. Consider the following field. | | | |
| Currency | Determines the currency you want Payroll to use to calculate the deduction. | | | |
| | If the company uses one currency, the company currency defaults to this field. | | | |
| | If the company uses multiple currencies, the process level currency defaults to this field. | | | |
| | NOTE The employee currency and deduction currency must match for you to be able to assign the deduction to the employee. | | | |
| Select if this is a (Pay field. | Company or Employee-paid tax deduction in the Adjust | | | |
| If you want to incl deduction class in | ude this deduction in a deduction class, select the the Deduction Class field. | | | |
| Define deduction | processing options. Consider the following fields. | | | |
| Priority | The number that represents the order in which Payroll takes the deduction within the category of Tax Deductions. | | | |

Select what you want Payroll to do if there is not

enough employee pay to cover the deduction.

3. 4.

5.

6.

7.

Arrears

| | Cycles | Select the deduction cycles in which Payroll takes the deduction. | | |
|-----|--|--|--|--|
| | | Select X to indicate the cycle the deduction is valid for. | | |
| | | Select T for any deduction cycle in which taxable wages are updated but taxes are not taken. | | |
| | | NOTE You can override the value in these Cycles fields for individual employees when you assign the deduction to employees. For more information, see "Employee: Taxes" on page 217. | | |
| 8. | If this is a Canada tax assign this deduction t code in the Required 0 | deduction and you want Payroll to automatically o certain employees, select the deduction required Code field. | | |
| 9. | Type the beginning dat in the Effective Date fit on the employee dedu | te or the date range that the deduction is in effect elds. This date or date range can be overridden oction. | | |
| 10. | Type the accrual account | unt for the deduction in the Accrual Account field. | | |
| 11. | If you want to override | the accounts defined at the HR Company level, deduction in the Expense Account field | | |
| 12. | Define deduction limits. Consider the following fields. | | | |
| | | | | |
| | Monthly Limit | deduction in one month. | | |
| | | NOTE You can override this amount for individual employee deductions. | | |
| | Payment Limit | The maximum amount Payroll can deduct for this deduction in one payment. | | |
| | | NOTE You can override this amount for individual employee deductions. | | |
| 13. | If you use the Project A Consider the following | Accounting application, define activity options. fields. | | |
| | Activity | The activity to which Payroll associates any deduction expenses. | | |
| | Account Category | The activity category to which Payroll associates any deduction expenses. | | |
| 14. | Define tax information. | Consider the following fields. | | |
| | | | | |

NOTE When you calculate earnings and deductions, Payroll verifies the effective date to ensure that the deduction needs to be taken.

| Tax Status | Leave this field blank to indicate a Taxable deduction. | | |
|---|---|--|--|
| Tax Category | Indicates the tax category for this tax deduction code. | | |
| | NOTE The tax categories available for you to select are based on your selections in the Adjust Pay and the Country Code fields. | | |
| Tax Authority | Indicates the governing tax authority for the tax deduction. | | |
| Self Adjust Tax | Determines whether or not Payroll verifies the year-to-date taxable wages multiplied by the rate to determine the year-to-date ceiling tax and makes necessary adjustments. This field defaults to Yes. | | |
| | CAUTION If the rate changes in mid-year and this field is set to Yes, or if you change this field from No to Yes in mid- year, Payroll makes adjustments to the whole year-to-date, which results in large adjustment amounts. | | |
| BSI Formula | Determines which custom tax formula the system uses in calculating this deduction. | | |
| | NOTE Your organization must define custom data for a tax in the BSI tax tables before you can use this field. | | |
| Prior SUI Wages (Prior State Unemployment Income Tax Wages) | If this is a State Unemployment deduction code, this field indicates if Payroll uses prior states' unemployment taxable wages to calculate the taxable wages for the employee's current unemployment state. | | |
| MTD Wages (Month-to-Date Wages) | Indicates whether or not the deduction is based on month-to-date wages. | | |
| | NOTE The payment date you type on Earnings and Deductions Calculation (PR140) determines the pay records that are included in the month-to-date calculation. | | |
15. Choose the Ont EHT Wages (Ontario Employment Health Wages) button, if the deduction is an Ontario EHT deduction, to define or view wages.

IMPORTANT You can enter historical information by hand, if needed; however, when you run Ontario EHT Wages (PR125), the Payroll application updates this form.

16. If you use the Accounts Payable application, define AP options. Consider the following fields.

| Update AP | Indicates whether or not you want to create invoices for payroll-related payables when you close Payroll. | |
|-------------------------------|---|--|
| Create Invoice by Employee | Indicates whether or not you want to create AP invoices by employee. | |
| | For more information, see the <i>Accounts Payable User Guide</i> . | |
| Vendor | The vendor you want to use to create accounts payable invoices for this deduction. | |
| | NOTE Choose the Addl Vendors button to define vendors and process level combinations for this deduction. | |
| Remit To | Remit To identifies a vendor location where payments are to be remitted. This field populates the Remit-To-Code on AP invoice records (AP20.1) via the AP Interface. | |
| | If you use this field, the payment address comes from Vendor Location (AP10.2). If field this is left blank, the payment address defaults from Vendor (AP10.1). | |
| | Remit To can be defined for: | |
| | An individual garnishment on US Employee Garnishment (PR26.1) or Canada Employee Garnishment (PR47.1). | |
| | An individual process level override within deduction on Additional Vendors (PR05.3). | |
| | An entire deduction on Deduction (PR05.1) | |
| | If you use this field, you must also select a vendor in the Vendor field. | |

Related Reports and Inquiries

То

Use

List deductions

Deduction Listing (PR205)

Defining Company Match Deduction Codes

Company match deduction codes represent a matching contribution to employee-defined contribution plans, such as 401(k) plans in the U.S. This type of deduction is tied to a benefit plan and is considered a Benefit deduction.

Need More Details? Check out the following concepts:

- "What is a Deduction Code?" on page 91
- "How does Payroll Calculate Deductions?" on page 93
- "In What Order does Payroll Apply Deductions to Employee Pay?" on page 97
- "What is Arrears?" on page 97
- "What are Deduction Cycles?" on page 98
- "What is a Required Deduction?" on page 100
- "What is the Accounts Payable Interface?" on page 101

STEPS To define company match deduction codes

- 1. Access Deduction (PR05.1).
- 2. Define deduction code and description. Consider the following fields.

| Deduction Code | The code that represents the deduction. |
|----------------|---|
| (Description) | The description of the deduction. |

| | Payment Description | The description of this deduction that prints on payments. | |
|----------|---|--|--|
| | | NOTE If you assign a deduction class to this deduction code, the payment description on the deduction class overrides this payment description. | |
| 3. 4. | Select Percent of Employee Deduction in the Calculation Type field. Define pay information. Consider the following fields. | | |
| | Pay Class | Select a pay class if you want Payroll calculate the deduction on the pay associated with a specific pay class. | |
| | | TIP If you do not select a pay class in this field, the deduction is based on all the employee's wages in a pay period. | |
| | Currency | Determines the currency you want Payroll to use to calculate the deduction. | |
| | | If the company uses one currency, the company currency defaults to this field. | |
| | | If the company uses multiple currencies, the process level currency defaults to this field. | |
| | | NOTE The employee currency and deduction currency must match for you to be able to assign the deduction to the employee. | |
| 5 | Select Company Pair | t Company Paid in the Δdiust Pay field | |
| 6. | If you want to include this deduction in a deduction class, select the deduction class in the Deduction Class field. | | |
| 7. | Define deduction proc | Define deduction processing options. Consider the following fields. | |
| | Priority | The number that represents the order in which Payroll takes the deduction within the category of Tax Deductions. | |
| | Arrears | Determines what you want Payroll to do if there is not enough employee pay to cover the deduction. | |

 Cycles
 Select the deduction cycles in which Payroll takes the deduction.

 You can leave these fields blank for Benefits deductions because the cycles are defined on Frequency Table (BN04.1).

 NOTE
 You can override the value in these Cycles fields for individual employees when you assign the deduction to employees.

- 8. Select the deduction you want to base this deduction on in the Matched Deduction field.
- 9. Type the beginning date or the date range that the deduction is in effect in the Effective Date fields. This date or date range can be overridden on the employee deduction.
- 10. Type the accrual account for the deduction in the Accrual Account field.
- 11. If you want to override the accounts defined at the HR Company level, select accounts for the deduction in the Expense Account field.
- 12. If you use the Project Accounting application, define activity options. Consider the following fields.

| Activity | The activity to which Payroll associates any |
|----------|--|
| | deduction expenses. |

NOTE When you calculate earnings and deductions, Payroll verifies the effective date to determine whether or not to take the deduction.

| | Account Category | The activity category to which Payroll associates any deduction expenses. | |
|---|---|---|--|
| 13. | Define tax information. | Consider the following field. | |
| | Tax Status | Select Taxable (blank) for pre-tax deductions. | |
| 14. | If you use the Account the following fields. | s Payable application, define AP options. Consider | |
| | Update AP Indicates whether or not you want to create invoices for payroll-related payables when you close Payroll. | | |
| | Create Invoice by Employee | Indicates whether or not you want to create AP invoices by employee. | |
| | | For more information see your <i>Accounts Payable User Guide</i> . | |
| | Vendor | The vendor you want to use to create accounts payable invoices for this deduction. | |
| | | NOTE Choose the Addl Vendors button to define vendors and process level combinations for this deduction. | |
| Remit ToRemit To identifies a vendor location where payments are to be remitted. This field pop the Remit-To-Code on AP invoice records (AP20.1) via the AP Interface.If you use this field, the payment address c | | Remit To identifies a vendor location where payments are to be remitted. This field populates the Remit-To-Code on AP invoice records (AP20.1) via the AP Interface. | |
| | | If you use this field, the payment address comes from Vendor Location (AP10.2). If field this is left blank, the payment address defaults from Vendor (AP10.1). | |
| | | Remit To can be defined for: | |
| | | An individual garnishment on US Employee Garnishment (PR26.1) or Canada Employee Garnishment (PR47.1). | |
| | | An individual process level override within deduction on Additional Vendors (PR05.3). | |
| | | • An entire deduction on Deduction (PR05.1) | |
| | If you use this field, you must also select a vendor in the Vendor field. | | |
| Re To | Related Reports and Inquiries To Use | | |

| 10 | USe |
|-----------------------|---------------------------------|
| List deductions | Deduction Listing (PR205) |
| List frequency tables | Frequency Table Listing (BN204) |

Defining Linked After-Tax Limit Deductions

Use after-tax limit deduction codes to represent employee contributions to a defined contribution plan on an after-tax basis. Payroll uses after-tax limit deductions when an employee reaches the federal limit for pre-tax contributions or when a plan offers after-tax deductions as a choice. This type of deduction is tied to a benefits plan and is considered a Benefits deduction.

** To use linked after-tax limit deductions, you must set the Federal Limit field to No and the Use AT Limit Deductions field to Yes on Company (HR00.1).

IMPORTANT You can continue a defined contribution deduction after the federal limit has been reach, if you have the Federal Limit field set to No and the Use AT Limit Deductions field set to No on Company (HR00.1). However, the same deduction code is used for both pre-tax and after-tax contributions.

Need More Details? Check out the following concepts:

- "What is a Deduction Code?" on page 91
- "How does Payroll Calculate Deductions?" on page 93
- "In What Order does Payroll Apply Deductions to Employee Pay?" on page 97
- "What is Arrears?" on page 97
- "What are Deduction Cycles?" on page 98
- "What is the Accounts Payable Interface?" on page 101

STEPS To define a after-tax limit deduction

- 1. Access Deduction (PR05.1).
- 2. Define deduction code and description. Consider the following fields.

| Deduction Code | The code that represents the deduction. | |
|------------------------|--|--|
| (Description) | The description of the deduction. | |
| Payment Description | The description of this deduction that prints on payments | |
| | NOTE If you assign a deduction class to this deduction code, the payment description on the deduction class overrides this payment description. | |

3. Select how you want Payroll to calculate the deduction in the Calculation Type field.

| Percent of emplo | ovee gross nav | Percent. | |
|---|---|--|--|
| Flat amount to b | e deducted | Flat Amount. | |
| Define new inform | ation Consider t | the following fields | |
| Denne pay morn | | ne following helds. | |
| Pay Class | Determines the deduction pay class. | if you want the system to calculate on on pay associated with a specific | |
| | TIP If you the deducti wages in a | TIP If you do not select a pay class in this field, the deduction is based on all the employee's wages in a pay period. | |
| Currency | Determines to calculate | the currency you want Payroll to use the deduction. | |
| | If the comp currency de | If the company uses one currency, the company currency defaults to this field. | |
| | If the comp process lev | any uses multiple currencies, the el currency defaults to this field. | |
| | NOTE The currency m the deduction | employee currency and deduction ust match for you to be able to assign on to the employee. | |
| Select Employee If you want to inc deduction class in | Paid in the Adjus lude this deduction the Deduction C | st Pay field. on in a deduction class, select the Class field. | |
| Define deduction | processing option | ns. Consider the following fields. | |
| Priority | The numbe Payroll take other deduc | r that represents the order in which as the deduction within the category o ctions. | |
| Arrears | Select what enough em | t you want Payroll to do if there is not ployee pay to cover the deduction. | |
| Cycles | Select the c the deducti | Jeduction cycles in which Payroll take on. | |
| | You can leadeductions | ave these fields blank for Benefits because the cycles are defined on | |

NOTE You can override the value in these Cycles fields for individual employees when you assign the deduction to employees.

NOTE If you select the defined contribution deduction class (defined on HR00.1), the amount of this deduction applies to Benefit Annual Limits (BN12.1), too.

Excl From Determines whether or not you want to subtract Garnishment the deduction from employee pay before (Exclude from calculating disposable income for garnishment Garnishment) purposes. Disposable income equals gross pay minus taxes and other deductions.

> NOTE Do not use this field for tax, company-paid, or add-to-net deductions.

- 8. If your organization matches a portion of this deduction, select the company match deduction in the Matched Deduction field.
- 9. Type the beginning date or the date range that the deduction is in effect in the Effective Date fields.
- 10. Type the accrual account for the deduction in the Accrual Account field.
- 11. Define deduction limits. Consider the following fields.

Monthly Limit

The maximum amount Payroll can deduct for this deduction in one month

NOTE When you calculate earnings and deductions, Payroll verifies the effective date to determine whether or not to take the deduction.

| Payment Limit | The maximum amount Payroll can deduct for this deduction in one payment | |
|---|--|--|
| If you use the Accounts Payable application, define AP options. Consid the following fields. | | |
| Update AP | Indicates whether or not you want to create invoices for payroll-related payables when you close Payroll. | |
| Create Invoice by Employee | Indicates whether or not you want to create AP invoices by employee. | |
| | For more information, see the <i>Accounts Payable User Guide</i> . | |
| Vendor | The vendor you want to use to create accounts payable invoices for this deduction. | |
| | NOTE Choose the Addl Vendors button to define vendors and process level combinations for this deduction. | |
| Remit To | Remit To identifies a vendor location where payments are to be remitted. This field populate the Remit-To-Code on AP invoice records (AP20.1) via the AP Interface. | |
| | If you use this field, the payment address comes from Vendor Location (AP10.2). If field this is left blank, the payment address defaults from Vendor (AP10.1). | |
| | Remit To can be defined for: | |
| | An individual garnishment on US Employee Garnishment (PR26.1) or Canada Employee Garnishment (PR47.1). | |
| | An individual process level override within deduction on Additional Vendors (PR05.3). | |
| | • An entire deduction on Deduction (PR05.1) | |
| | If you use this field, you must also select a | |

| Related | Reports | and Inquiries | \$ |
|---------|---------|---------------|----|
|---------|---------|---------------|----|

| То | Use |
|-----------------------|---------------------------------|
| List deductions | Deduction Listing (PR205) |
| List frequency tables | Frequency Table Listing (BN204) |

Defining Pre-Tax Deduction Codes

Pre-tax deductions are deducted from employee pay before tax deductions, which reduces taxable wages.

STOP If this pre-tax deduction uses a company match deduction or an after-tax limit deduction, you must define each of these elements before defining the pre-tax deduction. For more information, see "Defining Company Match Deduction Codes" on page 110. For more information, see "Defining Linked After-Tax Limit Deductions" on page 114.

Q Need More Details? Check out the following concepts:

- "What is a Deduction Code?" on page 91
- "How does Payroll Calculate Deductions?" on page 93
- "In What Order does Payroll Apply Deductions to Employee Pay?" on page 97
- "What is Arrears?" on page 97
- "What are Deduction Cycles?" on page 98
- "What is the Accounts Payable Interface?" on page 101

STEPS To define pre-tax deductions

- 1. Access Deduction (PR05.1).
- 2. Define deduction code and description. Consider the following fields.

| Deduction Code | The code that represents the deduction. | |
|------------------------|--|--|
| (Description) | The description of the deduction. | |
| Payment Description | The description of this deduction that prints on payments | |
| | NOTE If you assign a deduction class to this deduction code, the payment description on the deduction class overrides this payment description. | |

3. Select how you want Payroll to calculate the deduction in the Calculation Type field.

| | If the deduction is a | | Select | |
|----|--|--|--|--|
| | Percent of employee gross pay | | Percent. | |
| | Flat amount to be de | ducted | Flat Amount. | |
| 4. | Define pay information | n. Consider the | following fields. | |
| | Pay Class | Determines if you want the system to calculate the deduction on pay associated with a specific pay class. | | |
| | | TIP If you do not select a pay class in this field, the deduction is based on all the employee's wages in a pay period. | | |
| | Currency | Determines th to calculate th | ne currency you want Payroll to use ne deduction. | |
| | | If the compan currency defa | y uses one currency, the company ults to this field. | |
| | | If the company uses multiple currencies, the process level currency defaults to this field. | | |
| | | NOTE The employee currency and deduction currency must match for you to be able to assign the deduction to the employee. | | |
| 5. | Select Employee Paid | l in the Adjust F | Pay field. | |
| 6. | If you want to include this deduction in a deduction class, select the deduction class in the Deduction Class field. | | in a deduction class, select the ss field. | |
| 7. | . Define deduction processing options. Consider the following fields. | | Consider the following fields. | |
| | Priority | The number the Payroll takes of Tax Deduct | hat represents the order in which the deduction within the category tions. | |
| | Arrears | Select what ye enough emplo | ou want Payroll to do if there is not byee pay to cover the deduction. | |
| | Cycles | Select the dec the deduction | duction cycles in which Payroll takes | |
| | | You can leave these fields blank for Benefits deductions because the cycles are defined on Frequency Table (BN04.1). NOTE You can override the value in these Cycles fields for individual employees when you assign the deduction to employees. | | |
| | | | | |

Excl From
GarnishmentDetermines whether or not you want to subtract
the deduction from employee pay before
calculating disposable income for garnishment
purposes. Disposable income equals gross pay
minus taxes and other deductions.

NOTE Do not use this field for tax, company-paid, or add-to-net deductions.

- 8. If the benefits plan allows employees to contribute after they reach the federal pre-tax limit, select an after tax limit deduction in the Linked Deduction field.
- 9. If your organization matches a portion of this deduction, select the company match deduction in the Matched Deduction field.
- 10. Type the beginning date or the date range that the deduction is in effect in the Effective Date fields. This date or date range can be overridden on the employee deduction.
- 11. Select the deduction accrual account in the Accrual Account field.
- 12. Define deduction limits. Consider the following fields.

| Monthly Limit | The maximum amount Payroll can deduct for this |
|---------------|--|
| | deduction in one month |

NOTE When you calculate earnings and deductions, Payroll verifies the effective date to determine whether or not to take the deduction.

| Payment Limit | The maximum amount Payroll can deduct for this deduction in one payment | | |
|--|--|--|--|
| If you use the Account the following fields. | u use the Accounts Payable application, define AP options. Conside ollowing fields. | | |
| Update AP | Indicates whether or not you want to create invoices for payroll-related payables when you close Payroll. Indicates whether or not you want to create AP invoices by employee. | | |
| Create Invoice by Employee | | | |
| | For more information see your <i>Accounts Payable User Guide</i> . | | |
| Vendor | The vendor you want to use to create accounts payable invoices for this deduction. | | |
| | NOTE Choose the Addl Vendors button to define vendors and process level combinations for this deduction. | | |
| Remit To | Remit To identifies a vendor location where payments are to be remitted. This field populates the Remit-To-Code on AP invoice records (AP20.1) via the AP Interface. | | |
| | If you use this field, the payment address comes from Vendor Location (AP10.2). If field this is left blank, the payment address defaults from Vendor (AP10.1). | | |
| | Remit To can be defined for: | | |
| | An individual garnishment on US Employee Garnishment (PR26.1) or Canada Employee Garnishment (PR47.1). | | |
| | An individual process level override within | | |
| | deduction on Additional Vendors (PR05.3). | | |
| | deduction on Additional Vendors (PR05.3).An entire deduction on Deduction (PR05.1). | | |

| Related | Reports | and | Inquiries |
|---------|---------|-----|-----------|
|---------|---------|-----|-----------|

| То | Use |
|-----------------------|---------------------------------|
| List deductions | Deduction Listing (PR205) |
| List frequency tables | Frequency Table Listing (BN204) |

Defining US and CA Garnishment Deduction Codes

Employee garnishments are court-ordered or creditor deductions from an employee's pay.

STOP Garnishment deduction codes are one element in garnishment setup. To deduct garnishments from employee pay you must also setup garnishments and assign garnishments to employees. For more information, see "Setting Up Garnishments" on page 155. For more information, see "Employee: Garnishments" on page 245.

Q Need More Details? Check out the following concepts:

- "What is a Deduction Code?" on page 91
- "How does Payroll Calculate Deductions?" on page 93
- "In What Order does Payroll Apply Deductions to Employee Pay?" on page 97
- "What is Arrears?" on page 97
- "What are Deduction Cycles?" on page 98
- "What is a Required Deduction?" on page 100
- "What is the Accounts Payable Interface?" on page 101
- "What are Garnishments?" on page 156

STEPS To define garnishment deduction codes

- 1. Access Deduction (PR05.1).
- 2. Define deduction code and description. Consider the following fields.

| Deduction Code | The code that represents the deduction. | | |
|------------------------|--|--|--|
| (Description) | The description of the deduction. | | |
| Payment Description | The description of this deduction that prints on payments | | |
| | NOTE If you assign a deduction class to this deduction code, the payment description on the deduction class overrides this payment description. | | |

3. Select how you want Payroll to calculate the deduction in the Calculation Type field.

| If the deduction is a | | Select | |
|--|--|---|--|
| Percent of employee gross pay | | Percent. | |
| Flat amount to be de | ducted | Flat Amount. | |
| Percent of employee disposable wages (U.S.) or net wages (Canada) | | Percent of Disposable/Net Wages. | |
| Percent of employee disposable wages (U.S.) or net wages (Canada) plus a minimum flat amount. | | Percent of Disposable/Net Wages with Minimum Flat Amount. | |
| Percent of available wages (Canada) | | Percent of Available Wages. | |
| Define pay information. Consider the following fields. | | | |
| Pay Class Determines if the deduction pay class. | | you want the system to calculate on pay associated with a specific | |
| Currency Determines the currency you want Payroll to to calculate the deduction. | | ne currency you want Payroll to use ne deduction. | |
| | If the company uses one currency, the company currency defaults to this field. | | |
| If the compan process level | | ny uses multiple currencies, the currency defaults to this field. | |

NOTE The employee currency and deduction currency must match, to assign the deduction to the employee.

NOTE The calculation type you assign to this deduction determines if the Amount -or- Percent field is an amount or a percent.

4.

5. Type the percent or flat amount you want to deduct in the Amount -or-Percent field.

IMPORTANT Typically, the amount or percent is defined at the employee level. If you define the amount or percent on the deduction, all employees with this deduction have the same amount or percent deducted.

- 6. If you selected Flat Amount plus a Percent of Gross Pay or Percent of Disposable/Net Wages with Minimum Flat Amount in the Calculation type field, type the additional percent or minimum amount in the Addl or Minimum Amt, Pct field.
- 7. Select Employee Paid in the Adjust Pay field.
- 8. If you want to include this deduction in a deduction class, select the deduction class in the Deduction Class field.

TIP You can override the value in these fields for individual employees when you assign the garnishment to employees. 9. Define deduction processing options. Consider the following fields.

| The number that represents the order in which Payroll takes the deduction within the category of other deductions. | |
|--|--|
| Select what you want Payroll to do if there is not enough employee pay to cover the deduction. | |
| NOTE Lawson recommends that you use Net to Zero (No Arrears). | |
| Select the deduction cycles in which Payroll takes the deduction. | |
| | |

- 10. Select Yes in the Garnishment field.
- 11. Type the beginning date or the date range that the deduction is in effect in the Effective Date fields. This date or date range can be overridden on the employee garnishment.
- 12. Select the deduction accrual account in the Accrual Account field.
- 13. Define deduction limits. Consider the following fields.

| | Monthly Limit | The maximum amount Payroll can deduct for this deduction in one month. | |
|---------------------|--|---|--|
| | Payment Limit | The maximum amount Payroll can deduct for this deduction in one payment. | |
| dor | If you use the Accounts Payable application, define AP options. Consider the following fields. | | |
| 6.1) ee 7.1). | Update AP | Indicates whether or not you want to create invoices for payroll-related payables when you close Payroll. | |
| page | Create Invoice by Employee | Indicates whether or not you want to create AP invoices by employee. | |
| | | For more information see the <i>Accounts Payable User Guide</i> . | |

NOTE When you calculate earnings and deductions, Payroll verifies the effective date to determine whether or not to take the deduction.

NOTE Leave the Vendor field blank and define the vendor on U.S. Employee Garnishment (PR26.1) or Canada Employee Garnishment (PR47.1). For more information, see "Employee: Garnishments" on page 245.

Related Reports and Inquiries

То

Use

List deductions

Deduction Listing (PR205)

Defining Workers' Compensation Deductions

Workers' compensation (WC) deductions allow you to accrue the workers' compensation cost for each employee. Each employee must be assigned a company-paid WC deduction.

IMPORTANT Workers' compensation deduction codes are one element in WC setup. To calculate WC premiums you must also setup WC classes and WC plans. For more information, see "Setting Up Workers' Compensation" on page 141.

STOP Before you define workers' compensation deduction codes, you must define deduction required codes. For more information, see "Defining Deduction Required Codes" on page 102.

Need More Details? Check out the following concepts:

- "What is a Deduction Code?" on page 91
- "How does Payroll Calculate Deductions?" on page 93
- "In What Order does Payroll Apply Deductions to Employee Pay?" on page 97
- "What is Arrears?" on page 97
- "What are Deduction Cycles?" on page 98
- "What is a Required Deduction?" on page 100
- "What is the Accounts Payable Interface?" on page 101
- "How do I Process Workers' Compensation?" on page 143

STEPS To define workers' compensation deduction codes

- 1. Access Deduction (PR05.1).
- 2. Define deduction code and description. Consider the following fields.

| Deduction Code | The code that represents the deduction. |
|----------------|---|
| (Description) | The description of the deduction. |

| Payment Description | The description of this deduction that prints on payments | |
|------------------------|---|--|
| | NOTE If you assign a deduction class to this deduction code, the payment description on the deduction class overrides this payment | |

3. Select how you want Payroll to calculate the deduction in the Calculation Type field.

description.

| If the deduction is a | | Select |
|---|---|--|
| Percent of employee gross pay | | Percent. |
| Flat amount to be deducted | | Flat Amount. |
| Flat amount multiplied by the number of hours worked | | Amount per Hour. |
| User defined calculat | ion | User Exit. |
| Define pay information. Consider the | | e following fields. |
| Pay Class Determines if the deduction pay class. | | you want the system to calculate on pay associated with a specific |
| | TIP Use a pa Worked." | ay class that includes "All Hours |
| Currency Determines the cut to calculate the determines | | ne currency you want Payroll to use ne deduction. |
| | If the compan currency defa | y uses one currency, the company ults to this field. |
| | If the compan process level | y uses multiple currencies, the currency defaults to this field. |
| | NOTE The er currency mus the deduction | nployee currency and deduction t match for you to be able to assign to the employee. |

- 5. Select Company Paid in the Adjust Pay field.
- 6. If you want to include this deduction in a deduction class, select the deduction class in the Deduction Class field.
- 7. Define deduction processing options. Consider the following fields.

| Priority | The number that represents the order in which |
|----------|--|
| | Payroll takes the deduction within the category of |
| | other deductions. |

4.

 Cycles
 Determines the currency you want Payroll to use to calculate the deduction.

 If the company uses one currency, the company currency defaults to this field.
 If the company uses multiple currencies, the process level currency defaults to this field.

 NOTE
 The employee currency and deduction currency must match for you to be able to assign the deduction to the employee.

 8.
 If you want Payroll to automatically assign this deduction to certain employees, select the deduction required code in the Required Code field.

 9.
 Type the beginning date or the date range that the deduction is in effect in the Effective Date fields.

- 10. Type the accrual account for the deduction in the Accrual Account field.
- 11. If you want to override the accounts defined at the HR Company level, select accounts for the deduction in the Expense Account field.
- 12. If you use the Project Accounting application, define activity options. Consider the following fields.

| | Activity | The activity to which Payroll associates any deduction expenses. |
|-----|--|---|
| | Account Category | The activity category to which Payroll associates any deduction expenses. |
| 13. | 3. Select Yes in the WC Rate Table field to indicate that this deduction is based on a workers' compensation premium rate table. | |

14. Define deduction limits. Consider the following fields.

| Monthly Limit | The maximum amount Payroll can deduct for this |
|---------------|--|
| | deduction in one month. |

NOTE When you calculate earnings and deductions, Payroll verifies the effective date to ensure that it must take the deduction.

| Payment Limit | The maximum amount Payroll can deduct for this deduction in one payment. |
|---|---|
| If you use the Accoun the following fields. | ts Payable application, define AP options. Consider |
| Update AP | Indicates whether or not you want to create invoices for payroll-related payables when you close Payroll. |
| Create Invoice by Employee | Indicates whether or not you want to create AP invoices by employee. |
| | For more information see your <i>Accounts Payable</i> User Guide. |
| Vendor | The vendor you want to use to create accounts payable invoices for this deduction. |
| | NOTE Choose the Addl Vendors button to define vendors and process level combinations for this deduction. |
| Remit To | Remit To identifies a vendor location where payments are to be remitted. This field populates the Remit-To-Code on AP invoice records (AP20.1) via the AP Interface. |
| | If you use this field, the payment address comes from Vendor Location (AP10.2). If field this is left blank, the payment address defaults from Vendor (AP10.1). |
| | Remit To can be defined for: |
| | An individual garnishment on US Employee Garnishment (PR26.1) or Canada Employee Garnishment (PR47.1). |
| | An individual process level override within deduction on Additional Vendors (PR05.3). |
| | An entire deduction on Deduction (PR05.1) |
| | If you use this field, you must also select a vendor in the Vendor field. |
| | Payment Limit If you use the Account the following fields. Update AP Create Invoice by Employee Vendor Remit To |

Related Reports and Inquiries

То

Use

List deductions

Deduction Listing (PR205)

Defining Benefits Deductions

Benefits deductions represent contributions to benefits plans, such as life insurance, health, dental, and pension plans, and so on.

IMPORTANT Benefits deduction codes are one element in benefits setup. You must also set up benefits plans and enroll employees in the plans. For more information see the *Benefits Administration User Guide*.

Need More Details? Check out the following concepts:

- "What is a Deduction Code?" on page 91
- "How does Payroll Calculate Deductions?" on page 93
- "In What Order does Payroll Apply Deductions to Employee Pay?" on page 97
- "What is Arrears?" on page 97
- "What are Deduction Cycles?" on page 98
- "What is a Required Deduction?" on page 100
- "What is the Accounts Payable Interface?" on page 101

STEPS To define benefits deductions

- 1. Access Deduction (PR05.1).
- 2. Define deduction code and description. Consider the following fields.

| Deduction Code | The code that represents the deduction. | |
|------------------------|--|--|
| (Description) | The description of the deduction. | |
| Payment Description | The description of this deduction that prints on payments | |
| | NOTE If you assign a deduction class to this deduction code, the payment description on the deduction class overrides this payment description. | |

3. Select how you want Payroll to calculate the deduction in the Calculation Type field.

| If the deduction is a | Select |
|----------------------------------|---------------------------|
| Flat amount to be deducted | Flat Amount. |
| Percent | Percent. |
| Percent of an employee deduction | Percent of Emp Deduction. |

4. Define pay information. Consider the following fields.

| Pay Class | Determines if you want the system to calculate the deduction on pay associated with a specific pay class. |
|-----------------------------------|---|
| Currency | Determines the currency you want Payroll to use to calculate the deduction. |
| | If the company uses one currency, the company currency defaults to this field. |
| | If the company uses multiple currencies, the process level currency defaults to this field. |
| | NOTE The employee currency and deduction currency must match for you to be able to assign the deduction to the employee. |
| Select whether this de Pay field. | eduction is employee or company paid in the Adjust |

- 6. If you want to include this deduction in a deduction class, select the deduction class in the Deduction Class field.
- 7. Define deduction processing options. Consider the following fields.

| Priority | The number that represents the order in which Payroll takes the deduction within the category of other deductions. |
|---|--|
| Arrears | Select what you want Payroll to do if there is not enough employee pay to cover the deduction. |
| Excl From Garnishment (Exclude from Garnishment) | Determines whether or not you want to subtract the deduction from employee pay before calculating disposable income for garnishment purposes. Disposable income equals gross pay minus taxes and other deductions. |
| | NOTE Do not use this field for tax, company-paid, or add-to-net deductions. |

5.

NOTE When calculating earnings and deductions, Payroll verifies the effective date to ensure that the deduction must be taken.

- 8. Type the beginning date or the date range that the deduction is in effect in the Effective Date fields.
- 9. Type the deduction accrual account in the Accrual Account field.
- 10. If you use the Project Accounting application and this is a company paid deduction, define activity options. Consider the following fields.

| | Activity | The activity to which Payroll associates any deduction expenses. |
|--|-------------------------------|--|
| | Account Category | The activity category to which Payroll associates any deduction expenses. |
| 11. | Define deduction limits | s. Consider the following fields. |
| | Monthly Limit | The maximum amount Payroll can deduct for this deduction in one month |
| | Payment Limit | The maximum amount Payroll can deduct for this deduction in one payment |
| 12. If you use the Accounts Payable application, define AP options. Cons the following fields. | | s Payable application, define AP options. Consider |
| | Update AP | Indicates whether or not you want to create invoices for payroll-related payables when you close Payroll. |
| | Create Invoice by Employee | Indicates whether or not you want to create AP invoices by employee. For more information see the Accounts Payable User Guide. |
| | Vendor | The vendor you want to use to create accounts payable invoices for this deduction. |
| | | NOTE Choose the Addl Vendors button to define vendors and process level combinations for this deduction. |

Related Reports and Inquiries

| То | Use |
|-----------------------|---------------------------------|
| List deductions | Deduction Listing (PR205) |
| List frequency tables | Frequency Table Listing (BN204) |

Defining Add-to-Net Deductions

Add-to-Net deductions represent amounts that are added to employee net pay. For example, you can use add-to-net deductions to reimburse employees for expenses or to apply earned income credits to employee pay.

You often use add-to-net deductions when you add a one-time deduction. For more information, see "What are One-Time Deductions?" on page 286.

Need More Details? Check out the following concepts:

- "What is a Deduction Code?" on page 91
- "How does Payroll Calculate Deductions?" on page 93
- "In What Order does Payroll Apply Deductions to Employee Pay?" on page 97
- "What is Arrears?" on page 97
- "What are Deduction Cycles?" on page 98
- "What is a Required Deduction?" on page 100
- "What is the Accounts Payable Interface?" on page 101

STEPS To define add-to-net deductions

- 1. Access Deduction (PR05.1).
- 2. Define deduction code and description. Consider the following fields.

| Deduction Code | The code that represents the deduction. | |
|---|--|--|
| (Description) | The description of the deduction. | |
| PaymentThe description of this deduction that printsDescriptionpayments | | |
| | NOTE If you assign a deduction class to this deduction code, the payment description on the deduction class overrides this payment description. | |

3. Select how you want Payroll to calculate the deduction in the Calculation Type field.

| If the deduction is a | Select |
|-------------------------|--------------|
| Flat amount | Flat Amount. |
| Percent of employee pay | Percent. |
| Earned Income Credit | Tax. |

4. Define pay information. Consider the following fields.

| Pay Class | Determines if you want the system to calculate |
|-----------|---|
| | the deduction on pay associated with a specific |
| _ | pay class. |

 Currency
 Determines the currency you want Payroll to use to calculate the deduction.

 If the company uses one currency, the company currency defaults to this field.
 If the company uses multiple currencies, the process level currency defaults to this field.

 NOTE
 The employee currency and deduction currency must match for you to be able to assign the deduction to the employee.

- 5. Type the flat amount or percent you want to add to net in the Amount -or- Percent field.
- 6. Select Add-to-Net in the Adjust Pay field.
- 7. If you want to include this deduction in a deduction class, select the deduction class in the Deduction Class field.
- 8. Define deduction processing options. Consider the following fields.

| Priority | The number that represents the order in which Payroll takes the deduction within the category of other deductions. |
|----------|--|
| Cycles | Select the deduction cycles in which Payroll takes the deduction. |

- 9. If you want Payroll to automatically assign this deduction to certain employees, select the deduction required code in the Required Code field.
- 10. Type the beginning date or the date range that the deduction is in effect in the Effective Date fields.
- 11. Type the deduction accrual account in the Accrual Account field.
- 12. If this is a tax deduction, define tax information. Consider the following fields.

| Country Code | The country code you want to use to calculate the deduction | |
|-----------------|---|---|
| Tax Status | Select 2 for Earned Income Credit | |
| Self Adjust Tax | Determines whether or not Payroll verifies the year-to-date taxable wages multiplied by the rate to determine the year-to-date tax and makes necessary adjustments. This field defaults to Yes. | |
| | ⚠ | CAUTION If the rate changes in mid-year and this field is set to Yes or if |

mid-year and this field is set to Yes or if you change this field from No to Yes in mid year, Payroll makes adjustments to the whole year-to-date, which results in large adjustment amounts.

NOTE When calculating earnings and deductions, Payroll verifies the effective date to ensure that

the deduction must be

taken.

NOTE The calculation

-or- Percent field is an amount or a percent.

determines if the Amount

type you selected

Related Reports and Inquiries

То

Use

List deductions

Deduction Listing (PR205)

Defining Miscellaneous Deductions

Miscellaneous deductions are unique deductions your organization needs to deduct from employee pay, or apply to the company.

STOP If this deduction uses a required, company match, or after-tax limit deduction, you must define those elements before defining this deduction. For more information, see "Defining Deduction Required Codes" on page 102. For more information, see "Defining Company Match Deduction Codes" on page 110. For more information, see "Defining Linked After-Tax Limit Deductions" on page 114.

Q Need More Details? Check out the following concepts:

- "What is a Deduction Code?" on page 91
- "How does Payroll Calculate Deductions?" on page 93
- "In What Order does Payroll Apply Deductions to Employee Pay?" on page 97
- "What is Arrears?" on page 97
- "What are Deduction Cycles?" on page 98
- "What is a Required Deduction?" on page 100
- "What is the Accounts Payable Interface?" on page 101
- "Procedures in this Chapter" on page 102
- "How do I Process Workers' Compensation?" on page 143

STEPS To define miscellaneous deductions

- 1. Access Deduction (PR05.1).
- 2. Define deduction code and description. Consider the following fields.

| Deduction Code | The code that represents the deduction. |
|----------------|---|
| (Description) | The description of the deduction. |

| Payment | |
|-------------|--|
| Description | |

The description of this deduction that prints on payments

NOTE If you assign a deduction class to this deduction code, the payment description on the deduction class overrides this payment description.

3. Select how you want Payroll to calculate the deduction in the Calculation Type field.

| If the deduction is a | Select | |
|--|---|--|
| Percent of employee gross pay | Percent. | |
| Flat amount to be deducted | Flat Amount. | |
| Flat amount multiplied by the number of hours worked | Amount per Hour. | |
| Flat amount multiplied by the number of days worked | Amount per Day. | |
| Percent of employee base pay, as defined on Employee (HR11.1), multiplied by the number of hours worked | Percent of Base per Hour. | |
| Percent of employee disposable wages (U.S.) or net wages (Canada) | Percent of Disposable/Net Wages. | |
| Flat amount plus a percent of employee gross pay | Flat Amount plus a Percent of Gross Pay. | |
| Percent of employee disposable wages (U.S.) or net wages (Canada) plus a minimum flat amount. | Percent of Disposable/Net Wages with Minimum Flat Amount. | |
| Percent of available wages (Canada) | Percent of Available Wages. | |
| User defined calculation | User Exit. | |
| Define pay information. Consider the following fields. | | |

Pay ClassDetermines if you want the system to calculate
the deduction on pay associated with a specific
pay class.

4.

CurrencyDetermines the currency you want Payroll to use
to calculate the deduction.If the company uses one currency, the company
currency defaults to this field.If the company uses multiple currencies, the
process level currency defaults to this field.NOTE The employee currency and deduction
currency must match for you to be able to assign
the deduction to the employee.

- 5. Type the flat amount or percent you want to deduct in the Amount -or-Percent field.
- 6. If you selected Flat Amount plus a Percent of Gross Pay or Percent of Disposable/Net Wages with Minimum Flat Amount in the Calculation type field, type the additional percent or minimum amount in the Addl or Minimum Amt, Pct field.
- 7. Select who pays for this deduction.

| If the deduction is | Select |
|-------------------------------|----------------|
| Added to the employee net pay | Add-to-Net. |
| Deducted from employee pay | Employee Paid. |
| Accrued by the company | Company Paid. |

- 8. If you want to include this deduction in a deduction class, select the deduction class in the Deduction Class field.
- 9. Define deduction processing options. Consider the following fields.

| Priority | The number that represents the order in which Payroll takes the deduction within the category of other deductions. |
|----------|--|
| Arrears | Select what you want Payroll to do if there is not enough employee pay to cover the deduction. |
| Cycles | Select the deduction cycles in which Payroll takes the deduction. |
| | NOTE You can override the value in these Cycles fields for individual employees when you assign the deduction to employees. |

NOTE The calculation type you selected determines if the Amount -or- Percent field is an amount or a percent. Excl From Garnishment (Exclude from Garnishment) Determines whether or not you want to subtract the deduction from employee pay before calculating disposable income for garnishment purposes. Disposable income equals gross pay minus taxes and other deductions.

NOTE Do not use this field for tax, company-paid, or add-to-net deductions.

- 10. If your organization matches a portion of this deduction, select the company match deduction in the Matched Deduction field. For more information, see "Defining Company Match Deduction Codes" on page 110.
- If you want Payroll to automatically assign this deduction to certain employees, select the deduction required code in the Required Code field. For more information, see "Defining Deduction Required Codes" on page 102.
- 12. Type the beginning date or the date range that the deduction is in effect in the Effective Date fields.
- 13. If you want to override the accounts defined at the HR company or process level, select accounts for the deduction in the Accrual Account and Expense Account fields.
- 14. If you use the Project Accounting application and this is a company paid deduction, define activity options. Consider the following fields.

| Activity | The activity to which Payroll associates any deduction expenses. | |
|------------------|---|--|
| Account Category | The activity category to which Payroll associates any deduction expenses. | |

15. Define deduction limits. Consider the following fields.

| Monthly Limit | The maximum amount Payroll can deduct for this deduction in one month. | |
|---------------|--|--|
| Payment Limit | The maximum amount Payroll can deduct for this deduction in one payment. | |

16. If this is a tax deduction, define tax information. Consider the following fields.

| Country Code | The country code you want to use to calculate the deduction. | |
|--------------|--|--|
| Tax Status | Determines the tax status of the deduction. | |

NOTE When calculating earnings and deductions, Payroll verifies the effective date to ensure that the deduction must be taken.

| Self Adjust Tax | Determ year-to- to dete necess | Determines whether or not Payroll verifies the year-to-date taxable wages multiplied by the rate to determine the year-to-date tax and makes necessary adjustments. This field defaults to Yes. | |
|-----------------|---|--|--|
| | | CAUTION If the rate changes in mid-year and this field is set to Yes or if you change this field from No to Yes in | |

you change this field from No to Yes in mid year, Payroll makes adjustments to the whole year-to-date, which results in large adjustment amounts.

17. If you use the Accounts Payable application, define AP options. Consider the following fields.

| Update AP | idicates whether or not you want to create ivoices for payroll-related payables when you lose Payroll. | |
|-------------------------------|---|--|
| Create Invoice by Employee | Indicates whether or not you want to create AP invoices by employee. | |
| | For more information see your <i>Accounts Payable</i> User Guide. | |
| Vendor | The vendor you want to use to create accounts payable invoices for this deduction. | |
| | NOTE Choose the Addl Vendors button to define vendors and process level combinations for this deduction. | |
| Remit To | Remit To identifies a vendor location where payments are to be remitted. This field populates the Remit-To-Code on AP invoice records (AP20.1) via the AP Interface. | |
| | If you use this field, the payment address comes from Vendor Location (AP10.2). If field this is left blank, the payment address defaults from Vendor (AP10.1). | |
| | Remit To can be defined for: | |
| | An individual garnishment on US Employee Garnishment (PR26.1) or Canada Employee Garnishment (PR47.1). | |
| | An individual process level override within deduction on Additional Vendors (PR05.3). | |
| | • An entire deduction on Deduction (PR05.1). | |
| | If you use this field, you must also select a vendor in the Vendor field. | |

Related Reports and Inquiries

| То | • | Use |
|-----------------|---|---------------------------|
| List deductions | | Deduction Listing (PR205) |

Chapter 6

Setting Up Workers' Compensation

This chapter covers how to set up workers' compensation (wc) within the Lawson Payroll application.

Concepts in this Chapter

TIP To skip directly to the procedures, see "U.S. Procedures in this Chapter" on page 145"Canada Procedures in this Chapter" on page 150 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What is a Workers' Compensation Policy?" on page 142
- "What are Workers' Compensation Classes?" on page 142
- "How do I Process Workers' Compensation?" on page 143

What is a Workers' Compensation Policy?

When you set up a workers' compensation policy, you enter general information about the policy into Payroll. This includes a policy code and description, the policy number, the insurance company that provides WC coverage for the policy, the contact at the insurance company, and the effective dates of the policy.

You also define a policy code that you select when you set up United States workers' compensation classes.

Canada organizations do not set up workers' compensation policies; they define the workers' compensation account number on each workers' compensation class.

What are Workers' Compensation Classes?

Payroll uses workers' compensation classes to represent a rate and limit used to calculate workers' compensation premiums.

You associate a table of WC classes with specific information you want Payroll to use when it calculates WC premiums, such as:

- Workers' compensation policy (U.S. only)
- Workers' compensation process level
- Workers' compensation state or province
- Amount of wages on which the workers' compensation premium is based
- Annual or monthly limits of accessible wages for workers' compensation

You must assign workers' compensation classes to job codes or Payroll cannot determine the wages on which to calculate premiums.

NOTE The amount of wages and the wage limits can be defined for all classes on a table or for each individual class.

How do I Process Workers' Compensation?

To process workers' compensation, you need to:

- · Set up workers' compensation
- Process Payroll
- Create worker's compensation reports

Figure 12. Process flow: Workers' Compensation



What must I set up?

To process workers' compensation, you must:

- Set up workers' compensation policy (U.S. only). For more information, see "What is a Workers' Compensation Policy?" on page 142.
- Set up workers' compensation classes. For more information, see "What are Workers' Compensation Classes?" on page 142.
- Assign workers' compensation classes to job codes in the HR application. For more information, see your *Human Resources User Guide*.

Which setup is optional?

You can also set up workers' compensation deductions, but they are not required. You only need to set up WC deductions if you want to post workers' compensation liability to General Ledger. Posting to General Ledger insures that your organization has enough funds set aside to pay for WC premiums when they are due.

To post to General Ledger you must:

NOTE Payroll determines assessable wages from employees with WC classes assigned to their job codes.

Payroll User Guide

NOTE Payroll uses WC deductions to accrue workers' compensation premiums.

TIP If you do not run a payroll cycle and try to create a WC report, Payroll won't use up to date wages used to create the report.

- Define WC deductions. For more information, see "Defining Deduction Codes" on page 103.
- Assign WC deductions to employees. For more information, see "Employee: Deductions" on page 235.

Why Must I Run a Payroll Cycle?

You must run a payroll cycle to calculate the wages and, optionally, the deductions used for workers' compensation.

When you run Earnings and Deduction Calculation (PR140) during your payroll cycle each pay period, Payroll does the following:

- Determines the earnings used to calculate WC premiums by determining all the assessable wages for employees with job codes that have WC classes assigned to them
- Calculates the premium deduction for the employee's wages, if you choose to post to General Ledger

When you close a payroll cycle, Payroll posts the premiums to General Ledger.

What are WC Reports used for?

You create workers' compensation reports to give to your insurance company (if your company is in the United States) or the Workers' Compensation Board (if your company is in Canada). The earnings on the report are used to calculate the premiums you owe.

You can also review reports to make sure they balance with the postings to the General Ledger.

Example: WC Premiums based on job and wages earned.

Grove Hospital pays workers compensation premiums based on the job the employee performs and a premium amount per wages earned. For all nurses, the premium amount is \$0.75 for every \$1,000.00 of WC pay class wages earned.
U.S. Procedures in this Chapter

The following procedures explain how to set up workers' compensation for United States employees.

- "Defining a U.S. Workers' Compensation Policy" on page 145
- "Defining U.S. Workers' Compensation Classes" on page 146
- "Creating U.S. Workers' Compensation Reports" on page 148

Figure 13. Procedure relationship: Set Up U.S. Workers Compensation



Defining a U.S. Workers' Compensation Policy

When you set up a workers' compensation policy, you enter into Payroll the general information about the policy.

Need More Details? Check out the following concepts:

"What is a Workers' Compensation Policy?" on page 142

STEPS To define a workers' compensation policy

- 1. Access Workers' Compensation Policy (PR17.1).
- 2. Type the name and description of the policy in the Policy Code fields.
- 3. Type the effective dates of the policy in the Policy Dates fields.
- 4. Type the policy number in the Policy Number field.
- 5. Type the name of the insurance company that holds the policy in the Insurance Company field.
- 6. Type the name of the contact person at the insurance company in the Contact field.

Defining U.S. Workers' Compensation Classes

Workers' compensation classes are used within Lawson to represent a rate and limit used to calculate workers' compensation premiums.

STOP You must define workers' compensation policies before you define workers' compensation classes.

Q Need More Details? Check out the following concepts:

- "What are Workers' Compensation Classes?" on page 142
- "How do I Process Workers' Compensation?" on page 143

STEPS To define workers' compensation classes

- 1. Access US Workers' Compensation Classification (PR18.1).
- 2. Select the Workers' Compensation state that the classes on this table apply to in the Workers Comp State field.
- 3. Type the date the rates defined for workers' compensation classes are in effect in the Premium Effective Date field.
- 4. Select the policy you want to associate with the WC classes on this form in the Policy field.
- 5. Define the rates on for these WC classes:

| If the premiums are based on | Туре |
|------------------------------|--|
| A rate per amount of wages | the amount of wages in the Premium per Wages field. |
| A rate per hours | the number of hours in the Premium per Hours field. |

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TIP Limits typed in the Annual Limit or Monthly Limit fields apply to all WC classes on the form.

6. Define state limits:

| | If the WC state uses | | Туре | |
|----|---|--|---|--|
| | Annual limits | | the annual limit of wages used to calculate premiums in the State Annual Limit field. | |
| | Monthly limits | | the monthly limit of wages used to calculate premiums in the State Monthly Limit field. | |
| 7. | . Select whether or not overtime pay amounts is included in the workers compensation calculation in the Overtime Premium field. | | | |
| 8. | Define workers' comp | npensation tables. Consider the following fields. The name of the workers' compensation class | | |
| | Class | | | |
| | Description The description class. | | on of the workers' compensation | |
| | Rate | The experience rate for the class. | | |
| | | TIP If you may Wages field o an amount in Per Wages ar type the expe | ade an entry in the Premium Per r the Premium Per Hours field, type this field. If you leave the Premium nd Premium Per Hours fields blank, rience rate as a percent. | |
| | Limit | If you want to type the limit a | assign a specific limit to each class, amount in the Limit field. | |
| | | TIP You can you entered a Limit or State | not type an amount in this field if n amount in either the State Annual Monthly Limit fields. | |
| | Туре | If you type an whether the a | amount in the Limit field, select mount is a annual or monthly limit. | |

Follow-up Tasks

Assign workers' compensation classes to job codes on Job Code (HR06.1) in the Human Resources application.

Related Reports and Inquiries

| То | Use |
|---|--|
| List U.S. Workers' Compensation Classes | U.S. WC Classification Listing (PR218) |

Creating U.S. Workers' Compensation Reports

You create workers' compensation reports to submit to your insurance company so the company can determine the amount of premiums you owe; or, if you are self-insured, you create reports to compare what Payroll would have calculated for premiums versus what you paid out in claims.

STOP Before you create U.S. workers' compensation reports, you must define WC policies and classes, assign WC classes to job codes, and run at least one payroll cycle.

Q Need More Details? Check out the following concepts:

- "How do I Process Workers' Compensation?" on page 143
- "What is a Workers' Compensation Policy?" on page 142
- "What are Workers' Compensation Classes?" on page 142

STEPS To create workers' compensation reports

- 1. Access US Workers' Compensation Report (PR278).
- 2. Define report selection. Consider the following fields.

| Policy | The policy code, assigned to the workers' compensation plan, for which you want to run the report. |
|-----------------------|---|
| Date | The date range for payment records you want to include in the calculation of workers' compensation premiums. |
| Pay Class | To calculate workers' compensation premiums on the basis of a specific pay class, select a pay class. |
| | TIP If you are self-insured, select the pay class that represents the appropriate mix of hours and wages. If you do not select a pay class, Payroll calculates premiums on all wages—even those for time not worked. |
| Workers Comp State | The state in which the workers' compensation policy is effective. |

| Process Level | Select a process level to calculate workers' |
|---------------|--|
| | compensation premiums for a specific process |
| | level. |

3. Define report run options. Consider the following fields.

| Current WC Class | Determines if workers' compensation premiums are calculated using WC classes on employees' current job codes or WC classes on employees' job codes at the time payment was issued. |
|------------------------|---|
| Report Option | Determines the sort order of the report. |
| Summary Option | Determines the level of detail that prints on the report. |
| Employee Sequence | Determines if the report prints in employee number order, or alphabetically by employee name. |
| Page Break by State | Determines if the report has a page break before each new state. |

Canada Procedures in this Chapter

The following procedures explain how to set up workers' compensation for Canada employees.

- "Defining Canada Workers' Compensation Classes" on page 150
- "Creating Canada Workers' Compensation Reports" on page 151

Defining Canada Workers' Compensation Classes

Workers' compensation classes are used within Lawson to represent a rate and limit used to calculate workers' compensation premiums.

Q Need More Details? Check out the following concepts:

- "What are Workers' Compensation Classes?" on page 142
- "How do I Process Workers' Compensation?" on page 143

STEPS To define workers' compensation classes

- 1. Access Canada Workers' Compensation Classification (PR18.2).
- 2. Select the Workers' Compensation province that the classes on this table apply to in the Workers Comp Province field.
- 3. Type the date the rates defined for workers' compensation classes are in effect in the Effective Date field.
- 4. Type the account number you want to use for the workers' compensation classifications you define on the table in the Workers Comp Account Nbr field.
- 5. Define the wages on which the premiums for these WC classes are based in the Premium per Wages field.
- 6. Define the annual limit of wages used to calculate premiums in the Province Annual Limit field.
- 7. Type the industry code for the province in the Industry Code fields.
- 8. Define workers' compensation tables. Consider the following fields.

| Class | The name of the workers' compensation class | |
|-------------|--|--|
| Description | The description of the workers' compensation class. | |
| Rate | The provincial rate associated with this workers' comp class. The value in this field is a percent. | |
| Limit | If you want to assign a specific limit to each class, type the limit amount in the Limit field. | |
| | TIP You cannot type an amount in this field if you entered an amount in the Province Annual Limit. You must use one limit or the other. | |

NOTE The kind of workers' compensation plan determines the number you type in the Workers Comp Account Nbr field. For example, you could type the provincial assigned account number, registration number, legal entity, and so on, depending on the kind of workers' compensation classes you want to define.

Follow-up Tasks

Assign workers' compensation classes to job codes on Job Code (HR06.1) in the Human Resources application.

Options for Defining Canada Workers' Compensation Classes

You can use Canada WC Class Override (HR06.4) to assign workers' compensation (WC) classes to specific job code and province combinations. This allows you to assign more than one WC class to a job code.

Related Reports and Inquiries

| То | Use |
|---|--|
| List Canada Workers' Compensation Classes | Canada WC Classification Listing (PR288) |

Creating Canada Workers' Compensation Reports

You create workers' compensation reports to submit to the Workers' Compensation Board so they can determine the amount of premiums you owe.

PR418 calculates assessable/excess wages from the beginning of the year through the To Date even if the report is being run just for a specific month. For example, when running for April 1, 2004 through April 30, 2004, the calculation of the assessable and excess wages includes the wages and taxable benefits from January 1, 2004 through April 30, 2004.

The first line provides the information based on the date range of the parameters. The second line provides information from the beginning of the year to the "to" date. If the amounts are the same, only one line will be shown.

If an employee's payment is for the 'hours only' type pay code and the company paid taxable benefits are processed for the payment, PR418 processes the taxable benefits if Gross Earnings is selected *or* if the WC pay class includes the 'hours only'.

If an employee receives wages from different process levels on one payment, the earnings and benefits are reported by process level for PR418 Report Options 3 and 4.

STOP Before you create Canada workers' compensation reports, you must define WC classes, assign WC classes to job codes, and run at least one payroll cycle.

Q Need More Details? Check out the following concepts:

- "How do I Process Workers' Compensation?" on page 143
- "What is a Workers' Compensation Policy?" on page 142
- "What are Workers' Compensation Classes?" on page 142

STEPS To create workers' compensation reports

- 1. Access Canada Workers' Compensation Report (PR418).
- 2. Define report selection. Consider the following fields.

| Workers Comp Province | The workers' compensation province for which you want to create the report. | |
|--------------------------|---|--|
| | The report select payments, history time records, and taxable benefit deductions based on the employee's country and the program parameters you select (i.e., process level, province, and check date). You can process an employee whose tax province is different from the WC Province. | |
| Process Level | The process level for which you want to run the report. | |
| | The report select payments, history time records, and taxable benefit deductions based on the employee's country and the program parameters you select (i.e., process level, province, and check date). You can process an employee whose tax province is different from the WC Province. | |
| Date | The date range you want to create the report for. Payments from this date range are selected. | |

| Pay Class | The pay class you want to use to identify assessable wages. | |
|---|--|--|
| | NOTE If you leave this field blank, Payroll uses gross earnings as the assessable wages in workers' compensation calculations. | |
| Define report run options. Consider the following fields. | | |
| Current WC Class | Determines if workers' compensation premiums are calculated using the WC class on the employees' current job codes or the WC class on the employees' job codes at the time payments were issued. | |
| Report Option | Determines the sort order of the report. | |
| Summary Option | Determines the level of detail that prints on the report. | |
| Employee Sequence | Determines if the report prints in employee number order or alphabetically by employee name. | |
| Page Break by Province | Determines if the report has a page break before each new province. | |

3.

Setting Up Garnishments

Garnishments are court-ordered or creditor deductions made to an employee's pay. Within Payroll, you define the rules used to calculate garnishment amounts for employees.

STOP Before you setup garnishments, you must define your pay structure. For more information, see "Setting Up Pay Structure" on page 29.

Concepts in this Chapter

TIP To skip directly to the procedures, see "U.S. Procedures in this Chapter" on page 170"Canada Procedures in this Chapter" on page 177 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What are Garnishments?" on page 156
- "What are Garnishment Types?" on page 157
- "What are Garnishment Categories?" on page 158
- "What are Garnishment Rules?" on page 158
- "What are Garnishment Formulas?" on page 159
- "What Kinds of Employee Wages does Payroll use for Garnishments?" on page 160
- "How does Payroll Process Multiple Garnishments when there are Limited Employee Wages?" on page 161
- "What are Garnishment Priorities?" on page 163
- "What are the U.S. Federal Limitations to Garnishments?" on page 164
- "How does Payroll decide which Garnishment Rule to Use for each Garnishment?" on page 164
- "How does Payroll Calculate the Amounts of Garnishments?" on page 166

What are Garnishments?

Garnishments are court-ordered or creditor deductions made to an employee's pay. Within Payroll, you establish the garnishment by defining the governing tax authority, garnishment type, deduction code, the amount, and additional information pertaining to the garnishment.

After you define the rules used to calculate the garnishment, you assign garnishments to employees who have orders to have their wages garnished.

Example

Caroline Williams, an employee at Two Rivers, must have her wages garnished due to a child support order from the state of Virginia. Two Rivers first defines garnishment rules for a child support garnishment in the state of Virginia, then defines an employee garnishment for deducting the garnishment from Caroline's wages. A garnishment type is a specific kind of garnishment, such as child support. To streamline the set up, maintenance, and reporting of garnishments, you can use types to define the rules Payroll uses to calculate garnishments.

You assign a garnishment type to one category, which is a group of garnishments. Several garnishment types can be within a category.

You can define your own garnishment types; however, Lawson delivers pre-defined garnishment types for the United States and Canada. The tables below list the garnishment types for each country.

| Туре | Description | Category |
|------|------------------|--------------|
| 1 | Bankruptcy | Bankruptcy |
| 2 | Child Support | Support |
| 3 | Spousal Support | Support |
| 4 | Federal Tax Levy | Tax Levy |
| 5 | State Tax Levy | Tax Levy |
| 6 | Garnishment | Garnishment |
| 7 | Wage Assignment | Assignment |
| 8 | Student Loan | Student Loan |

Table 1. United States Pre-Defined Garnishment Types

Table 2. Canada Pre-Defined Garnishment Types

| Туре | Description | Category |
|------|-----------------------------------|-----------------|
| 1 | Bankruptcy | Bankruptcy |
| 2 | Req-to-Pay Tax | Revenue Canada |
| 3 | Garn-Tax Arrears | Revenue Canada |
| 4 | Garn 3rd Party Creditors | Revenue Canada |
| 5 | Child Support—Tax Deductible | Support |
| 6 | Child Support—Non Tax Ded | Support |
| 7 | Spousal Support—Tax Deductible | Support |
| 8 | Garnishment | Garnishment |
| 9 | Assignment | Wage Assignment |

A garnishment category groups garnishment types and represents a general kind of garnishment, such as support or bankruptcy. To streamline the set up, maintenance, and reporting of garnishments, you can use categories to define the rules Payroll uses to calculate garnishments.

You cannot define garnishment categories. Lawson delivers pre-defined categories for the United States and Canada. The following table lists the categories delivered by Lawson:

Table 3. Garnishment Categories

| United States Categories | Canada Categories |
|--------------------------|-------------------|
| Assignment | Revenue Canada |
| Bankruptcy | Revenue Quebec |
| Student Loans | Support |
| Support | Garnishment |
| Tax Levy | Assignment |
| | Bankruptcy |

What are Garnishment Rules?

Garnishment rules determine how Payroll calculates:

- · The portion of employee pay that is exempt from garnishments
- The garnishment amount
- Fees
- Multiple garnishments

Garnishment rules vary by locale. For this reason, you establish garnishment rules for each governing tax authority from which you receive a garnishment order. You further define garnishment rules with a category, type, formula, and additional options, such as family and dependent information.

Garnishment Rules are:

- Governed by federal, state or province, county, and city laws that determine formulas for calculating the amount of exempt wages
- Grouped by category and type
- Defined using a Garnishment Formula

For the U.S., Lawson delivers pre-defined Federal garnishment rules. Also, Lawson delivers pre-defined garnishment formulas. Technically, you can change federal garnishment rules; however, Lawson recommends that you *do not* change the rules unless there is a change in federal law regarding garnishments. You must build state or local garnishment rules using the formulas delivered by Lawson.

Due to the complexity of Canada garnishments, Lawson does not deliver any predefined garnishment rules or formulas.

Garnishment formulas are the part of garnishment rules that tell Payroll how to calculate the wages that are exempt from garnishments. Garnishment formulas determine the:

- Logic (equations) used to calculate exempt wages
- Variables (rates, exempt factors, amounts, percentages, and so on) used to calculate exempt wages

The logic used to calculate exempt wages is predefined and cannot be changed by the user without creating modifications to the application's code; however, you can change the variables.

For U.S. garnishment rules, *you do not have to define variables for every garnishment rule*. Whether you define variables depends on the requirements of the formula. For more information, see "U.S. Garnishment Formulas" on page 683.

For Canada garnishment rules, *you must define variables for every garnishment rule*. You define the amounts and percentages used to calculate exempt wages. Lawson gives you control over these variables because the percentages and amounts used to calculate exempt wages vary from province to province.

Example U.S.

Two Rivers Company has garnishments for the State of Minnesota that use formula 18. For formula 18, Payroll calculates exempt wages as the lesser of:

· Rate multiplied by the Federal minimum wage

```
– or –
```

A percent of disposable income

The variables are set up as follows:

| Variable | Value |
|---|-------|
| Rate | 40 |
| Federal Minimum Wage | 5.25 |
| Factor 1 (percent of disposable income) | 75 |

Using the above variables, Payroll calculates the exempt disposable income the greater of 210.00 (40 multiplied by 5.25) or 75% of an employee's disposable income.

Example Canada

Two Rivers Company has garnishments for the province of Manitoba that use formula 63. For formula 63, the amount of wages exempt from garnishment depends on whether the employee has any dependents.

For employees with no dependents, at least 70% of their income must be exempt from wages, and that 70% must equal at least \$250; however, no more than 90% of their wages can be exempt from garnishment.

For employees with one or more dependents, at least 70% of their income must be exempt from wages, and that 70% must equal at least \$350; however, no more than 90% of their wages can be exempt from garnishment.

The variables are set up as follows:

| Number of Dependents | Basic Exempt Amount | Minimum Exempt Amount | Maximum Exempt Amount |
|-------------------------|------------------------|--------------------------|--------------------------|
| 0 | 70% | \$250 | 90% |
| 1 or more | 70% | \$350 | 90% |

What Kinds of Employee Wages does Payroll use for Garnishments?

Payroll uses the following types of wages to calculate garnishments:

U.S. Gross Wages

Payroll uses gross wages to calculate disposable income. Gross wages include all kinds of wages paid to an employee, such as regular pay, bonus pay, fringe benefits, third-party sick pay, and moving expenses.

U.S. Disposable Income

Payroll takes garnishments from disposable income. An employee's disposable income is equal to the employee's gross wages minus deductions allowed by state or federal law.

Canada Gross Wages

Gross wages for Canada garnishments are defined as all wages paid to the employee. Some provinces may require that add-to-net deductions, such as expense reimbursements, be used to calculate gross *and* net wages.

Canada Net Wages

Net wages for Canada garnishments are defined as gross wages less employee-paid statutory deductions for CPP, EI and Income Tax.

Some provinces may require that add to net deductions, such as expense reimbursements, be used to calculate gross *and* net wages.

Canada Available Wages

Available wages are those wages that are available for the garnishment. In some cases, Payroll calculates available wages as net wages less exempt wages. In other cases, the province dictates what is included in available wages.

How does Payroll Process Multiple Garnishments when there are Limited Employee Wages?

When multiple garnishments exist for an employee, Payroll determines the order to take the garnishments in two ways. First, Payroll determines whether the garnishments are in the same category. If the garnishments are in the same category, Payroll uses the multiple garnishment rule to determine the order. If garnishments are not in the same category, Payroll uses the employee deduction priority to determine the order in which garnishments are taken.

You assign the multiple garnishment rule on the garnishment rules; you define the garnishment priority on the garnishment deduction or employee garnishment.

- "Multiple Garnishments in One Category" on page 161
- "Multiple Garnishments in Multiple Categories" on page 162

Multiple Garnishments in One Category

Payroll uses the multiple garnishment rule you assign to the garnishment rule to determine how to take garnishments, court ordered arrears, and fees when there are:

- Multiple garnishments within the same garnishment category
- · Insufficient funds available to take all garnishments

The following sections explain how Payroll uses each of the Multiple Garnishment Rules to calculate multiple garnishments in the same category.

Prorate Based on Garnishment Amount

If the garnishment uses this Multiple Garnishment Rule, Payroll first calculates current garnishment amounts, then court order arrears, and finally fees using the following logic:

- 1. Divides each current garnishment amount by total amount of current garnishments
- 2. Multiplies the amount available for garnishment by the percentage from Step 1 to determine the new garnishment deduction amount

The remainder is put into arrears, depending on the arrears flag for the garnishment.

Equal Amount to Each Garnishment

If the garnishment uses this Multiple Garnishment Rule, Payroll first calculates current garnishment amounts, then court ordered arrears, and finally, fees using the following logic:

(Amount available for garnishment) / (Number of garnishments) = (New garnishment amount)

Each garnishment is granted an equal amount. The remainder is put into arrears depending on the arrears flag for the garnishment.

NOTE This multiple garnishment rule does not depend on there being insufficient funds to withhold all the garnishments.

Effective Date Order

If the garnishment uses this Multiple Garnishment Rule, Payroll deducts each garnishment based on the effective date order. The garnishments that are partial payments or are not paid are put into arrears, depending on the arrears flag for the garnishment.

Payroll first calculates current garnishment amounts, then court ordered arrears, and finally fees.

Withhold One Garn at a Time

Each garnishment is paid based on effective date with only one garnishment per Category being taken. Garnishments that are partial payments are put into arrears, depending on the arrears flag for the garnishment.

Example

Two Rivers has set up their child support garnishment to use Effective Date Order when multiple garnishments exist for a given garnishment category.

John, an employee of Two Rivers, has two separate support orders. The child support order was effective December 31, 2000. The spousal support order was effective June 30, 2001. He does not have enough disposable income to cover both garnishments. The child support garnishment would be deducted first, then the spousal support garnishment would be taken.

Multiple Garnishments in Multiple Categories

If there are multiple garnishments in multiple categories, Payroll uses the priority assigned to the garnishment deduction or the employee garnishment to determine the order in which it takes garnishments. For more information, see "What are Garnishment Priorities?" on page 163.

In the United States, Payroll also uses federal garnishment limitations to determine the processing order of garnishment. For more information, see "What are the U.S. Federal Limitations to Garnishments?" on page 164.

In Canada, there are no federal limitations. Each type of order for each province can have a unique set of rules that dictates the amount exempt from seizure and the amount that can be taken to satisfy the garnishment order.

To determine allowable garnishment deductions, Payroll:

- 1. Calculates the garnishment order with the highest priority.
- 2. Calculates what percentage of the employee's available wages was withheld for the first order by taking the amount withheld, divided by the available wages.
- 3. Determines for the order with the next highest priority what percentage of available wages can be garnished.

A deduction for this garnishment is limited to the difference between the percentages of available wages protected by the order less the percentage of available wages taken for the first order.

4. Repeats step three for each subsequent order.

Example

The first garnishment taken for an employee protects 80% of income, so 20% of income is available wages for the garnishment. The garnishment

uses 15% of the available wages. So, only 5% of available wages remains for any subsequent garnishments.

What are Garnishment Priorities?

Garnishment priorities determine the order in which Payroll takes garnishments from employee pay. Payroll uses the priority to determine the order and system logic used to ensure the proper amount of income is protected for the employee.

You can define the priority of the garnishment when you define the deduction used for the garnishment. You can override the priority on the employee garnishment. Overriding for the employee can be useful if the deduction is used on multiple garnishments for the same employee.

| Priority | Kind of Garnishment |
|----------|-----------------------|
| 1 | Bankruptcy Orders |
| 2 | Child Support |
| 3 | Federal Tax Levy |
| 4 | Federal Student Loan |
| 5 | State Tax Levy |
| 6 | State Student Loan |
| 7 | Local Tax Levy |
| 8 | Creditor Garnishments |

The following table lists the correct priorities to assign to U.S. garnishments:

In Canada, bankruptcy orders should be first priority, then the Requirement to Pay for unremitted source deductions. Family support orders usually take the third level of priority, but most federal orders defer to provincial level for priority.

What are the U.S. Federal Limitations to Garnishments?

U.S. Federal limitations are federally imposed limits on how much of an employee's income can be garnished. Limitations are applied within the Lawson garnishment categories as follows:

| Kind of Garnishment | Lawson Category | Federal Limitations |
|---------------------------------|-----------------|---|
| Support Order | S | 50% of an employee's disposable income is exempt from garnishment if second family = Yes |
| | | 40% of an employee's disposable income is exempt from garnishment if second family = No |
| | | An additional 5% of protection is allowed in each situation if there are past due amounts over 12 weeks old |
| Garnishment CCPA | G | The <i>greater</i> of 75% of disposable income or 30 times the Federal Minimum Wage is exempt from garnishment <i>per week</i> . |
| Student Loan - Other | L | 85% of an employee's disposable income is exempt for Federal Student Loans. |
| Student Loan State Guarantor | L | 90% of an employee's disposable income is exempt for State Student Loans. |
| Tax Levies | Т | Exempt amount is held within the PRTAXLEVY table in Lawson. |

How does Payroll decide which Garnishment Rule to Use for each Garnishment?

Before Payroll calculates a garnishment, it must find the garnishment rule to use in the calculation. Garnishment rules determine the logic and variables Payroll uses during garnishment calculation.

U.S.

For U.S. garnishments, Payroll first looks for a U.S. garnishment rule with the governing tax authority, category, and type of garnishment that matches the employee garnishment it needs to calculate.

If Payroll does not find a rule, it looks for a rule for the governing tax authority and category.

If no rule is found, Payroll uses the federal rules for the following categories:

| G | Garnishment |
|----------------|--------------|
| S | Support |
| L | Loan |
| T and Type = 4 | IRS Tax Levy |

Figure 14. U.S.garnishment rule defaulting logic



There are no federal rules that govern categories

- A Assignment
- B Bankruptcy
- T with Type not equal to 4 State tax levies

You must define rules for these types of garnishments.

If a garnishment category includes both Federal and State rules, Payroll looks at the state rule first, compares it to the Federal, and uses the rule that is most advantageous to the employee.

Canada

For Canada garnishments, Payroll finds the garnishment rules with the governing tax authority and type that matches the employee garnishment it needs to calculate. Payroll uses this Canada garnishment rule to calculate the garnishment.

How does Payroll Calculate the Amounts of Garnishments?

Payroll calculates garnishments when you calculate earnings and deductions during the payroll cycle or when you create manual payments. Garnishments are calculated based on the garnishment deduction code and garnishment rules. If there are multiple garnishments for an employee, the garnishments are processed in order of priority and sub priority.

U.S. Garnishment Calculations

To Calculate U.S. garnishments, Payroll:

- 1. Finds the garnishment rule. For more information, see "How does Payroll decide which Garnishment Rule to Use for each Garnishment?" on page 164.
- 2. Calculates disposable income using the following logic:

Gross Pay - (Withholdings + Excluded Pay + Excluded Deductions)

- 3. Calculates the wages exempt from garnishment (protected income) based on the formula assigned to the garnishment rule.
- 4. Calculates the amount available for garnishment by subtracting from disposable income the wages exempt from garnishment.

IMPORTANT If the application has already calculated another garnishment for the employee, it is also deducted in this step of the calculation using the following logic: Disposable Income - (Exempt Wage Amount + Calculated Garnishments)

- 5. Calculates the garnishment deduction amount (this includes one-time deductions that are not refunds) using the calculation type defined on the garnishment deduction.
- Subtracts garnishment, court-ordered arrears, and fees deduction amounts from the amount available for garnishment (in that order). The application calculates the garnishment amount based on the arrears option defined for the deduction code.

If the multiple garnishment rule applies, the garnishment is calculated based on the multiple garnishment rule.

If partial amounts are withheld for garnishments, the application will follow the arrears value defined in Deduction (PR05.1) for creating one-time deductions for the remaining balance.

Example U.S.

Caroline Williams has a child support garnishment for \$300.00. She does not have a second family. Her gross pay is \$3,000.00 with \$1,000.00 in withholdings.

A garnishment rule is defined for child support in the state of Virginia. It specifies the Garnishment Wage Exemption Formula as 1 (disposable income multiplied by percent) with 40% for those without a second family.

The child support deduction code is defined as a flat amount. The arrears option is Net to Zero - Yes.

The following steps show how the garnishment is calculated:

- 1. The application finds a garnishment rule for the Governing Tax Authority Virginia, Category S (Support), and Type CSUP (Child Support).
- 2. Disposable income = 2,000.00

| Gross Wages | Less Taxes + Excluded Pay + Excluded Deductions | Equals Disposable Income |
|-------------|--|-----------------------------|
| 3,000 | - 1,000 | = 2,000 |

3. Exempt Wage Amount = 800.00

| Disposable Income | Multiplied by Percent dictated by Formula 1 | Equals Exempt Wages |
|-------------------|---|------------------------|
| 2,000 | *.40 | = 800 |

4. Amount Available = 1,200.00

| Disposable Income | Less Exempt Wages | Equals Amount Available |
|-------------------|-------------------|----------------------------|
| 2,000 | - 800 | = 1,200 |

NOTE If a previous garnishment was calculated for Caroline, that garnishment amount would also be subtracted in step 4.

5. Garnishment Deduction Amount = flat amount of 300, therefore

Garnishment Amount = 300.00

The amount remaining is positive (1,200.00 - 300.00 = 900.00), so the garnishment is paid in full. Any court ordered arrears and additional fees are deducted from the remaining 900.00.

Canada Garnishment Calculations

For Canada garnishments, Payroll:

- 1. Finds the garnishment rule. For more information, see "How does Payroll decide which Garnishment Rule to Use for each Garnishment?" on page 164.
- 2. Calculates available wages using the following logic:

Gross Pay - (Taxes + Excluded Pay + Excluded Deductions)

- 3. Calculates the wages exempt from garnishment (protected income) based on the formula assigned to the garnishment rule.
- 4. Subtracts the wages exempt from garnishment from available wages to calculate the amount that is available for the garnishment.

IMPORTANT If the application has already calculated another garnishment for the employee, it is also deducted in this step of the calculation using the following logic: Available Wages - (Exempt Wage Amount + Calculated Garnishments)

- 5. Calculates the garnishment deduction amount (this includes one-time deductions that are not refunds) using the calculation type defined on the garnishment deduction.
- 6. Subtracts garnishment, court-ordered arrears, and fees deduction amounts from the amount available for garnishment (in that order). The application calculates the garnishment amount based on the arrears option defined for the deduction code.

If the multiple garnishment rule applies, the garnishment is calculated based on the multiple garnishment rule.

If partial amounts are withheld for garnishments, the application will follow the arrears value defined for the garnishment deduction for creating one-time deductions for the remaining balance.

Example Canada

Grace Whitby has a Manitoba garnishment for 300.00. She does not have any dependents. Her gross pay is 3,000.00, with 1,000.00 in withholdings.

A garnishment rule is defined for Manitoba. The garnishment rule uses formula 63. The exempt wages must be the greater of 70% of available wages or 250 but cannot exceed 90% of available wages.

The garnishment deduction code is defined as a flat amount. The arrears option is Net to Zero - Yes.

The following steps show how the garnishment is calculated:

- 1. The application finds a garnishment rule for the Governing Tax Authority Manitoba and Type 8-Garnishment.
- 2. Available Wages = 2,000.00

| Gross Wages | Less Taxes + Excluded Pay + Excluded Deductions | Equals Available Wages |
|-------------|--|---------------------------|
| 3,000 | - 1,000 | = 2,000 |

3. Exempt Wage Amount = 1,400.00

2000 * 70% = 1,400 (basic exempt amount)

2000 * 90% = 1,800 (maximum exempt amount)

250 = minimum exempt amount

250 < **1,400** < 1,800

Therefore, 1,400 is the exempt wage amount

4. Amount Available = 600

NOTE If a previous garnishment was calculated for Caroline, that garnishment amount would also be subtracted in step 4.

| Available Wages | Less Exempt Wages | Equals Amount Available |
|-----------------|-------------------|----------------------------|
| 2,000 | - 1,400 | = 600 |

5. Garnishment Deduction Amount = flat amount of 300; therefore,

Garnishment Amount = 300.00

The amount remaining is positive (600.00 - 300.00 = 300.00), so the garnishment is paid in full. Any court-ordered arrears and additional fees are deducted from the remaining 600.00.

U.S. Procedures in this Chapter

The following procedures explain how to set up garnishments for U.S. employees:

- "Loading U.S. Federal Garnishment Rules" on page 171
- "Defining U.S. Garnishment Types" on page 171
- "Defining U.S. Garnishment Rules" on page 172

Figure 15. Procedure relationship: Setting up U.S. garnishments



Loading U.S. Federal Garnishment Rules

You must load federal garnishment rules for each U.S. federal tax authority you define.

STOP You must define U.S. federal tax authorities before you load U.S. federal garnishment rules. For more information, see "Defining United States Tax Authorities" on page 81.

Q Need More Details? Check out the following concepts:

- "What are Garnishments?" on page 156
- "What are Garnishment Rules?" on page 158

STEPS To load U.S. garnishment rules

- 1. Access Load Req US Fed Garn Rules (PR925).
- 2. Select the company for which you want to load garnishment rules.
- 3. Type the federal tax authority for which you want to load garnishment rules.
- 4. Run PR925 to load the U.S. federal rules.

NOTE When you run PR925, the system populates the database file PRGARNRULEDBPRPGR (Federal Garn Rules).

Defining U.S. Garnishment Types

Lawson delivers eight predefined garnishment types; however, if you need to add additional types or modify the names of existing types, you can do so.

Q Need More Details? Check out the following concepts:

- "What are Garnishments?" on page 156
- "What are Garnishment Types?" on page 157
- "What are Garnishment Categories?" on page 158

STEPS To define U.S. garnishment types

- 1. Access United States Garnishment Types (PR25.1).
- 2. Type a code to represent the garnishment type in the Type field.
- 3. Type a description of the garnishment type in the DescriptionDSCRPT field.
- 4. Select the category in which the garnishment type belongs in the CategoryCTGRY field.

Defining U.S. Garnishment Rules

Garnishment rules determine how Payroll calculates:

- · the portion of employee pay that is exempt from garnishments
- the garnishment amount
- garnishment fees
- multiple garnishments

STOP Before you define U.S. garnishment rules, you must define any of the garnishment types you need that are not part of the standard Lawson delivery. If the garnishment rules include fees, you must define a garnishment deduction code for the fee. For more information, see "Defining US and CA Garnishment Deduction Codes" on page 122.

Q Need More Details? Check out the following concepts:

- "What are Garnishments?" on page 156
- "What are Garnishment Types?" on page 157
- "What are Garnishment Categories?" on page 158
- "What are Garnishment Rules?" on page 158
- "What are Garnishment Formulas?" on page 159
- "What Kinds of Employee Wages does Payroll use for Garnishments?" on page 160
- "How does Payroll Process Multiple Garnishments when there are Limited Employee Wages?" on page 161
- "What are Garnishment Priorities?" on page 163
- "What are the U.S. Federal Limitations to Garnishments?" on page 164
- "How does Payroll decide which Garnishment Rule to Use for each Garnishment?" on page 164
- "How does Payroll Calculate the Amounts of Garnishments?" on page 166

STEPS To define U.S. garnishment rules

- 1. Access United States Garnishments Rules (PR25.2).
- 2. Define garnishment rule components. Consider the following fields.

| Governing Tax | The tax authority (state, county, or other locality) |
|---------------|---|
| Authority | governing the garnishment. The tax authority determines the rules that apply to a type of |
| | garnishment. |

| | Category | The category of the garnishment. If you set up rules for a garnishment category, the rules apply to all types associated with the category unless a rule is defined for a specific category and a specific type. |
|----|---|--|
| | | Note: Federal rules are defined by category. |
| | Туре | The type of garnishment. |
| | | NOTE If you do not select a type, the type defaults depending on the category you selected. |
| | Multiple Garnishment Rule | The value that indicates how the system should distribute the amount withheld when the amount is insufficient to cover multiple garnishment orders for the same category. |
| 3. | Define the variables of the formula used to determine wages exempt from garnishment. Consider the following fields. | |
| | Formula | The formula Payroll uses to calculate exempt wages. |
| | Rate | If the formula uses a rate, select the rate that, when multiplied by the federal minimum wage, determines exempt wages for the employee. |
| | Factor (1-4) | If the formula uses factors, type a wage formula factor that Payroll uses to calculate exempt wages. |
| | Second Family, Yes | If the formula considers second families, type the percent Payroll uses to calculate exempt wages if an employee has a second family. |
| | Second Family, No | If the formula considers second families, type the percent Payroll uses to calculate exempt wages if an employee does NOT have a second family. |
| | Addl %, Arrears Over 12 Weeks (Additional Percent, Arrears | If the garnishment is for child support or alimony, type the additional percentage that Payroll uses to calculate exempt wages if arrears are over 12 weeks old. |
| | Over 12 Weeks) | Payroll uses this percent if Yes is selected in the Over 12 Weeks field of Employee Garnishment (PR26.1). |
| | Per Dependent, Calc Type | If the formula considers dependents, type the amount or percent per dependent that Payroll uses to calculate exempt wages. |

4. Define wages used to calculate exempt wages on the Disposable Wages tab.

5. Define any fees included in the garnishment on the Fees tab. Consider the following fields.

| Deduction | Select a deduction code to use to track fee amounts withheld separately from the garnishment amount. On Deduction (PR05.1), you can only use deduction codes that have Yes in the Garnishment field. |
|------------------|--|
| | NOTE Once you add this rule, the fee deduction cannot be changed. To change a fee deduction for an existing rule, you must delete the rule and then add it with a new deduction code. |
| Amount | Type the amount to be deducted from the employee's earnings for this garnishment fee. If this field and the Amount field are left blank, the Limit Option along with Limit Amount 1 and Limit Amount 2, if applicable, determine the amount to be withheld. |
| | NOTE If this amount is changed, Deduction and Garn Fee Update (PR115) updates employee deduction master records with the new amount (unless the amount was overridden at the employee level). |
| Deduct from Garn | |
| | NOTE This field applies only to the fee deduction, not the Clearinghouse Fee deduction. |
| | Indicate whether the fee should reduce the amount taken for the garnishment amount if taking the full garnishment deduction and the fee would bring the employee net pay below the protection provided by law. The decision to deduct this deduction from the garnishment can be overridden on United States Employee Garnishment (PR26.1). |
| Apply Fee | Select if you want to apply the fee only when the garnishment amount is actually withheld or apply the fee every payroll cycle in which the garnishment amount should be withheld (regardless of whether funds exist to cover the garnishment order plus fees). |

| Limit Option | Select the value that indicates which limit option should be used to determine the fee amount. Use this field in combination with the Limit Amount 1 field and, if applicable, the Limit Amount 2 field. |
|----------------------|---|
| Limit Amount 1 | Type a limit amount or percentage to be used in fees calculation (based on the value in the Limit Option field). |
| Limit Amount 2 | If the Limit Option rule has two calculations, type the second limit amount or percentage to be used in fees calculation. |
| Clearinghouse | If a clearinghouse fee should be calculated, select a deduction code from Deduction (PR05.1). |
| | Clearinghouse fee deductions will only be taken from the income available to garnish, always preserving the employee's protected income. Partial Clearinghouse Fee deductions can be taken based on the arrears flag on the deduction, but will never go into arrears, no matter what the arrears flag is set to on the deduction. |
| | Clearinghouse fee deductions do not display as a separate deduction on Earnings and Deductions Calculation (PR140), Payroll Register (PR141), or Gross Up Calculation (PR189). The amount deducted will always be included in the deduction amount shown on these reports. |
| | Clearinghouse Fee Deductions will show separately on the garnishment reports produced by these programs. Clearinghouse fee deductions do not display on Employee Deduction (PR14.1) or Deduction Speed Entry (PR15.1) because the clearinghouse fee deduction is tied to the garnishment deduction. |
| Clearinghouse Fee | If you select a Clearinghouse Fee Deduction code, you can optionally supply an amount to override the amount defined on the deduction. Any amount supplied on the deduction or on the rule may be overridden on PR26.1. If no amount is supplied to override at this level or United States Employee Garnishment (PR26.1), the amount defined on the deduction is the amount that will be used to calculate this fee. |

Follow up Tasks for U.S. Garnishment Rules

• Assign Garnishments to employees. For more information, see "Employee: Garnishments" on page 245.

| То | Use |
|--------------------------|--------------------------------------|
| Audit garnishments | Earnings and Deductions Calc (PR140) |
| | Payroll Register (PR141) |
| View garnishment history | Garnishment History Report (PR277) |

Related Reports and Inquiries

Canada Procedures in this Chapter

The following procedures explain how to set up garnishments for Canada employees:

- "Defining Canada Garnishment Types" on page 177
- "Defining Canada Garnishment Rules" on page 178

Figure 16. Procedure flow: Setting up Canada garnishments



Defining Canada Garnishment Types

Lawson delivers nine predefined Canada garnishment types; however, if you need to add more types or modify the descriptions of existing types, you can do so.

Q Need More Details? Check out the following concepts:

- "What are Garnishments?" on page 156
- "What are Garnishment Types?" on page 157
- "What are Garnishment Categories?" on page 158

STEPS To define Canada garnishment types

- 1. Access Canada Garnishment Types (PR46.1).
- 2. Type a code to represent the garnishment type in the Type field.
- 3. Type a description of the garnishment type in the Description field.
- 4. Select the category in which the garnishment type belongs in the Category field.

Defining Canada Garnishment Rules

Garnishment rules determine how Payroll calculates:

- · The portion of employee pay that is exempt from garnishments
- · How Payroll calculates fees
- · How Payroll calculates multiple garnishments

STOP Before you define Canada garnishment rules, you must define any of the garnishment types you need that are not part of the standard Lawson delivery. If the garnishment rules include fees, you must define a garnishment deduction code for the fee. For more information, see "Defining US and CA Garnishment Deduction Codes" on page 122.

Need More Details? Check out the following concepts:

- "What are Garnishments?" on page 156
- "What are Garnishment Types?" on page 157
- "What are Garnishment Categories?" on page 158
- "What are Garnishment Rules?" on page 158
- "What are Garnishment Formulas?" on page 159
- "What Kinds of Employee Wages does Payroll use for Garnishments?" on page 160
- "How does Payroll Process Multiple Garnishments when there are Limited Employee Wages?" on page 161
- "What are Garnishment Priorities?" on page 163
- "How does Payroll decide which Garnishment Rule to Use for each Garnishment?" on page 164
- "How does Payroll Calculate the Amounts of Garnishments?" on page 166
- "What is Arrears?" on page 97

STEPS To define Canada garnishment rules

- 1. Access Canada Garnishment Rules (PR46.2).
- 2. Define garnishment rule components. Consider the following fields.

| Governing Tax | The tax authority (province, or other locality) |
|---------------|---|
| Authority | governing the garnishment. The tax authority |
| | determines the rules that apply to a type of |
| | garnishment. |

| | Category | The category of the garnishment. If you set up rules for a garnishment category, the rules apply to all types associated with the category unless a rule is defined for a specific category and a specific type. |
|----|---|--|
| | | Federal rules are defined by category. |
| | Туре | The type of garnishment. |
| | Formula | The formula that the system uses to calculate exempt wages. |
| | Multiple Garnishment Rule | The value that indicates how Payroll should distribute the amount withheld when the amount is insufficient to cover multiple garnishment orders for the same category. |
| 3. | Define exempt wage factors according to the requirements of the governing tax authority and formula. Consider the following fields. | |
| | Mar St (Marital Status) | The marital status that you want to define formula details for. |
| | Basic Exempt, Basic Exempt Type | In these fields, type the amount or percent of wages that are exempt from garnishments each month. |
| | Wages Levels | The monthly wage level at which employees are eligible for an additional exemption. This exemption is in addition to the basic exemption. |
| | Addl Exempt, Addl Calc Type (Additional Exempt, Additional Calculation Type) | The amount or percent of additional wages that are exempt from garnishments each month. |
| | Minimum Exempt, Min Calc Type (Minimum Calculation Type) | The minimum amount or percent of wages that are exempt from garnishments each month. |

TIP If a garnishment has more than one variable rule, you must enter all the pertinent information for each variable on separate lines.

| | Min Dep (Minimum Dependent) | the number of dependents that correspond to the formula details on this line. |
|--|---|---|
| | | TIP The number you type in this field can be the beginning of a range of dependents. For example, if you type 2 on this line and type 4 on the next line, employees with: |
| | | 0 or 1 dependent would have no formula details defined for them. 2 or 3 dependents would use the formula |
| | | 4 or more dependents would use the formula details defined on the next line. |
| | Maximum Exempt, Max Calc Type (Maximum Calculation Type) | The maximum amount or percent of wages that are exempt from garnishments each month. |
| 4. | Repeat step 3 for eac requirements of the go | h set of exempt wage factors needed to meet the overning tax authority and formula. |
| Define exempt wages per dependent on the Dependent Deta Consider the following fields. | | per dependent on the Dependent Detail tab. a fields. |
| | Nbr of Deps (Number of Dependents) | The number of dependents you want to use to calculate the wage amount that is exempt from garnishment seizure. |
| | | TIP If you leave this field blank and type in an amount in the Amount field, Payroll applies the amount to each dependent defined for an employee on the Family tab of Canada Employee Garnishment (PR47.1). |
| | | |
| | | TIP The number you type in this field can be the beginning of a range of dependents. For example, if you type 2 on this line and type 4 on the next line, employees with: |
| | | 0 or 1 dependent defined on PR47.1 would have no formula details defined for them. 2 or 3 dependents defined on PR47.1 would use the formula details defined on this line. |
| | | 4 or more dependents defined on PR47.1 would use the formula details defined on the next line. |
Amount The monthly amount you want to use to calculate exempt wages. This amount is associated with the number of dependents you type in the Dependent field.

6. Define pay and deductions Payroll uses to determine net wages on the Net Wages tab.

NOTE The Employer Fees tab does not define court-ordered fees. To apply courtordered fees to an employee garnishment, use the Court Fee field on Canada Employee Garnishment (PR47.1). 7. Define any fees included in the garnishment on the Employer Fees tab. Consider the following fields.

| Deduction | Select a deduction code to use to track fee amounts withheld separately from the garnishment amount. You can only use deduction codes that have Yes in the Garnishment field on Deduction (PR05.1). | |
|----------------|--|--|
| | NOTE Once you add this rule, the fee deduction cannot be changed. To change a fee deduction for an existing rule, you must delete the rule and then add it with a new deduction code. | |
| Amount | Type the amount to be deducted from the employee's earnings for this garnishment fee. If this field and the Amount field are left blank, the Limit Option along with Limit Amount 1 and Limit Amount 2, if applicable, determine the amount to be withheld. | |
| | NOTE If this amount is changed, Deduction and Garn Fee Update (PR115) updates employee deduction master records with the new amount (unless the amount was overridden at the employee level). | |
| Apply Fee | Select if you want to apply the fee only when the garnishment amount is actually withheld or apply the fee every payroll cycle in which the garnishment amount should be withheld (regardless of whether funds exist to cover the garnishment order plus fees). | |
| Limit Option | Select the value that indicates which limit option should be used to determine the fee amount. Use this field in combination with the Limit Amount 1 field and, if applicable, the Limit Amount 2 field. | |
| Limit Amount 1 | Type a limit amount or percentage to be used in fees calculation (based on the value in the Limit Option field). | |
| Limit Amount 2 | If the Limit Option rule has two calculations, type the second limit amount or percentage to be used in fees calculation. | |

Related Reports and Inquiries

| То | Use |
|--|--|
| List the rules defined for Canada garnishments | Canada Garnishment Rules Listing (PR247) |

Follow-up Tasks for Canada Garnishments

• Assign Garnishments to employees. For more information, see "Employee: Garnishments" on page 245.

Setting Up Bank Codes

This chapter covers how to set up additional bank codes within the Lawson Payroll application.

STOP Before you set up additional bank codes, you must set up your Human Resources (HR) company. During that setup, you define the primary bank code the company uses for Payroll processing. For more information, see the *Human Resources User Guide*.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 190 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What are Bank Codes?" on page 186
- "What is Direct Deposit?" on page 187
- "What is Prenoting?" on page 188
- "What do I need to Set Up to Use Direct Deposit?" on page 188
- "What are Payment and Receipt Formats?" on page 188

What are Bank Codes?

A bank code is a combination of the bank account number and general ledger cash account. You can create one bank code and tie it to two different bank accounts: one for system payments and one for direct deposits. If you do not assign a direct deposit account to the bank code, the bank account you assigned for system payments is used for direct deposits.

For each unique bank code your company requires, you need to define a separate process level in your HR company structure. For more information see your *Human Resources User Guide*.

When you set up an HR company, define the primary bank code used for processing payroll. If you process payroll out of more than one bank account, you can set up additional bank codes in Payroll.

Example

Two Rivers draws their checks out of two banks. All Minnesota locations draw their checks out of Twin Cities Bank (TCB). All New Jersey locations draw their checks out of Trenton Bank. All locations share the same general ledger cash account. Therefore, Two Rivers defines two bank codes, one for each unique combination of a bank account number and general ledger cash account.

Figure 17. Example: Bank codes



Direct deposit is the process of automatically depositing employee wages into an employee's bank account. The employee does not receive a paycheck and might not receive a printed pay stub, depending on your organization's policies. In the United States, direct deposit is sometimes referred to as an ACH (automatic clearing house) deposit. In the United Kingdom, direct deposit is sometimes referred to as a BACS (bankers automated clearing services) deposit.

Employees can choose to have their pay directly distributed to as many as 99 bank accounts. Ninety-nine accounts are available so employers do not have to delete inactive distribution orders.

Employees can specify a partial distribution or 100 percent of their net pay.

Employees must have one default bank account. The default bank account is the account where any remaining balance is deposited. The bank account you select as the default is always processed last. You must define the default account as 100 percent of net so Payroll can distribute the total remaining balance of net pay to this account after Payroll processes all other distributions.

Before you can authorize direct deposits for an employee, you must verify that the direct deposit option is Yes for the bank account and the automatic deposit option is Yes on the employee record.

The direct deposit record must be activated before Payroll can automatically deposit a distribution. Payroll activates a direct deposit record when the value in the Prenotify Status field on Direct Deposit Distributions (PR12.1) is Accepted.

Some banks require that you prenotify them of direct deposits before you send the direct deposit to an employee's account. On the bank account, you define whether direct deposits for this account must be prenotified.

Prenoting Required

If a bank account requires prenotification, the first time Payroll processes a new direct deposit, Payroll creates prenotifications and updates the direct deposit distribution from Not Prenotified to Prenotified. Payroll processes direct deposits when you create payments during the payroll cycle. You can prenote directly by running payments normally or for prenotification only.

IMPORTANT The first time you process a new direct deposit, Payroll prenotes it only and the employee receives a physical paycheck.

TIP You can manually change the prenotification status from Prenotified to Accepted on the Employee Direct Deposit distribution when the bank accepts the notification. The second time you process the direct deposit, Payroll updates the Prenotified status to Accepted when you calculate earnings and deductions for the employee. The employee receives pay as a direct deposit.

Prenoting Not Required

If a bank account does not require prenotification, the first time Payroll processes a new direct deposit, it updates the direct deposit distribution from Not Prenotified to Accepted when you calculate earnings and deductions. Payroll does not create prenotifications for these direct deposits, so it pays the employee via direct deposit immediately.

What do I need to Set Up to Use Direct Deposit?

For an employee to receive a direct deposit payment, you must:

- Define bank codes that Payroll uses for direct deposit. For more information, see "Adding Bank Accounts" on page 190.
- Define the employee record to allow direct deposit for the employee. For more information, see "Employee: Direct Deposit Distributions" on page 267.
- Define direct deposit distributions for the employee. For more information, see "Employee: Direct Deposit Distributions" on page 267.

What are Payment and Receipt Formats?

Payment formats define the information that appears on payment and direct deposit receipts. You assign a payment format to each bank account.

The following table contains detailed descriptions of what you can include on a receipt for each of the payment formats.

| Format | Format description | Payment or Direct Deposit receipt includes up to |
|------------|--------------------------------|---|
| 0 or blank | Over/Under Limited YTD | 8 pay summary groups 24 deductions 4 time accrual balances (optional) 7 direct deposit distributions |
| 1 | Over/Under Stub On Top | 11 pay summary groups 22 deductions 3 time accrual balances (optional) 3 direct deposit distributions |
| 2 | Over/Under Stub On Bottom | 11 pay summary groups 22 deductions 3 time accrual balances (optional) 3 direct deposit distributions |
| 3 | Side By Side No TA Balances | 11 pay summary groups 13 deductions 2 direct deposit distributions |
| 4 | Side By Side TA Balances | 8 pay summary groups 12 deductions 3 time accrual balances (optional) 2 direct deposit distributions |
| 5 | Side By Side Heat Sealed | 10 pay summary groups 12 deductions 3 time accrual balances (optional) 2 direct deposit distributions |
| 9 | Over/Under Mailer | 11 pay summary groups 22 deductions 3 time accrual balances (optional) 3 direct deposit distributions |

When you print payments during the payroll cycle, you can print an hourly rate for hourly employees for payment formats 1, 2, 3, 4, 5, and 9. The option to print an hourly rate for hourly employees is not valid with payment option 0 or blank. For payment formats that allow printing of time and attendance balances, you can define parameters to print balances for plans associated with a plan class when you define time and attendance plans. For more information, see the *Time and Attendance User Guide*.

The pay codes and deduction codes print in numeric and then alphabetic order of the code (not the description). If there are more pay codes or deduction codes on a payment than the limits allow, the last entry on the pay receipt is a total of all the remaining pay codes or deduction codes.

Procedures in this Chapter

When you set up an HR company, define the primary bank code used for processing Payroll. If you process Payroll out of more than one bank account, you can set up additional bank codes in Payroll.

- "Adding Bank Accounts" on page 190
- "Defining Bank Codes" on page 191

Figure 18. Procedure relationship: Defining Bank Codes



Adding Bank Accounts

NOTE Bank accounts can be used by any HR company.

If your organization opens a new bank account, you must add the new account to Payroll.

Need More Details? Check out the following concepts:

- "What are Bank Codes?" on page 186
- "What is Direct Deposit?" on page 187
- "What is Prenoting?" on page 188
- "What do I need to Set Up to Use Direct Deposit?" on page 188
- "What are Payment and Receipt Formats?" on page 188

STEPS To add a bank account

- 1. Access Bank Account (PR01.1).
- 2. Type the bank account number in the Account field.
- 3. Select the country in which the bank account is valid in the Country field.
- 4. If the bank account is *not* used in Canada, define options on the Main tab. Consider the following fields.

| Originating DFI | The routing number assigned to the bank where you apply cash transactions. |
|--------------------------|---|
| Sending Point DFI | If the direct deposit option is Yes for the bank account, type the routing number of the bank that processes the direct deposit tape. |
| Direct Deposit Option | Indicates whether auto deposit is available for the entered bank account. |

| Prenote | If you select Yes in the Direct Deposit Option field, select whether direct deposit prenotification is required for this account. |
|---|--|
| | NOTE If you select Yes, Payroll creates prenotes for affected employees when you run Payment Print (PR160). If you select No, Payroll creates a direct deposit without prenotifying the bank. |
| Payment Format | The payment format for this bank account. |
| Receipt Format | The receipt format for this bank account. |
| If this is a Canada bank account, define options on the Canada tab. Consider the following fields. | |
| Client Nbr | Identifying ID for the client. Assigned by the bank or bank and client. |
| Destination Data Center | The destination data center that identifies the direct clearer and the location where the direct deposit file is processed. |
| Settlement Institution | The bank identification number of the institution that settles the direct deposit transactions. |
| Institution ID Returns | The bank identification number for the bank that operates as the institution for return items from the direct deposit transactions. |
| Account Number Returns | The account number you want to use for returned direct deposit items. |
| Direct Deposit Option | Indicates whether auto deposit is available for the entered bank account. |
| Payment Format | The payment format for this bank account. |
| Receipt Format | The receipt format for this bank account. |

Related Reports and Inquiries

| То | Use |
|-----------------------|----------------------|
| List bank information | Bank Listing (PR201) |

Defining Bank Codes

5.

A bank code is a combination of the bank account number and General Ledger cash account. You can create one bank code and associates it with two different bank accounts: one for system payments and one for direct deposits. If you do not assign a direct deposit account to the bank code, the bank account you assigned for system payments is used for direct deposits. **Q** Need More Details? Check out the following concepts:

- "What are Bank Codes?" on page 186
- "What is Direct Deposit?" on page 187

STEPS To define bank codes

- 1. Access Bank Code (PR01.2).
- 2. Select the bank account in the Account field.
- 3. Select the General Ledger distribution company, accounting unit, account, and subaccount in the Cash Account fields.

Related Reports and Inquiries

| То | Use |
|-----------------------|----------------------|
| List bank information | Bank Listing (PR201) |

Setting Up Pension Funding Sources

This chapter covers how to set up the funding sources from which you pay pensions to United States employees.

IMPORTANT You can only set up funding sources for United States companies.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 195 The following concept provides background and conceptual information for the procedure in this chapter.

What are Funding Sources?

Funding sources represent the locations of the funds used for pension or retirement payments. Funding sources can be a mutual fund, bank account, stock fund—anywhere your organization stores funds for these kinds of payments.

When you set up a funding source, you associate it with the General Ledger account that tracks the funds. As you create pension payments using a funding source, Payroll posts the wage expense to the General Ledger account you associate with the funding source.

You define a description for the funding source that prints on pension payments.

**You can also assign an activity to the funding source for tracking in the Project Accounting application.

For more information, see "Time Records: Pension Payments" on page 339.

Procedures in this Chapter

The following procedure describes how to set up funding sources.

Setting Up Funding Sources

You set up funding sources to use for pension payments.

Q Need More Details? Check out the following concepts:

• "What are Funding Sources?" on page 194

STEPS To set up funding sources

- 1. Access Funding Sources (PR04.1).
- 2. Select the process level for which you want to set up funding sources in the Process Level field.
- 3. Select the department for which you want to set up funding sources in the Department field.
- 4. Define the funding source. Consider the following fields.

| Source | Type the code you want to represent the source. | |
|--|---|--|
| Payment Description | Type the description that appears on pension payments. | |
| Status | Select whether the funding source is active and can be used for pension payments. | |
| User Field Type any custom information you want t associate with this funding source. | | |
| | NOTE Payroll does not perform any edits or validation of this field. | |
| Account | Select the General Ledger account to which you want to post pension expenses associated with this funding source. | |

- 5. If you want to post pension expenses that use this funding source to an activity, select an Activity and Account Category in the Activity fields.
- 6. If you want a more detailed description of the funding source to print on activity reports, type the description in the Description field. If you leave this field blank, the payment description field defaults on the activity reports.

Options for setting up funding sources

The following options are available for setting up funding sources:

| То | You must |
|--------------------------|--------------------------------|
| Change a funding source | Delete and re-add the changes. |
| Deleted Deviets and here | -11 |

Related Reports and Inquiries

| То | Use |
|----------------------|--------------------------------|
| List funding sources | Ee Garnishment Listing (PR225) |

Chapter 10 Setting Up Tips

The Tips application sets up unique tips allocation levels to calculate shortfalls in tips based on hours worked or gross receipts. Allocation levels can be set up for the company, the process level, or the department.

STOP Before you set up the Tips application, you must set up allocation levels, and various information in both the Human Resources (HR) application and Payroll to ensure that Tips runs properly. For more information, see "What do I need to Set Up Before I Use the Tips application?" on page 202.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 206 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What are Allocation Levels?" on page 198
- "What is Shortfall Allocation?" on page 198
- "How does Tips Calculate the Shortfall Allocation Using Individual Gross Receipts Method?" on page 198
- "How does Tips Calculate the Shortfall Allocation for the Hours Worked Method?" on page 200
- "What do I need to Set Up Before I Use the Tips application?" on page 202

What are Allocation Levels?

Allocation levels are the different areas in an organization for which Tips calculates the shortfall allocation. Payroll calculates shortfall allocations for each employee who did not report the required minimum percent of gross receipts for tip income in each allocation level.

What is Shortfall Allocation?

When an establishment in which tipping is considered customary does not report the required minimum percent of its gross receipts as tip income received by its tipped employees, the establishment must calculate the shortfall amount and allocate that amount to those tipped employees who did not report the minimum required percent.

You can calculate the shortfall allocation using gross receipts or hours worked.

How does Tips Calculate the Shortfall Allocation Using Individual Gross Receipts Method?

If you use the Individual Gross Receipts method of calculating tip shortfall, Tips uses the ratio of gross receipts reported by a tipped employee to the total gross receipts for the allocation level for the date range specified.

The following examples illustrate the calculations Payroll uses to determine the shortfall allocation.

The following table shows the gross receipts and direct tips reported by tipped employees for a specified date range:

| Directly tipped employees | Employee gross receipts for the date range specified | Direct tips reported |
|------------------------------|--|----------------------|
| Employee A | 18,000 | 1,080 |
| Employee B | 16,000 | 880 |
| Employee C | 23,000 | 1,810 |
| Employee D | 17,000 | 800 |
| Employee E | 12,000 | 450 |
| Employee F | 14,000 | 680 |
| Totals | 100,000 | 5,700 |

Tips uses the following steps to calculate the shortfall allocation.

1. Calculates the amount of tip income required from direct tips:

| 100,000.00 | Allocation level gross receipts |
|------------|----------------------------------|
| * .08 | Allocation percent |
| 8,000.00 | Tip reporting requirement |
| - 500.00 | Total indirect tip income |
| 7,500.00 | Income required from direct tips |

2. Multiplies the income required from direct tips for the allocation level by the gross receipts ratio to determine the amount that should be reported by each employee.

| Directly tipped employees | Tip income required from direct tips | | Gross receipts ratio | | Employee share of tips |
|---------------------------------|---|---|-------------------------|---|------------------------------|
| A | 7,500 | * | 18,000/100,000 | = | 1,350 |
| В | 7,500 | * | 16,000/100,000 | = | 1,200 |
| С | 7,500 | * | 23,000/100,000 | = | 1,725 |
| D | 7,500 | * | 17,000/100,000 | = | 1,275 |
| E | 7,500 | * | 12,000/100,000 | = | 900 |
| F | 7,500 | * | 14,000/100,000 | = | 1,050 |
| Total | | | | | 7,500 |

3. Subtracts the direct tips reported by each employee from the calculated amount the employee should have reported, to determine the employee shortfall.

NOTE The gross receipts ratio is the ratio of each employee's reported gross receipts to the total gross receipts for the allocation level.

| Directly tipped employees | Employee's share of tips | | Direct tips | | Employee shortfall |
|------------------------------|--------------------------|---|-------------|---|-----------------------|
| А | 1,350 | - | 1,080 | = | 270 |
| В | 1,200 | - | 880 | = | 320 |
| С | 1,725 | - | 1,810 | = | * |
| D | 1,275 | - | 800 | = | 475 |
| E | 900 | - | 450 | = | 450 |
| F | 1,050 | | 680 | = | 370 |
| Totals | 7,500 | | 5,700 | | 1,885 |

* Because employee C reported tips in excess of eight percent, the program does not allocate a shortfall amount.

4. Subtracts the direct and indirect tips reported for the allocation level from the tip reporting requirement to determine the allocatable shortfall for the allocation level.

| 8,000.00 | Tip reporting requirement |
|------------|---------------------------|
| - 5,700.00 | Direct tips reported |
| - 500.00 | Indirect tips |
| 1,800.00 | Allocatable shortfall |

5. Multiplies the allocatable shortfall for the allocation level by the shortfall ratio to determine the shortfall allocation for each employee. The shortfall ratio is the ratio of the individual employee shortfall to the allocation level shortfall.

| Shortfall employees | Allocatable shortfall | | Shortfall ratio | | Shortfall allocation |
|------------------------|-----------------------|---|-----------------|---|----------------------|
| А | 1,800 | * | 270/1,885 | = | 258 |
| В | 1,800 | * | 320/1,885 | = | 306 |
| D | 1,800 | * | 475/1,885 | = | 453 |
| E | 1,800 | * | 450/1,885 | = | 430 |
| F | 1,800 | * | 370/1,885 | = | 353 |
| Total | | | | | \$1,800 |

How does Tips Calculate the Shortfall Allocation for the Hours Worked Method?

In the Hours Worked method of calculating tip shortfall, Payroll determines the shortfall by taking the ratio of hours worked by a tipped employee to the total hours worked by all tipped employees in the allocation level for the same time period and applying it to the total shortfall of tips for the allocation level.

Shortfall Allocation Calculation (TP100) uses the hours worked by tipped employees in tipped jobs that are tracked by Tip Calculation (TP135).

| Directly tipped employees | Hours worked in date range specified | Direct tips reported |
|------------------------------|--------------------------------------|----------------------|
| Employee A | 180 | 1,080 |
| Employee B | 172 | 880 |
| Employee C | 188 | 1,810 |
| Employee D | 176 | 800 |
| Employee E | 144 | 450 |
| Employee F | 160 | 680 |
| Totals | 1020 | 5,700 |

The following table shows the hours worked and direct tips reported by tipped employees for a specified date range:

Tips uses the following steps to calculate the shortfall allocation calculation:

1. Calculates the amount of tip income required from direct tips.

| 100,000.00 | Allocation level gross receipts |
|------------|----------------------------------|
| * .08 | Allocation percent |
| 8,000.00 | Tip reporting requirement |
| - 500.00 | Total indirect tip income |
| 7,500.00 | Income required from direct tips |

2. Multiplies the income required from direct tips for the allocation level by the hours worked ratio to determine the amount that should be reported by each employee. The hours worked ratio is the ratio of hours worked by an individual employee to the total hours worked by all employees in the process level for the same period of time.

| Directly tipped employees | Income required from direct tips | | Hours worked ratio | | Employees share of tips |
|---------------------------------|---|---|-----------------------|---|-------------------------------|
| А | 7,500 | * | 180/1020 | = | 1,324 |
| В | 7,500 | * | 172/1020 | = | 1,265 |
| С | 7,500 | * | 188/1020 | = | 1,382 |
| D | 7,500 | * | 176/1020 | = | 1,294 |
| E | 7,500 | * | 144/1020 | = | 1,059 |
| F | 7,500 | * | 160/1020 | = | 1,176 |
| Total | | | | | 7,500 |

3. The program subtracts the direct tips reported by each employee from the calculated amount the employee should have reported, to determine the employee shortfall.

| Directly tipped employees | Employee share of tips | | Direct tips | | Employee shortfall |
|------------------------------|---------------------------|---|-------------|---|-----------------------|
| А | 1,324 | - | 1,080 | = | 244 |
| В | 1,265 | - | 880 | = | 385 |
| С | 1,382 | - | 1,810 | = | * |
| D | 1,294 | - | 800 | = | 494 |
| E | 1,059 | - | 450 | = | 609 |
| F | 1,176 | - | 680 | = | 496 |
| Totals | 7,500 | | 5,700 | | 2,228 |

*Because employee C reported tips in excess of eight percent, the program does not allocate a shortfall amount.

 The program subtracts the direct and indirect tips reported for the allocation level from the tip reporting requirement, to determine the allocatable shortfall for the allocation level.

| 8,000.00 | Tip reporting requirement |
|------------|---------------------------|
| - 5,700.00 | Direct tips reported |
| - 500.00 | Indirect tips |
| 1,800.00 | Allocatable shortfall |

5. The program multiplies the allocatable shortfall for the allocation level by the shortfall ratio to determine the shortfall allocation for each employee. The shortfall ratio is the ratio of the individual employee shortfall to the allocation level shortfall.

| Shortfall employees | Allocatable shortfall | | Shortfall ratio | | Shortfall allocation |
|------------------------|--------------------------|---|-----------------|---|----------------------|
| А | 1,800 | * | 244/2,228 | = | 197 |
| В | 1,800 | * | 385/2,228 | = | 311 |
| D | 1,800 | * | 494/2,228 | = | 399 |
| E | 1,800 | * | 609/2,228 | = | 492 |
| F | 1,800 | * | 496/2,228 | = | 401 |
| Total | | | | | \$1,800 |

What do I need to Set Up Before I Use the Tips application?

In addition to setting up allocation levels, you must set up various information in both the Human Resources (HR) application and Payroll to ensure that Tips runs properly.

- "Human Resources Structure" on page 203
- "Payroll Structure" on page 204

Human Resources Structure

Before you begin using the Tips application, you must define a company structure and employees in the Lawson Human Resources application. For complete information on setting up a company in the Human Resources application, see the *Human Resources User Guide*.

Tip Calculation

When you define your company structure, you can choose to include the tip calculation in the payroll cycle for the company or for specific process levels:

- You can include the tip calculation in the payroll cycle for an entire company. For more information, see "Defining a Company" in the *Human Resources User Guide*.
- You can require that the tip calculation be included in the payroll cycle for some, but not all, process levels in the company. See "Defining a Process Level" in the *Human Resources User Guide*.

Tips Pay Class

To associate the Tips application to the HR application, you define a tips pay class when you define a company. The tips pay class:

- Ensures that tips hours are not multiplied by the rate on the time record
- Performs non-cash calculations
- Determines whether tip wages and hours are included in the calculation of minimum wage
- Prevents the hourly rate from printing on payments for tip time records



CAUTION The tips pay class you define for a Company is automatically set up in Payroll. DO NOT set up the tips pay class in Payroll, or tips will not process correctly. For more information, see "Defining a Company" in the *Human Resources User Guide*.

Tipped Job Codes

A job code identified as a tipped job code indicates that Social Security and Medicare tax credit can be calculated on tips earned in this job.

For more information, see "Defining a Job Code" in the *Human Resources User Guide*.

Tipped Employees

Identify an employee as a tipped employee to determine whether the system performs the minimum wage edit and whether the employee is eligible to be included in the tip credit calculation.

For more information, see "Defining an Employee" in the *Human Resources User Guide*.

Payroll Structure

Payroll interfaces with the Tips application. This interface lets you create tips history from the time record entry forms in Payroll.

You can define the following items to interface with the Tips application:

- "Pay Class" on page 204
- "Pay Summary Groups" on page 204
- "Pay Summary Group Relationships" on page 204
- "Pay Codes" on page 205

Pay Class

If you want to include only certain kinds of pay and hours in the tip and tax credit calculations, you can define pay classes. You can define pay classes that represent the kinds of pay you want to include and associate them with pay summary groups. For more information, see "What are Pay Classes?" on page 33. For more information, see "Defining Pay Classes" on page 53.



CAUTION The Tips pay class you define for a Company is automatically set up in Payroll. DO NOT set up the Tips pay class in Payroll or tips will not process correctly. For more information, see "Defining a Company" in the *Human Resources User Guide*.

Pay Summary Groups

Pay summary groups provide unique calculations for direct and indirect tips and let you define a common payment description for multiple pay codes. Pay summary groups let you determine whether the associated hours and amounts are eligible to be included in the calculation of the regular rate of pay for the employee. For more information, see "What are Pay Summary Groups?" on page 32. For more information, see "Defining Pay Summary Groups" on page 54.

Pay Summary Group Relationships

A pay summary group relationship provides the association between pay summary groups and the pay class. You can tie a pay summary group to more than one pay class. In the Tips application you can:

- Associate tip pay summary groups with the Tips pay class to provide the proper edits and calculations
- Associate pay summary groups with a unique pay class. Pay summary groups represent specific kinds of pay you want to include in the tip and tax credit calculations.

To calculate and report pay class totals, you can include, exclude, or subtract the hours or wages associated with the pay summary group.

For more information, see "What are Pay Summary Groups?" on page 32. For more information, see "Defining Pay Summary Group Relationships" on page 57.

Pay Codes

You can define pay codes for adding tip records or for paying tip pay through Payroll.

To add tip records:

You can define a pay code for adding direct and indirect tips by assigning a Non-cash Income calculation type to the pay code. Payroll adds the amounts from non-cash tips pay codes to regular pay to calculate taxes, then subtracts the non-cash amount before calculating net pay. For more information, see "What are Pay Codes?" on page 30. For more information, see "How are Pay Rates Calculated?" on page 34. For more information, see "Defining Pay Codes" on page 58.

Indirect tips are not used in the calculation of shortfall allocation but are included in allocation level reports and inquiries.

To pay tips through Payroll

You can pay tips through Payroll by defining a tip pay code with a calculation type of Normal Rate. Use this type of pay code to pay directly tipped employees through payroll; for example, for charged tips. Associate the pay code with the direct tip pay summary group and the tips pay class to include it in calculating the shortfall allocation for direct tips. For more information, see "What are Pay Codes?" on page 30. For more information, see "How are Pay Rates Calculated?" on page 34. For more information, see "Defining Pay Codes" on page 58.

Minimum Wage

You must define a U.S. federal minimum wage and a state minimum wage, if applicable, to use in the calculation of tip credit. When you calculate tips, the Tips application compares the federal and state minimum wages and uses the higher rate in the calculation. Tip credits allow an employer to include tip income as part of the hourly wage paid to an employee to meet the minimum wage rate.

For more information, see "What is a Tax Authority? (U.S. and C.A.)" on page 77. For more information, see "Defining United States Tax Authorities" on page 81.

Procedures in this Chapter

To use the Tips application, you must define at least one company allocation level. You can also define allocation levels for process levels, departments, or shifts.

- "Defining Company Allocations" on page 206
- "Defining Process Level Allocations" on page 208
- "Defining Department Allocations" on page 209
- "Defining Shift Allocations" on page 210

Defining Company Allocations

Allocation levels separate areas of an organization for calculating shortfall allocation. The system calculates shortfall allocations for each employee in each level in which they report tip income.

STOP Before you set up company allocations, you must ensure the Tips application is set up. For more information, see "What do I need to Set Up Before I Use the Tips application?" on page 202.

Need More Details? Check out the following concepts:

- "What are Allocation Levels?" on page 198
- "What is Shortfall Allocation?" on page 198
- "How does Tips Calculate the Shortfall Allocation Using Individual Gross Receipts Method?" on page 198
- "How does Tips Calculate the Shortfall Allocation for the Hours Worked Method?" on page 200

STEPS To define company allocations

- 1. Access Company Allocation (TP00.1).
- 2. Select the calculation method you want to use for this allocation level in the Allocation Method field.

TIP The maximum integer places are defined within the system, so begin the allocation percent with a decimal point.

- 3. Type the calculation percent for the allocation level in the Allocation Percent field.
- 4. In the Control Totals field, select whether the total gross receipts entered on Gross Receipts Allocation (TP20.3) for an allocation level must balance with the individual gross receipts entered for that allocation level for the same period of time.

IMPORTANT The selection you make in the Control Totals field affects *all* allocation levels defined for the selected company that use the Individual Gross Receipts allocation method.

- 5. If you plan to file your federal report form electronically, type the five-character alpha-numeric transmitter control code assigned to you by the Internal Revenue Service in the Transmitter Cntrl Code field.
- 6. Define the establishment. Consider the following fields.

| Establishment Number | The number that identifies individual establishments that you are reporting under the same tax reporting ID. |
|-------------------------|---|
| | NOTE This field allows 30 characters, but you should check the federal reporting form to make sure your establishment number complies with filing requirements. |
| Establishment Type | The type of establishment this allocation level represents. This information is reported on the federal report form. |
| Establishment Name | The establishment name. |
| (Address Fields) | The establishment address. |
| | NOTE If you define an establishment name but do not enter any address information, the address defined on Company (HR00.1) for the selected company is the default. |

Related Reports and Inquiries

То

Use

List allocation levels

Allocation Level Listing (TP200)

Defining Process Level Allocations

Process level allocation levels are separate areas of an organization used in calculating shortfall allocation. The system calculates shortfall allocations for each employee in each level in which they report tip income.

STOP Before you set up company allocations, you must ensure the Tips application is set up. For more information, see "What do I need to Set Up Before I Use the Tips application?" on page 202.

Need More Details? Check out the following concepts:

- "What are Allocation Levels?" on page 198
- "What is Shortfall Allocation?" on page 198

STEPS To define process level allocations

- 1. Access Process Level Allocation (TP00.2).
- 2. Select the calculation method you want to use for this allocation level in the Allocation Method field.

| TIP The maximum integer places are defined within the system, so begin the allocation percent with a decimal point. | 3. | Type the calculation percent for the allocation level in the Allocation Percent field. | | | | |
|---|----|--|--|--|--|--|
| | 4. | Define the establish | ment. Consider the following fields. | | | |
| | | Establishment Number | The number that identifies individual establishments that you are reporting under the same tax reporting ID. | | | |
| | | | NOTE This field allows 30 characters, but you should check the federal reporting form to make sure your establishment number complies with filing requirements. | | | |

| Establishment Type | The type of establishment this allocation level represents. This information is reported on the federal report form. | |
|-----------------------|---|--|
| Establishment Name | The establishment name. | |
| (Address Fields) |) The establishment address. | |
| | NOTE If you define an establishment name but do not enter any address information, the address defined on Process Level (HR01.1) for the selected company defaults. | |

Related Reports and Inquiries

| То | Use |
|------------------------|----------------------------------|
| List allocation levels | Allocation Level Listing (TP200) |

Defining Department Allocations

Department allocation levels are separate areas of an organization used for calculating shortfall allocation. The system calculates shortfall allocations for each employee in each level in which they report tip income.

STOP Before you set up company allocations, you must ensure the Tips application is set up. For more information, see "What do I need to Set Up Before I Use the Tips application?" on page 202.

Q Need More Details? Check out the following concepts:

- "What are Allocation Levels?" on page 198
- "What is Shortfall Allocation?" on page 198

STEPS To define department allocations

- 1. Access Department Allocation (TP00.3).
- 2. Select the calculation method you want to use for this allocation level in the Allocation Method field.
- 3. Type the calculation percent for the allocation level in the Allocation Percent field.
- 4. Define the establishment. Consider the following fields.

| Establishment Number | The number that identifies individual establishments that you are reporting under the same tax reporting ID. | |
|-------------------------|--|--|
| | NOTE This field allows 30 characters, but you should check the federal reporting form to make sure your establishment number complies with filing requirements. | |
| Establishment Type | The type of establishment this allocation level represents. This information is reported on the federal report form. | |
| Establishment Name | The establishment name. | |
| (Address Fields) | The establishment address. | |
| | NOTE If you define an establishment name but do not enter any address information, the address defined onProcess Level (HR01.1) for the selected company defaults. | |

Related Reports and Inquiries

| То | Use |
|------------------------|----------------------------------|
| List allocation levels | Allocation Level Listing (TP200) |

Defining Shift Allocations

Shift allocation levels are separate areas of an organization used for calculating shortfall allocation. Payroll calculates shortfall allocations for each employee in each level in which they report tip income.

TIP The maximum integer places are defined within the system, so begin the allocation percent with a decimal point.

STOP Before you set up company allocations, you must ensure the Tips application is set up. For more information, see "What do I need to Set Up Before I Use the Tips application?" on page 202.

Q Need More Details? Check out the following concepts:

- "What are Allocation Levels?" on page 198
- "What is Shortfall Allocation?" on page 198

STEPS To define company allocations

- 1. Access Shift Allocation (TP00.4).
- 2. Select the calculation method you want to use for this allocation level in the Allocation Method field.
- 3. Type the calculation percent for the allocation level in the Allocation Percent field.

Related Reports and Inquiries

| То | Use |
|--------------------------|------------------------------------|
| L'et elle estèse le sele | Alle setting Level Listing (TD000) |

List allocation levels

Allocation Level Listing (TP200)

TIP The maximum integer places are defined within the system, so begin the allocation percent with a decimal point.

Employee: Pay

This chapter describes how to assign employee pay features within the Lawson Payroll application. Employee pay features are features of Payroll that apply to an employee or a group of employees.

STOP Before you assign employee pay, you must set up your pay structure. For more information, see "Setting Up Pay Structure" on page 29.

Procedures in this Chapter

The following procedures explain how to assign employee pay features.

"Assigning Employee Pay" on page 214

Assigning Employee Pay

You must assign employees to pay features to ensure employees are paid properly when you run the payroll cycle.

**You assign employee pay in the Human Resources (HR) application. You might have set up some of this information when you set up the HR application. For more information, see the *Human Resources User Guide*.

STOP Before you assign employee pay, you must set up pay structure. For more information, see "Setting Up Pay Structure" on page 29.

Q Need More Details? Check out the following concepts:

- "What is a Progressive Pay Plan?" on page 42
- "What are Pay Plans?" on page 36
- "What are Bank Codes?" on page 186

STEPS To assign employee pay

- 1. Access Employee (HR11.1).
- 2. Enter employee pay information on the Pay tab. Consider the following fields.

| Salary Class | This field indicates whether the employee is paid on an hourly or salaried basis. Your selection determines how employee pay is calculated. |
|---------------|--|
| Pay Frequency | Pay Frequency determines how often the employee is paid. |
| Rate of Pay | Rate of Pay indicates the employee's rate of pay. For an employee with an hourly salary class, type an hourly rate. For a salaried employee, type an annual salary. |
| | If the employee is assigned to a schedule, grade, and step, the Rate of Pay field should be left blank to allow the rate of pay to default from the schedule. |

| Schedule, Grade, Step | If you use a Step and Grade Schedule or a Grade Range Schedule, assign the desired pay schedule to the employee. |
|---|--|
| | If Step and Grade is used, select the appropriate step, grade, and schedule, and leave the Rate of Pay field blank. If left blank, the Rate of Pay field information defaults from Step And Grade Schedule (PR16.1). |
| | If an employee is associated with a grade range schedule, select the schedule and grade, and type a rate of pay in the Rate of Pay field. The Grade Range Schedule is used for wage analysis reporting. The ranges defined are used for reporting purposes, not to define the rate of pay for an employee. |
| Select whether the en from Overtime field. | nployee is eligible for FLSA overtime in the Exempt |
| If you want the employee to be eligible for FLSA Overtime, select the FLSA OT Pay plan in the Pay Plan field. | |

IMPORTANT An employee must be associated to a pay plan to be paid. Associate the employee with a pay plan on Employee (HR11.1) individually or on Pay Plan Schedules (PR22.2) by process level, pay frequency, or company.

- 5. Select whether the employee is a tipped employee in the Tipped field. By flagging tipped employees, minimum wage is verified and the tip credit calculation is performed correctly.
- 6. If the employee has his or her check automatically deposited, select whether all or a portion of the check is deposited in the Automatic Deposit field.
- 7. If the employee will be assigned an automatic time record, select which type of records can be entered for the employee.

| If you want to generate | Select |
|--|------------|
| Both standard time records and employee group time records | Yes |
| Only employee group time records | Time Group |
| Only standard time records | Standard |

Options for Assigning Employee Pay

The following options are available for assigning employee pay.

NOTE To calculate overtime, the employee must be nonexempt and have a valid overtime pay plan assigned on the Pay form tab. 3.

4.

NOTE An employee must be assigned to a status code with a payment status of either PN or PB to be allowed to receive pay.

| If you want to | Select |
|--|---|
| Assign different rates of pay to an employee | the Alt Rate button and define alternate rates of pay for the employee |
| Assign an employee to more than one position | the Add form action on Employee (HR11.1), to display the Positions Job button on the Assignment tab |
| | Choose the Position Job button to transfer to Multiple Positions and Jobs (PA13.1) to add additional positions |
| View an employee's compensation information | the Comp Analysis button |
| Calculate and view a Pay Rate in the recorded currency and the company's base currency | the Currency Calc button from Compensation Analysis (HR11.2) |

You can use the Alternate Pay Rates window on Employee (HR11.1) to define unlimited alternate pay rates for an employee. You can associate alternate pay rates with a process level, department, position, job code, or pay code, and can indicate an effective date range for time record entry. If the user is secured from pay rates, the window is not available.

At time record entry the appropriate pay is calculated based on data selected on the time record. For more information, see "Pay Rate Defaulting without Positions" on page 667. For more information, see "Pay Rate Defaulting with Positions" on page 670.

On the Pay Edits tab on Employee (HR11.1), you can flag the employee so the user receives a message if the time record entered exceeds the parameters defined on the Pay Edits tab.

Related Reports and Inquiries

| То | Use |
|-------------------------------|---|
| List employees | Employee Listing (HR211) |
| List pay plans | Pay Plan Listing (PR221) |
| List step and grade schedules | Step and Grade Schedule Listing (PR216) |
Employee: Taxes

This chapter describes how to assign employee taxes within the Lawson Payroll application.

STOP Before you assign taxes to an employee, you must set up the tax structure and create the appropriate tax deductions. For more information, see "Setting Up Tax Structure" on page 75. For more information, see "Defining Tax Deduction Codes" on page 104.

Concepts in this Chapter

TIP To skip directly to the procedures, see "U.S. Procedures in this Chapter" on page 221"Canada Procedures in this Chapter" on page 228 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What is BSI TaxLocator?" on page 218
- "How Do I View and Modify Employee Tax Deductions?" on page 220

What is BSI TaxLocator?

BSI TaxLocator is a feature of BSI TaxFactory that automatically identifies the correct federal and state withholdings, state unemployment insurance, and local and school district taxes for United States employees. This feature is only available for U.S. employees. TaxLocator eliminates the need to create codes for U.S. tax deductions.

How are Tax Deductions Set Up for United States Employees?

Under four circumstances, TaxLocator will attach or change tax deductions for employees:

- When you add a U.S. employee
- When you change the address or work location on a U.S. employee record
- When you change the address of a work location attached to U.S. employees
- When you enter a time record with a work location different from the one on the employee record for a U.S. employee

Which Employees does TaxLocator apply to?

TaxLocator applies to an employee when:

- Employee Work Country is U.S.
- Employee Pay Status is PB or PN
- The company is assigned a BSI company

How does TaxLocator Know which Tax Deductions to Attach to an Employee?

TaxLocator uses the home address and location (work address) from the employee record to determine which taxes to apply to an employee.

The home address tells TaxLocator where an employee lives (the Live State). You select whether TaxLocator uses the home address or supplemental address as the live address when you set up the Human Resources (HR) company. You can only specify a county on the home address. Regardless of how the company is set up, TaxLocator uses the county from the home address to determine taxes.

NOTE Adjustments to pay do NOT cause TaxLocator to change tax deductions.

The location tells TaxLocator where an employee works (the Work State).

IMPORTANT Because the correct tax deductions for an employee are determined by their home and work address, you must spell city names, state names, and county names correctly for home and work addresses.

How does TaxLocator Know which Lawson Deduction Codes to Use?

All applicable tax deduction codes must be established in Lawson before TaxLocator will be able to attach the codes to the employee record. For more information, see "Setting Up Deduction Structure" on page 89.

Payroll allows multiple identical iterations of deduction codes. A specific iteration of a code consists of:

- Tax authority
- Tax Category
- BSI Formula

A warning message will display to warn the user of the duplication. When multiple iterations of a tax code exist and TaxLocator assigns deductions to the employee, the first deduction code found (alpha-numeric) is the code assigned to the employee. If this is not the correct iteration of the code for the employee, override the assignment on U.S. Tax Locations by disabling the incorrect iteration of the code and setting up the correct one.

When the client has no legal requirement to withhold a tax for which TaxLocator returns a "find", You will need to establish a "dummy" deduction on Deduction. Allow TaxLocator to attach the dummy code to the employee and then disable the deduction for the employee. When you do not disable the deduction, you will continue to receive a TaxLocator message when the tax jurisdiction is returned for an employee. The message informs you that the deduction is not set up for the tax authority. Tax authorities from U.S. Tax Authority should not be duplicated.

Triggers to call TaxLocator are as follows:

- Change to Employee Address fields (Addr1, Addr2, City, County, State, Zip)
- Change of Location Code
- Removal of a Termination Date
- Change of Pay Status
- Change of Railroad Code
- Assignment to Work Country is U.S.

However, in performing Mass Actions, only a change to the Location code calls TaxLocator.

Taxes returned by TaxLocator are those legally in effect as of the date the transaction is processed (the system date) or are created with a start date equal to the system date.

For this reason, you must make future dated changes to an employee's home address or location code using Personnel Actions, not directly on

the Employee. Changes to the employee record on Employee that trigger TaxLocator deductions that are ended by TaxLocator are ended with a date of one day prior to the system date. TaxLocator will only add (not end) deductions as a result of a different location code on the employee's time record.

How Do I View and Modify Employee Tax Deductions?

Entering a time record for an employee with a different location invokes a change in tax deductions that are assigned to the employee which can then be viewed on U.S. Tax Locations by employee and location.

U.S. Tax Locations is used to:

- View the tax deductions attached to the employee record by TaxLocator
- Disable any tax deductions attached to the employee record by TaxLocator

Examples of Tax Deduction Exceptions

You might need to make modifications to TaxLocator deductions under the following circumstances:

- Employees live in a state other than the state where they perform work
- The company is not licensed to do business in the employee's resident state and there is no requirement to withhold taxes for the resident state
- The company employs Foreign National employees not responsible for U.S. taxation
- The organization employs clergy not responsible for F.I.C.A. deductions

For these examples, you can:

- Disable the resident state deductions on U.S. Tax Locations, so no taxable wages accumulate for disabled taxes
- Enable any tax deductions that you manually disabled
- Attach other tax deductions to the employee and location not identified by TaxLocator

U.S. Procedures in this Chapter

The following procedures provide explain how to view and modify tax deductions for U.S. employees.

- "Setting Up TaxLocator for Employees" on page 221
- "Maintaining Employee Tax Information for Tax Deductions" on page 222
- "Viewing and Modifying Employee TaxLocator Deductions" on page 225
- "Correcting United States Tax Deduction Errors" on page 226

Setting Up TaxLocator for Employees

Use Employee (HR11.1) to access and define the location code, add employees, change the employee address or location, or add time records with locations different from the HR11.1 location.

STOP For TaxLocator to correctly determine which local taxes (county, city, school district, or other) are applicable, you must enter all employee address information on Employee (HR11.1), and spell city names completely and correctly.

Q Need More Details? Check out the following concepts:

- "What is a Deduction Balance Type?" on page 236
- "What is BSI? (U.S. and C.A.)" on page 76

STEPS To set up TaxLocator for employees

1. Access HR Codes (HR04.9) through the HR Codes button on HR Code Setup (HR04.1). Specify the Type as LO for Location.

– or –

Access HR Codes (HR04.9) through Employee (HR11.1) by selecting the Assignment tab, Location field, and choosing the Define form action.

- 2. Complete the Address Tab. All fields on this tab are required, except the secondary street address fields (Address 2, Address 3, Address 4).
- 3. Complete the required County and Country fields.
- 4. Access Employee (HR11.1).

NOTE The more complete the information you enter on the Address tab, the more accurate the establishment of taxes based on work location. **NOTE** When you add a new employee or change data for an employee, the result may cause TaxLocator to invoke a new set of taxes for the employee. Employee United States Taxes (PR13.2) appears with the new deductions that TaxLocator will apply to the employee. You can modify the deductions through PR13.2.

- 5. When adding a new employee, you can leave the Work Country field blank, to allow the correct work country to default from Process Level.
- 6. Select the Address Tab.
- Complete the Home fields with the employee information. The Supplemental fields are used for labels generated by Post Office Mailing List (PA325) in the Lawson Personnel Administration application. If no supplemental address is entered, the employee's address from the Home fields defaults.
- 8. Select the Assignment tab.
- 9. In the Work Country field, select a work country for the employee. The work country you select must be the same as the Work County on Process Level (HR01.1). This field represents the payroll taxing country for the employee. The Work Country field can be different from the employee's address country.
- 10. Select the Tax tab and United States tab.
- 11. Complete the appropriate fields.
- 12. In the Railroad Code field, select a value representing whether the employee is a railroad employee. The BSI TaxLocator uses the railroad code to determine tax jurisdictions for the employee.

IMPORTANT Payroll creates tax deductions with an Employee Deduction (PR14.1) effective date equal to the system date, regardless of the effective date used to add an employee, or enter a change on Employee (HR11.1). For this reason, you must make future address or location changes to the HR11.1 using personnel actions, not directly on HR11.1. If these types of changes are made directly on HR11.1, the change takes effect immediately and can result in incorrect taxes taken for the employee.

Maintaining Employee Tax Information for Tax Deductions

Use Employee U.S.Taxes (PR13.1) to maintain employee tax information for tax deductions and government reporting information. The employee tax information is initially defined in the Tax tab of Employee (HR11.1).

STOP Before assigning taxes, use Employee (HR11.1) to add employees, change employee addresses or work locations, or add time records with locations different from the HR11.1 location.

Need More Details? Check out the following concepts:

- "What is BSI? (U.S. and C.A.)" on page 76
- "What is a Deduction Balance Type?" on page 236
- "How Do I View and Modify Employee Tax Deductions?" on page 220

STEPS To maintain employee tax information for tax deductions

1. Access Employee U.S.Taxes (PR13.1).

NOTE The TaxLocator updates the Resident and Work fields at the top of the form making these display-only fields.

2. Consider the following fields.

| Workers Comp State | Select the workers' compensation state for the employee. Payroll uses this field to compute workers' compensation premiums. |
|-----------------------|--|
| | If you change the workers' compensation state on this form, Payroll changes the same state field on Employee (HR11.1). |
| EIC Status | Select the value that indicates if the employee's EIC (Earned Income Credit) status is Single or Joint. |
| BSI Group Code | The BSI Group Code is a code defined in BSI to provide an override tax formula for specific employees. |
| | The BSI group code for the employee displays on inquiry if the code is defined on the employee record. |
| Ded | Select a tax deduction. |
| | Use the Define form action on this field to transfer to Employee Deduction (PR14) to maintain a deduction. |
| Res | Select the value that determines if the employee is a resident of the tax authority associated with the deduction. |
| Mar Sts | Select the value indicating the marital status associated with the deduction. |
| Exemp Number | Type the number of exemptions associated with the deduction. |
| | Payroll uses this information when calculating taxes for certain tax authorities. |
| Exempt Amount | Type the exempt amount associated with the deduction. Payroll uses this information when calculating taxes for certain tax authorities. |
| Tax Ex | This field allows you to flag this employee as exempt from withholding. |
| | When this field is flagged Y (Yes), the employee will not have this tax withheld, but taxable wages will still be calculated for the employee. |

Viewing and Modifying Employee TaxLocator Deductions

Use United States Tax Locations (PR13.7) to view tax deductions created by BSI TaxLocator, to disable any of the TaxLocator deductions that do not apply to the employee, to enable TaxLocator deductions previously disabled, and to assign tax deductions to an employee not assigned by TaxLocator.

When you enter a time record for an employee with a different location invoking a change in tax deductions assigned to the employee, you can view these changes on PR13.7 by employee and location.

STOP You must have employee tax deductions defined on Deduction (PR05.1) and then add employees on Employee (HR11.1) before you can use this form. For more information, see "Setting Up Deduction Structure" on page 89. For more information, see "Assigning Employee Pay" on page 214.

Need More Details? Check out the following concepts:

- "What is a Deduction Balance Type?" on page 236
- "How Do I View and Modify Employee Tax Deductions?" on page 220

STEPS To view and modify employee TaxLocator deductions

- 1. To access United States Tax Locations (PR13.7), choose the Tax Locations button on Employee U.S.Taxes (PR13.1).
- 2. Select a Company and Location in the appropriate fields.
- 3. In the Location field, select the location you want to view or modify for this employee's tax deductions.
- 4. Choose the TaxLocator Deductions tab.
- Select the FC Ded Description to Disable (D) or Enable (E) the deduction. Selecting Disable tells BSI TaxLocator not to take the deduction. Selecting Enable tells BSI TaxLocator to take a deduction that was previously marked as disabled.
- 6. Select the User Tax Deductions tab to attach additional tax deductions to the employee.

TIP If you override the location on a time record, the new location changes the tax deductions assigned to the employee. You can view these changes on PR13.7.

Correcting United States Tax Deduction Errors

On U.S.Tax Deduction Errors (PR13.8) you can view:

- TaxFactory errors for a specific employee on the Messages tab
- · Messages telling you to use BSI TaxFactory to view errors
- Tax deduction changes for the employee by locations entered on time records (which override the employee record location)
- Tax deduction changes that occurred due to a TaxLocator update

You can also use this form to update TaxLocator after you have performed maintenance to fix the errors displayed on this screen.

IMPORTANT This form shows the most recent changes made to the employee–it does not show a history of all changes.

STOP For information to display on this form, you must have employees with Tax Factory errors or changes.

Need More Details? Check out the following concepts:

- "What is a Deduction Balance Type?" on page 236
- "How Do I View and Modify Employee Tax Deductions?" on page 220

STEPS To correct United States tax deduction errors

- 1. Access U.S.Tax Deduction Errors (PR13.8).
- 2. Consider the following options.

| lf | Then |
|---|---|
| You perform maintenance to correct errors and then inquire on | the Messages tab states whether or not an update is needed. |
| this screen | Also, the error messages for the corrected errors no longer appear. |
| The Messages tab does not indicate an update is needed | you must perform further maintenance to correct the errors. |
| The error messages still display | you must perform further maintenance to correct the errors. |

NOTE The location field at the top of the screen displays the employee record location. The location fields on the Location Changes tab display locations from time records. **NOTE** Some error messages might flag the user to look at BSI error messages. Once tax errors are resolved and the update is performed, the errors no longer display on the Messages tab.

- 3. Complete the required Company and Employee fields.
- 4. View errors for deductions created by TaxLocator for a specific employee on this form. Consider the following tabs.

| Message | displays tax messages. Once the error is resolved, use the Special Action Icon to update the employee record, or run United States Tax Deduction Update (PR113) to update more than one employee when a change is made. |
|----------------------|---|
| Location Changes | displays the tax deduction changes by location. |
| Deduction Changes | displays the deduction changes that occurred due to the TaxLocator update. |

5. Perform maintenance to correct errors.

IMPORTANT You must modify Time Record interface forms because the tax group field has been replaced with the location field on time records.

6. Update tax deductions using this form or U.S.Tax Deduction Update (PR113) to update TaxLocator deductions for more than one employee.

IMPORTANT When you make changes to business locations, Lawson recommends that you establish a new location code and use Mass Action (use future effective date) to update the new location code to applicable employees when a business location moves. The call to TaxLocator and the subsequent creation of a new "set" of taxes for employees is automatic. There is no need to run U.S.Tax Deduction Update (PR113). If the address parameters are changed on the old location code, you must run PR113.

Canada Procedures in this Chapter

The following procedures explain how to assign tax information for Canada employees.

- "Assigning Tax Deductions Manually to Existing Employees" on page 228
- "Assigning Required Tax Deductions to Existing Employees" on page 230
- "Assigning Tax Deductions to Newly Hired Employees" on page 231
- "Viewing and Modifying Canada Employee Tax Deductions" on page 231

Assigning Tax Deductions Manually to Existing Employees

Deductions can be assigned for new and existing employees. Use Employee Deduction (PR14.1) to assign a deduction manually or directly to an existing employee, and to maintain all deductions except benefit deductions applying to a specific employee. Use Deduction Speed Entry (PR15.1) to assign deductions for multiple employees.

For Canada employees, you must assign employee tax deductions. Many organizations use required deductions to assign tax deductions to employees, but you can also assign them to one employee at a time. For more information, see "Assigning Required Tax Deductions to Existing Employees" on page 230.

STOP Before assigning deductions, the deductions must first be defined on Deduction (PR05.1). For more information, see "Setting Up Deduction Structure" on page 89.

Q Need More Details? Check out the following concepts:

"What is a Deduction Code?" on page 91

STEPS To assign tax deductions manually to existing employees

- 1. Access Employee Deduction (PR14.1).
- 2. Consider the following fields.

| Amount – or – Percent | Type the amount or percent to deduct from this employee's earnings. |
|--------------------------|---|
| | If you leave this field blank, the value in the Amount -or- Percent field in Deduction (PR05.1) defaults. |
| Addl or Minimum Amt % | Use this field to specify the additional amount or percent to consider when the Calculation Type is Flat Amount Plus Percent of Gross Pay or Percent of Disposable W/Min Flat Amount. |

TIP Use Deduction Speed Entry (PR15.1) to add one deduction to multiple employee records, or to make changes to deduction parameters for one deduction for multiple employees.

| Balance Type | Select a balance type for the deduction. |
|------------------|--|
| | If you select Descending, the amount in the Balance Amount field decreases by the amount or percent in the Amount or Percent field until it reaches zero and Payroll no longer takes the deduction. |
| Balance Amount | If you select a value of Descending or Limit in the Balance Type field, type the balance amount. When Payroll takes the deduction, the balance amount updates according to the balance type selected for the deduction. |
| | If this deduction is a 403b deduction, you can select Limit in the Balance Type field and enter an amount in this field to override the BSI limit on 403b deductions. |
| Priority | Type a value of 1–9 (1 being the highest), to determine the priority in which Payroll processes the deduction. |
| | If you leave this field blank, the priority defined for the selected deduction defaults from Deduction (PR05.1). |
| | The priority you define for an employee in this form overrides the priority defined for the deduction on PR05.1. Therefore, changes you make to the Priority field on PR05.1 do not affect the priority you define in this form for an individual employee. |
| Arrears | Select the value that indicates if the deduction is placed in arrears if net pay is insufficient to support the deduction. |
| | If you do not select a value in this field, the value defined for the Arrears field in Deduction (PR05.1) defaults for the selected deduction. |
| Deduction Cycles | Select a value indicating whether you want Payroll to take the deduction in cycles 1–9 for the selected employee. |
| | If you do not define deduction cycles for the selected employee and deduction in this form, the deduction cycles defined for the deduction in Deduction (PR05.1) default. |

| Begin Date and End Date | Type the date the employee's deduction begins. |
|----------------------------|---|
| | Type an end date to stop the employee's normal cycle deductions and one-time deductions. |
| | If you leave this field blank, the begin date defined in Deduction (PR05.1) for the selected deduction defaults. |
| Monthly Limit | Type an amount that is the limit that can be taken in a single month for this deduction. |
| | If you do not define a monthly limit for the selected employee and deduction, the monthly limit amount defined in Deduction (PR05.1) for the selected deduction defaults. |
| Payment Limit | Type an amount that is the limit that can be taken on a single payment for this deduction. |
| | If you do not type an amount in this field, the payment limit defined in Deduction (PR05.1) for the selected deduction defaults. |

Assigning Required Tax Deductions to Existing Employees

For an existing employee, use Employee (HR11.1), Employee Taxes (PR13.1), or Required Employee Deduction Dates (PR13.5) to attach required deductions. Use Deduction Listing (PR205) to attach deductions to multiple employees.

STOP Define deductions and new attached deduction required codes as needed. For more information, see "Setting Up Deduction Structure" on page 89.

Q Need More Details? Check out the following concepts:

"What is a Required Deduction?" on page 100

STEPS To assign required tax deductions to existing employees

- 1. Access Employee (HR11.1), Employee Taxes (PR13.1), or Required Employee Deduction Dates (PR13.5).
- 2. Choose the ReqDedCreate special action.

TIP Use Deduction Listing (PR205) to assign required deductions to multiple employees. Use report option 5 on PR205.

Assigning Tax Deductions to Newly Hired Employees

If deduction required codes are defined and attached to the appropriate deductions, use Employee (HR11.1) and Employee Canada Taxes (PR13.6) to assign tax deductions to newly hired employees. Tax deductions are automatically attached to the employee on the addition of a new hire.

STOP When you add a new employee, you define employee new hire data through Employee (HR11.1). Deduction required codes must be defined and attached to the appropriate Canadian deductions to use the required deduction create feature. For more information, see "Defining Deduction Codes" on page 103.

Q Need More Details? Check out the following concepts:

• "What is a Required Deduction?" on page 100

STEPS To assign tax deductions to newly hired employees

- 1. Access Employee (HR11.1).
- 2. Define all new hire data.
- 3. Define the tax information on the Canada tab of the Tax tab.
- 4. Choose Add to display Employee Canada Taxes (PR13.6).
- 5. Complete Employee Canada Taxes (PR13.6) to add tax definitions for the new employee.

NOTE You can access Employee Canada Taxes (PR13.6) only when an employee is added to Employee (HR11.1). Make changes to existing employee tax information on Employee Canada Taxes (PR13.5).

Viewing and Modifying Canada Employee Tax Deductions

Use Employee Canada Taxes (PR13.5) to maintain Canada employee tax information for tax deductions, as well as government reporting information. If information on the employee record changed, use the required deduction create action on PR13.5 to modify or change tax deductions for employees. For more information, see "Assigning Required Tax Deductions to Existing Employees" on page 230.

The Canada employee tax information is initially defined in the Tax form tab on Employee (HR11.1).

Need More Details? Check out the following concepts:

"What is a Required Deduction?" on page 100

STOP You must define your tax deductions before you can assign them to an employee on this form. For more information, see "Setting Up Deduction Structure" on page 89.

STEPS To view and modify Canada employee tax deductions

- 1. Access Employee Canada Taxes (PR13.5).
- 2. Select a Company, Employee, and Deduction to add a deduction. Consider the following fields.

IMPORTANT If you change the tax province, workers' compensation province, business number code province, or Quebec Ent Number Group on this form, the province or group changes on Employee (HR11.1). Conversely, any changes to these fields on HR11.1 are reflected on Employee Canada Taxes (PR13.5).

| Tax Province | Select the tax province you want to use for employee taxes. |
|----------------------------|---|
| WC Province | Select the workers' compensation province you want to use for employee taxes. |
| Business Number Group | Select the business number code used to calculate taxes for this employee. |
| | The business number code must exist on Canada Business Numbers (HR00.2) before you can enter it on this form. |
| Quebec Ent Number Group | Select the Quebec enterprise number group used to calculate taxes for this employee. |
| | The Quebec enterprise number group must exist on Quebec Enterprise Numbers (HR00.3) before you can enter it on this form. |
| Estimated Remuneration | If the employee is paid by regular commission, type the total estimated annual earnings submitted by the employee. |
| | You should update this field and the Estimated Expenses field annually for employees who are paid commissions. |
| | Using the TD1 form, the employee supplies the employer with the data to complete this and the Estimated Expenses field. |
| Estimated Expenses | If the employee is paid by regular commissions, type the total estimated annual expenses submitted by the employee. |

TIP Any changes you make on this form might change the way the Payroll calculates tax deductions for the employee.

| Res | Select the option indicating what type of resident the employee is in the tax authority associated with this deduction. If you do not make a selection in this field, the field defaults to Resident. |
|--------------------------|--|
| | You can select: |
| | Y-Resident |
| | 1-Nonresident Receiving Pension |
| | 2-Nonresident Continuous Employment |
| | 3-Nonresident Noncontinuous Employment |
| Net Claim Amt | Type the net claim amount for this deduction from the Personal Tax Credits Return form TD1. |
| | The value for this field comes from the total of all personal tax credit amounts from sections 1 to 14 of the Personal Tax Credits Return form TD1. |
| Additional Tax Amount | Type a dollar amount to take in addition to the amount calculated for this deduction. |
| Replacement Percent | Type the percent you want to use to replace the amount Payroll calculates for this deduction. |
| Tax Ex | Select whether the employee is exempt for taxes deducted using this deduction. |
| | If you select Yes, the Payroll does not take taxes using this deduction, but it does track taxable wages. |
| | This is most often used by students making less than the net claim amount. |
| Additional | Select values to provide additional information. |

Employee: Deductions

This chapter covers how to assign employee deductions within the Lawson Payroll application.

STOP Before you assign deductions to employees, you must set up the deduction structure. For more information, see "Setting Up Deduction Structure" on page 89.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 237 The following concept provides background and conceptual information for the procedures within this chapter.

"What is a Deduction Balance Type?" on page 236

What is a Deduction Balance Type?

A deduction balance type determines how a deduction is taken for a specific employee. An employee deduction can have one of three balance types:

- Ascending—the life-to-date contribution of the deduction. Life-to-date contribution is the accumulation of all year-to-date amounts taken by the deduction since the deduction started.
- Descending—the balance amount decreases by an amount or percent until it reaches zero, at which time Payroll no longer takes the deduction.
- Limit—Payroll takes an amount or percent until the year-to-date equals the balance amount at which time Payroll no longer takes the deduction.

Example

Jan Brown, at Two Rivers Company, has decided to contribute to United Way this year. She informed the payroll office that she would like to contribute 5.00 on a pay period basis, up to a maximum of 100.00 for the year. The deduction was established as a Descending type employee deduction with 5.00 entered in the amount field and 100.00 entered in the Balance Amount field.

NOTE If you allow employees to exceed the Federal 403b contribution limit, define 403b Defined Contribution Plan deductions with a limit balance type.

Procedures in this Chapter

The following procedures explain how to assign employee deductions.

- "Assigning Required Deductions" on page 237
- "Assigning Deductions" on page 239

Assigning Required Deductions

In Payroll, you can identify deductions as required deductions. You can assign these required deductions for existing employees on Employee (HR11.1), Employee Deduction (PR14.1), or Employee Deduction Speed Entry (PR15.2).

When you add an employee on Employee (HR11.1), the application creates all required deductions for which the employee meets the defined parameters.

Q Need More Details? Check out the following concepts:

• "What is a Required Deduction?" on page 100

STOP Before you assign required deductions, you must attach required deduction codes to Deduction (PR05.1) and correctly define the required deduction code on Deduction Required Code (PR03.1). U.S. tax deductions are not assigned to the employee using required deduction codes. Assign U.S. tax deductions through BSI TaxLocator based on the employee's work location and resident address. For more information, see "How Do I View and Modify Employee Tax Deductions?" on page 220. Canada tax deductions can be assigned to the employee using required deduction codes.

STEPS To assign required deductions using the Human Resources application

- 1. Access Employee (HR11.1).
- 2. Select the Company and Employee in the appropriate fields.
- 3. Choose the Inquire form action.
- 4. Choose the ReqDeductCreate form action.
- 5. Verify the Effective Date.

STEPS To assign required deductions using Payroll and Employee Deduction (PR14.1)

- 1. Access Employee Deduction (PR14.1).
- 2. Select the Company and Employee in the appropriate fields.
- 3. Choose the ReqDeductCreate form action, which will open Required Employee Deduction Dates (PR13.3).
- 4. Type the dates you want the application to stop and start taking required deductions for the selected employee.

STEPS To assign required deductions using Payroll and Employee Deduction Speed Entry (PR15.2)

- 1. Access Employee Deduction Speed Entry (PR 15.2).
- 2. Select the Company and Employee in the appropriate fields.
- 3. Choose the Inquire form action.
- 4. Choose the ReqDeductCreate form action.

Options for Assigning Required Deductions

The following options are available for assigning required deductions.

If you use the Lawson Personnel Administration application, you can use Individual Action (PA52.1), Hire an Applicant (PA52.4), or Position, Job Action (PA52.5) to create all required deductions for which the employee meets the defined parameters.

Related Reports and Inquiries

| То | Use |
|--|-----------------------------|
| Create required deductions for all employees | Deduction Listing (PR205) |
| Create required deductions using the employee conversion program | Employee Conversion (HR511) |

Assigning Deductions

You must assign the appropriate deduction to an employee for the deduction to be taken from employee pay.

You can assign a deduction to an employee:

- Manually. See procedures below.
- Through an employee garnishment. For more information, see "Assigning United States Employee Garnishments" on page 246. for United States Employees, or "Assigning Canada Employee Garnishments" on page 253 for Canada employees.
- Through an attachment of earnings.
- Through required deductions. For more information, see "Assigning Required Deductions" on page 237.
- Through Benefits enrollment. For more information, see the *Benefits Administration User Guide*.
- Through TaxLocator. For more information, see "Setting Up TaxLocator for Employees" on page 221.

Manual deductions such as charitable donations and employee loan deductions can be assigned through Employee Deduction (PR14.1), Deduction Speed Entry (PR15.1), or Employee Deduction Speed Entry (PR15.2).

STOP Before you assign the deductions, you must defined deductions on Deductions (PR05.1). For more information, see "Setting Up Deduction Structure" on page 89.

TIP You can automatically add deductions to an employee record using required deduction codes.

STEPS To assign employee deductions

- 1. Access Employee Deduction (PR14.1).
- 2. In the Balance Type field, define balance types as limit, descending, or ascending, if applicable.
- In the Deduction Cycle fields, for tax deductions only, select the T option (Ded not taken but taxable wages updated) if an employee is filing for exempt status from federal or state taxes.

Nine Deduction Cycles fields allow you to specify the cycles. Choosing different deduction cycles for the employee overrides deductions defaulting from Deduction (PR05.1).

 In the End Date field, enter a stop date if you need to discontinue an employee deduction. Maintain benefit or garnishment deductions through the Benefit and Garnishment applications.

IMPORTANT Parameters defined for the deduction in Deduction (PR05.1) default if any of the following fields are left blank: Amount or Percent, Priority, Arrears, Deduction Cycles, Begin Date, End Date, Monthly Limit, and Payment Limit. For more information, see "Defining Deduction Codes" on page 103.

Options for Assigning Employee Deductions

The following options are available for assigning employee deductions.

| If you want to | Access |
|---------------------------------------|--|
| Assign multiple employee | Deduction Speed Entry (PR15.1). |
| deductions | Choose the Inquire form action to display all employees who are assigned a specific deduction. |
| Assign individual employee deductions | Employee Deduction Speed Entry (PR15.2). |
| | Use form action Inquire to display all deductions for an employee. |

NOTE Garnishments, taxes, and one-time deductions are not described in this chapter.

Use Employee Garnishment (PR26.1) to assign garnishment deductions to an employee. Garnishment deductions are identified by selecting Yes in the Garnishment field of Deduction (PR05.1). For more information, see "Assigning United States Employee Garnishments" on page 246. For more information, see "Assigning Canada Employee Garnishments" on page 253.

For more information, see "Assigning Tax Deductions Manually to Existing Employees" on page 228. This form is applicable for Canada Tax Deductions only.

For more information, see "Maintaining One-Time Deductions" on page 289.

Related Reports and Inquiries

| То | Use |
|---|------------------------------------|
| List employees and their assigned deductions | Employee Deduction Listing (PR214) |
| List the changes made to employee deduction records | Deduction Audit Report (PR280) |

Employee: Workers' Comp State

This chapter covers how to assign a workers' compensation state or province within the Lawson Payroll application.

STOP Before assigning workers' compensation state or province to employees, you must define workers' compensation deductions, set up workers' compensation, and assign workers' compensation classes to job codes. For more information, see the *Human Resources User Guide* For more information, see "Setting Up Workers' Compensation" on page 141.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 243 The following concept provides background and conceptual information for the procedure in this chapter.

 "How does Payroll Use the Workers' Compensation State or Province?" on page 242

How does Payroll Use the Workers' Compensation State or Province?

Payroll uses the workers' compensation information on Employee to calculate workers' compensation premiums for United States and Canada employees.

Premiums vary by state and province and are calculated in the application according to the type of work performed and the location (state or province) where the work is performed. A single industry code is usually assigned to a Canadian company. Canadian workers' compensation is based on this industry code.

For U. S. employees, choose the workers' compensation state on the United States tab of the Tax tab on Employee. If the workers' compensation state on the United States tab is left blank, information defaults from the work location state.

For Canada employees, choose the workers' compensation province on the Canada tab of the Tax tab on Employee. If you leave workers' compensation province blank on the Canada tab, the resident province defaults.

At time record entry, you can override the workers' compensation state or province.

Procedures in this Chapter

The following procedure explains how to assign workers' compensation.

"Assigning Workers' Compensation" on page 243

Assigning Workers' Compensation

Payroll uses the workers compensation information selected on the Tax tab of Employee (HR11.1) and the job code assigned to the employee on the Assignment tab, to calculate workers' compensation premiums for both United States and Canada employees.

Need More Details? Check out the following concepts:

"How does Payroll Use the Workers' Compensation State or Province?" on page 242

STEPS To assign workers' compensation for United States employees

- 1. Access Employee (HR11.1).
- 2. Choose the Tax tab.
- 3. For United States employees, choose the United States tab on the Tax tab.
- 4. In the Workers Comp State field, select the employee's work state abbreviation used for computing workers' compensation premiums.
- 5. On the Assignment tab, enter the employee's job code.

STEPS To assign workers' compensation for Canada employees

- 1. Access Employee (HR11.1).
- 2. Choose the Tax tab.
- 3. For Canada employees, choose the Canada tab on the Tax tab.
- 4. In the Workers Comp Province field, select the province you want to use for this employee's workers' compensation.
- 5. On the Assignment tab, enter the employee's job code.

Options for Assigning Workers' Compensation

To assign workers compensation deductions to all employees automatically, attach a required deduction code defined for all employees to the workers' compensation deduction code. For more information, see "Assigning Required Deductions" on page 237.

TIP If the Workers Comp State field is left blank, the state defaults from the Work Location State. You can override the state at time record entry.

TIP If you do not make a selection in the Workers Comp Province field, the employee's resident tax province defaults. You can override the province at time record entry.

Employee: Garnishments

This chapter describes how to assign court-ordered garnishments to employees. You must assign garnishments to employees for the garnishment amount to be deducted from employee pay.

STOP Before you assign garnishments to employees, you must set up garnishment rules. For more information, see "Setting Up Garnishments" on page 155.

Procedures in this Chapter

The following procedures explain how to assign employee garnishments for U.S. and Canada employees.

- "Assigning United States Employee Garnishments" on page 246
- "Assigning Canada Employee Garnishments" on page 253

Assigning United States Employee Garnishments

For wages to be garnished, you must assign garnishments to the appropriate employees. You must define the garnishment and the deduction used for the garnishment. In addition, you can override deduction setup and garnishment rules for the specific garnishment.

IMPORTANT Once you add an employee garnishment, you cannot change the deduction code. If you have not processed the garnishment through a payroll cycle, you can delete the employee garnishment record and then re-add it. If you have processed the garnishment and you need to change the employee garnishment, you must create a new employee garnishment.

STOP Before you assign garnishments to employees, you must load federal garnishment rules and define any needed U.S. state garnishment rules. For more information, see "Loading U.S. Federal Garnishment Rules" on page 171. For more information, see "Defining U.S. Garnishment Rules" on page 172. You also must define the deductions you want to use for garnishments. For more information, see "Defining US and CA Garnishment Deduction Codes" on page 122.

Need More Details? Check out the following concepts:

- "What are Garnishments?" on page 156
- "What are Garnishment Types?" on page 157
- "What are Garnishment Rules?" on page 158
- "What are Garnishment Formulas?" on page 159
- "What Kinds of Employee Wages does Payroll use for Garnishments?" on page 160
- "How does Payroll Process Multiple Garnishments when there are Limited Employee Wages?" on page 161
- "What are Garnishment Priorities?" on page 163
- "What are the U.S. Federal Limitations to Garnishments?" on page 164
- "How does Payroll decide which Garnishment Rule to Use for each Garnishment?" on page 164
- "How does Payroll Calculate the Amounts of Garnishments?" on page 166
- "What is Arrears?" on page 97





STEPS To assign United States employee garnishments

- 1. Access United States Employee Garnishment (PR26.1).
- 2. Select the employee to which you want to assign a garnishment in the Employee field.
- 3. Define information for the garnishment. Consider the following fields.

| Case Number | You must type the case number for this garnishment. Each garnishment has a unique case number. In child support cases, for example, the case number might be a Social Security number. |
|----------------------------|--|
| FIPS Code | Type the Federal Information Processing Standards code. |
| | The FIPS code is required for electronic processing of garnishments and court-ordered payments in some states. This code prints on Garnishment History Report (PR277) and United States Employee Garnishment Listing (PR226), as well as on the Accounts Payable pay stub created by the Accounts Payable system, and is used for reference only. |
| File Number | Type the file number (if any) for the garnishment. File numbers are used to distinguish separate garnishment orders under the same case number. For example, case number 123 might have file number 1 for child support and file number 2 for spousal support. |
| Description | You must type a description of the garnishment. This description prints on garnishment reports. |
| Governing Tax Authority | Select the tax authority (state, county, or other locality) governing the case. |
| | NOTE The Governing tax authority and the Type determine which garnishment rule Payroll uses to calculate this garnishment. The Governing tax authority can be defined for use with garnishments only. |

| Туре | Select the garnishment type determining which rules apply to this garnishment. | | |
|---|--|--|--|
| | NOTE The Governing tax authority and the Type determine which garnishment rule Payroll uses to calculate this garnishment. | | |
| If this garnishment is <i>not</i> a court identified arrears garnishment you must define the deduction used for the garnishment on the Garnishment tab. Consider the following fields on the Garnishment tab. | | | |
| Deduction | Select the deduction code for the system to use in withholding the garnishment amount. | | |
| | TIP You can use Garnishment deduction codes on multiple garnishments. The system creates separate Employee Deduction (PR14.1) records with different sequence numbers. | | |
| Amount – or – Percent | If you want to override the amount or percent defined for the garnishment, type the amount or percent to deduct from the employee's earnings for this garnishment. | | |
| | NOTE The calculation type defined for the deduction determines whether the value is an amount or a percent. | | |
| Addl or Minimum Amt, Pct (Additional or Minimum Amount or Percent) | Use this field to override the additional amount to define for the deduction. | | |
| | If you select calculation type 7, type the pay period amount that is excluded from the garnishment calculation. | | |
| Monthly Limit | If you want to override the monthly amount for the deduction, type the maximum amount that can be taken for the garnishment in a single month. | | |
| Original Balance | For garnishments that are for a total amount to be paid in installments, type the beginning balance. | | |
| Balance Type | If you want to override the balance type defined for the deduction, select the balance type. | | |

4.

| | Balance Amount | If you want to override the balance amount defined for the deduction, type the balance amount. |
|----|---|--|
| 5. | Define when Payroll takes the garnishment. Consider the following fields. | |
| | Sub-priority | You must select a sub-priority that applies to the garnishment, arrears, and fees defined on this form. |
| | Effective Date | You must type a beginning effective date that applies to the garnishment, arrears, and fees defined on this form. |
| | Deduction Cycles | If you want to override the deduction cycles for the garnishment, arrears, and fees, select the cycles. |
| 6. | If a court has indicated there are arrears for this garnishment, you must define the arrears on the Arrears tab. Consider the following fields. | |
| | Deduction | Select the deduction code that the system should use in withholding the arrears amount. |
| | Amount – or – Percent | If you want to override the amount or percent defined for the arrears, type the amount or percent to deduct from the employee's earnings. |
| | | NOTE The calculation type defined for the deduction determines whether the value is an amount or a percent. |
| | Addl or Minimum Amt, Pct (Additional or Minimum Amount or Percent) | Use this field to override the additional amount to define for the deduction. |
| | Monthly Limit | If you want to override the monthly amount for the deduction, type the maximum amount that can be taken for the arrears in a single month. |
| | Original Balance | If you want to override the original balance for the deduction, type the amount. |
| | Balance Type | If you want to override the balance type defined for the deduction, select the balance type. |
| | Balance Amount | If you want to override the balance amount defined for the deduction, type the balance amount. |
| | Over 12 Weeks | If the court indicates that this arrears is over 12 weeks, select Yes. |

TIP You can set up both a garnishment and an arrears deduction for the garnishment, but the deduction codes cannot be the same. **NOTE** The deduction code that displays on the fees tab defaults from the fees deduction code attached to the garnishment rule on United States Garnishment Rules (PR25.2).

- 7. If you need to override the fee defined on the garnishment rule, override the fees on the Fees tab.
- 8. If this is a support order, you must define the employee's number of dependents and family status on the Family tab.
- 9. If this is an IRS levy, you must define additional employee tax information on the IRS Levy tab.
- 10. If you want to override the disposable income defined on the garnishment rules, select the pay or deductions to exclude from disposable income on the Disposable Income tab.
- 11. If you need to override the formula defined on the garnishment rule, override the formula on the Formula tab. If the formula is overridden, the entire formula definition must be entered. Consider the following fields.

| Override Formula | If you want to override the formula defined for the garnishment rule, select a formula. |
|---------------------------------|---|
| Rate | If you want to override the rate defined for the garnishment rule, type a rate. |
| Factor 1-4 | If you want to override the wage formula factors defined for the garnishment rule, type the factors. |
| Second Family, Yes | If you want to override the percentage to exclude from garnishments if an employee has a second family, type the percentage. |
| Second Family, No | If you want to override the percentage to exclude from garnishments if an employee does not have a second family, type the percentage. |
| Addl%, Arrears over 12 Weeks | If you want to override the additional percentage that should be taken if outstanding arrears are over 12 weeks old, type the percentage. |
| Per Dependent | If you want to override the amount or percent per dependent that should be used in calculating exempt earnings, type the amount or percent. |
| Calc Type | If you typed a value in the Per Dependent field, select whether the value is an amount or percent. |
Related Reports and Inquiries

| То | Use |
|---|--|
| Display an employee's garnishments | United States Employee Garnishment Inquiry (PR26.2) |
| List garnishment setup information from United States Employee Garnishment (PR26.1) | Employee Garnishment Listing (PR226) |
| Review how garnishments were calculated | Garnishment History Report (PR277) |
| | Select Garn Audit Report in the Report Option field. |
| * Review how garnishments | Garnishment History Report (PR277) |
| interacted with the Accounts Payable application. | Select Garn AP Report in the Report Option field. |
| List employees for whom | Garnishment History Report (PR277) |
| garnishments are set up, but no garnishment amount was withheld for a specific date range | Select Garn Exception Report in the Report Option field. |

Assigning Canada Employee Garnishments

For wages to be garnished you must assign garnishments to the appropriate employees. You must define the garnishment and the deduction used for the garnishment. In addition, you can override deduction setup and garnishment rules for the specific garnishment.

IMPORTANT Once you add an employee garnishment, you cannot change the deduction code. If you have not processed the garnishment through a payroll cycle, you can delete the employee garnishment record and then re-add the record. If you processed the garnishment and you need to change the employee garnishment, you must create a new employee garnishment.

STOP Before you assign garnishments to employees, you must define Canada garnishment rules. For more information, see "Defining Canada Garnishment Rules" on page 178. You also must define the deductions you want to use for garnishments. For more information, see "Defining US and CA Garnishment Deduction Codes" on page 122.

Need More Details? Check out the following concepts:

- "What are Garnishments?" on page 156
- "What are Garnishment Types?" on page 157
- "What are Garnishment Rules?" on page 158
- "What are Garnishment Formulas?" on page 159
- "What Kinds of Employee Wages does Payroll use for Garnishments?" on page 160
- "How does Payroll Process Multiple Garnishments when there are Limited Employee Wages?" on page 161
- "What are Garnishment Priorities?" on page 163
- "How does Payroll decide which Garnishment Rule to Use for each Garnishment?" on page 164
- "How does Payroll Calculate the Amounts of Garnishments?" on page 166
- "What is Arrears?" on page 97





STEPS To assign Canada employee garnishments

- 1. Access Canada Employee Garnishment (PR47.1).
- 2. Select the employee you want to assign a garnishment to in the Employee field.
- 3. Define the identification for the garnishment. Consider the following fields.

| | Case Number | You must type the case number for this garnishment. Each garnishment has its own case number. In child support cases, for example, the case number might be a Social Insurance number. |
|--|----------------------------|--|
| | File Number | Type the file number (if any) for the garnishment. File numbers are used to distinguish separate garnishment orders under the same case number. |
| | Description | You must type a description of the garnishment. This description prints on garnishment reports. |
| | Governing Tax Authority | Select the governing tax authority. |
| | | NOTE The Governing Tax Authority and the Type determine which garnishment rule Payroll uses to calculate this garnishment. |
| | Туре | Select the garnishment type determining which rules apply to this garnishment. |
| | | NOTE The Governing tax authority and the Type determine which garnishment rule Payroll uses to calculate this garnishment. |
| If this garnishment is <i>not</i> a court-identified arrears garnishment, you define the deduction used for the garnishment on the Garnishment to Consider the following fields. | | <i>not</i> a court-identified arrears garnishment, you must used for the garnishment on the Garnishment tab. g fields. |
| | Deduction | Select the deduction code the system to use in withholding the garnishment amount. |
| | Amount – or – Percent | If you want to override the amount or percent defined for the garnishment, type the amount or percent to deduct from the employee's earnings for this garnishment. |
| | | NOTE The calculation type defined for the deduction determines whether the value is an amount or a percent. |

| Use this field to override the additional amount to define for the deduction. |
|---|
| If you want to override the monthly amount for the deduction, type the maximum amount that can be taken for the garnishment in a single month. |
| For garnishments that are for a total amount to be paid in installments, type the beginning balance. |
| If you want to override the balance type defined for the deduction, select the balance type. |
| If you want to override the balance amount defined for the deduction, type the balance amount. |
| for this garnishment, define the court fee on the naider the following fields. |
| Type the amount of a court-ordered fee. The amount you type in this field is added to the amount of the garnishment and remitted to the court. |
| NOTE The court fee does not use a different deduction code than the employee garnishment; therefore, the amount withheld for court fees posts to the same General Ledger account as the garnishment deduction. |
| |

| Court Calc Type | Select the calculation you want to use for a court |
|-----------------|--|
| | fee. |

6. Define when Payroll takes the garnishment. Consider the following fields.

| Sub-priority | You must select a sub-priority that applies to the garnishment, arrears, and fees defined on this form. |
|----------------|---|
| Effective Date | You must type a beginning effective date that applies to the garnishment, arrears, and fees defined on this form. |

5.

| | Deduction Cycles | If you want to override the deduction cycles for this garnishment, arrears, and fees, select the cycles. |
|----|--|---|
| 7. | Define garnishment or the following fields. | rder information on the Garnishment tab. Consider |
| | Effective Date Order | Type the effective date of the garnishment order. |
| | Tax Deductible Order | Select whether this garnishment order is tax deductible. |
| 8. | If a court has indicated define the arrears on t | d there are arrears for this garnishment, you must the Arrears tab. Consider the following fields. |
| | Deduction | Select the deduction code that the system should use in withholding the arrears amount. |
| | Amount – or – Percent | If you want to override the amount or percent defined for the arrears, type the amount or percent to deduct from the employee's earnings. |
| | | NOTE The calculation type defined for the deduction determines whether the value is an amount or a percent. |
| | Addl or Minimum Amt, Pct (Additional or Minimum Amount or Percent) | Use this field to override the additional amount to define for the deduction. |
| | Monthly Limit | If you want to override the monthly amount for the deduction, type the maximum amount that can be taken for the arrears in a single month. |
| | Original Balance | If you want to override the original balance for the deduction, type the amount. |
| | Balance Type | If you want to override the balance type defined for the deduction, select the balance type. |
| | Balance Amount | If you want to override the balance amount defined for the deduction, type the balance amount. |
| | Court Fee | If there is a court-ordered fee associated with the arrears, type the amount of a court-ordered fee. The amount you type in this field is added to arrears and is remitted to the court. |

Court Calc Type Select the calculation you want to use for a court fee.

- 9. If you need to override the employer fees defined on the garnishment rule, override the fees on the Employer Fees tab.
- 10. If this is a support order, define family circumstances related to the garnishment on the Family tab.
- 11. If you want to override the net wages defined on the garnishment rules, override the wages on the Net Wages tab.
- 12. If you need to override the formula defined on the garnishment rule, override the formula on the Formula tab.

| If you want to | Select |
|--|--|
| Override the entire formula defined for the garnishment rule on Canada Garnishment Rules (PR47.1) | Yes in the Custom Formula field and select the formula details in the fields on the Formula tab. |
| | IMPORTANT Selecting Yes in the Custom Formula field overrides <i>all</i> the formula details defined on the garnishment rule. |
| Override one or more (but not all) of the details defined for the garnishment rule on Canada Garnishment Rules (PR47.1) | No in the Custom Formula field and select one or more details in the fields on the Formula tab. |

Related Reports and Inquiries

| То | Use |
|---|--|
| Display an employee's garnishments | Canada Employee Garnishment Inquiry (PR47.2) |
| List employee garnishment setup | Canada Employee Garnishment Listing (PR247) |
| Review how garnishments were | Garnishment History Report (PR277) |
| calculated | Select Garn Audit Report in the Report Option field. |
| * Review how garnishments have | Garnishment History Report (PR277) |
| interacted with the Accounts Payable application | Select Garn AP Report in the Report Option field. |
| List employees for whom | Garnishment History Report (PR277) |
| garnishments are set up, but no garnishment amount was withheld for a specific date range | Select Garn Exception Report in the Report Option field. |

Employee: Payroll Distributions

This chapter covers how to assign payroll distributions within the Lawson Payroll application.

STOP Before you assign payroll distributions, you must define and activate General Ledger accounts. For more information, see the *General Ledger User Guide*.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 263 The following concept provides background and conceptual information for the procedures within this chapter.

"What are Payroll Distributions?" on page 262

What are Payroll Distributions?

By defining payroll distributions, Payroll allows you to override, as a percent, the normal distribution of wage and company-paid deduction expenses for an employee.

When you assign payroll distributions for an employee you can distribute specific wage and company-paid deduction expenses for an employee into multiple accounts. If a time record is added for an employee with a defined payroll distribution, the Payroll Distribution field on the time record form defaults to Yes.

If the total override distribution is not 100 percent, the remaining expenses use the standard General Ledger defaults. For more information, see "General Ledger Accounts Defaulting" on page 659.

When you run Payroll Close, you can determine how employee payroll distribution records are used for distributing expenses. You can choose to:

- Distribute both the pay expense and company-paid expenses
- · Distribute only pay expenses
- Distribute only company-paid expenses

Procedures in this Chapter

The following procedures explain how to assign payroll distributions.

- "Assigning Payroll Distributions for Employees" on page 263
- "Assigning Payroll Distributions for Positions" on page 264

Assigning Payroll Distributions for Employees

Use Payroll Distributions - Employees (PR23.1) to override, by percent, the normal distribution of wages and company-paid deductions for an employee. You can define percent distributions for specific pay codes and company-paid deductions.

 $\textcircled{\sc line tails}$ Check out the following concepts:

"What are Payroll Distributions?" on page 262

STOP Define and activate general ledger accounts before assigning payroll distributions for employees. For more information, see the *General Ledger User Guide*.

STEPS To assign payroll distributions for employees

- 1. Access Payroll Distributions Employees (PR23.1).
- 2. Consider the following fields.

| То | Choose |
|---|--|
| Override the general ledger defaults for employee wage expenses associated with a specific pay code | the Pay Code field and select a pay code. |
| Override the general ledger defaults for company-paid deduction expenses for an employee | the Deduction field and select a company-paid deduction. |

NOTE Using this form overrides the expense company, accounting unit and account number on the time record for the employee.

Payroll User Guide

| | То | Choose |
|----|---|--|
| | Override the general ledger defaults for all wage and company-paid deduction expenses for an employee | to leave the Pay Code and Deduction fields blank. |
| | Display the total percent for the | the Totals form action to open the Total Percent subform. |
| | payroll distribution record | The subform displays the default distribution number from the employee record, and the total percent of net and flat amounts for all direct deposit distribution records defined for the employee. |
| 3. | In the Expense Account Unit field, select the general ledger expense accounting unit for the distribution override. | |
| 4. | In the Percent field, type the percent of the distribution override. | |
| 5. | Select a job code for the distribution override. If you leave the Job Code field blank, the job code defined on the employee record defaults. | |
| 6. | Select the More form tab to define distribution overrides for premium and shift expense and for process level or department. | |
| 7. | Choose the Add form | action to add the payroll distributions. |

Related Reports and Inquiries

| То | Use |
|--------------------------------|--------------------------------------|
| List the payroll distributions | Percent Distribution Listing (PR223) |

Assigning Payroll Distributions for Positions

Use Payroll Distributions - Positions (PR23.3) to override, by percent, the normal distribution of wages and company-paid deductions for a position.

Need More Details? Check out the following concepts:

• "What are Payroll Distributions?" on page 262

STOP Before expense distributions can be assigned to positions, you must first define the positions. For more information, see "Assigning Employee Pay" on page 214.

STEPS To assign payroll distributions for employees

- 1. Access Payroll Distributions Positions (PR23.3).
- 2. Consider the following fields.

| Pay Code | Select a pay code to define a payroll distribution override for a specific pay code. |
|-------------------------|---|
| | If you leave the Pay Code field blank, all wage expenses for time records associated with the position are distributed to the general ledger accounts for this form. |
| Expense Account Unit | Select the general ledger expense accounting unit for the distribution override. |
| Percent | Type the percent of the distribution override. |
| Job Code | Select a job code for the distribution override. |
| | If you leave the Job Code field blank, the job code defined on the employee record defaults. |

- 3. Select the More form tab to define distribution overrides for premium and shift expense and for process level or department.
- 4. Choose the Add form action to add the payroll distributions.

Related Reports and Inquiries

| То | Use |
|--------------------------------|--------------------------------------|
| List the payroll distributions | Percent Distribution Listing (PR223) |

Employee: Direct Deposit Distributions

This chapter describes how to assign direct deposit distributions within the Lawson Payroll application.

STOP Before you assign direct deposit distributions, you must define direct deposit distributions and authorize direct deposit for the employee. For more information, see "Setting Up Bank Codes" on page 185.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 269 The following concept provides background and conceptual information for the procedures within this chapter.

• "What are Direct Deposit Distributions?" on page 268

What are Direct Deposit Distributions?

In the Payroll application, employees can choose to have their pay directly distributed to as many as 99 bank accounts. Employees can specify a partial distribution or 100 percent of their net pay.

To process employee Direct Deposit Distributions:

- Verify bank account parameters
- Authorize a direct deposit
- Activate a direct deposit

Procedures in this Chapter

The following procedures explain how to assign direct deposit distributions.

- "Defining and Authorizing Direct Deposits" on page 269
- "Assigning Direct Deposit Distributions" on page 270

Defining and Authorizing Direct Deposits

To set up the direct deposit, you must verify bank parameters through Bank Account (PR01.1) and authorize the direct deposit through Employee (HR11.1).

Q Need More Details? Check out the following concepts:

- "What are Payroll Distributions?" on page 262
- "What is Direct Deposit?" on page 187
- "What do I need to Set Up to Use Direct Deposit?" on page 188

STEPS To define direct deposit parameters

- 1. Access Bank Account (PR01.1). For more information, see "Adding Bank Accounts" on page 190.
- 2. Choose the Main form tab for United States employees, or the Canada tab for Canada employees.
- 3. In the Direct Deposit Option field, select Y (Yes) if direct deposit is available for the bank account entered.
- 4. For non-Canada employees, in the Prenote field, select Yes if prenotification is required for this account. If you select Yes, Payroll creates prenotes for affected employees when you run Payment Print (PR160).

STEPS To authorize a direct deposit for an employee

- 1. Access Employee Record (HR11.1). For more information, see the *Human Resource User Guide*.
- 2. Select the Pay form tab.

NOTE When you first define bank information for the company in the Bank form tab on Company (HR00.1), Payroll automatically creates a record in Bank Account (PR01.1).

NOTE If you select P (Partial) in the Automatic Deposit field, the portion of the employee's net pay specified in Direct Deposit Distribution (PR12.1) is deposited and the employee receives a payment for the remainder. In the Automatic Deposit field, select Y (Yes) or P (Partial) to authorize employee direct deposits.

Use

Related Reports and Inquiries

| Го |
|----|
|----|

List bank account setup

Bank Listing (PR201)

Assigning Direct Deposit Distributions

Use Direct Deposit DistributionDirect Deposit Distribution (PR12.1) to define distributions for employees who have payments automatically deposited into their bank accounts. You can define up to 99 direct deposit distribution accounts for an employee.

You can assign direct deposit distributions on Direct Deposit DistributionDirect Deposit Distribution (PR12.1) for both the United States and non-Canada countries on the Main tab, and for Canada employees on the Canada tab.

Q Need More Details? Check out the following concepts:

- "What are Payroll Distributions?" on page 262
- "What is Direct Deposit?" on page 187
- "What do I need to Set Up to Use Direct Deposit?" on page 188

STEPS To assign direct deposit distributions for United States and non-Canada employees

- 1. Access Direct Deposit DistributionDirect Deposit Distribution (PR12.1).
- 2. Select the Company and Employee in the appropriate fields.
- 3. In the Distribution Order field, type the number indicating the order to take the direct deposit distributions. You can leave this field blank, but Payroll will not take the direct deposit distribution until there is an order number in this field.
- 4. In the Country field, select a different country code to set up a direct deposit distribution for future use. If you do not select a country code, the country code from the employee record defaults.

NOTE The direct deposit distribution record selected as the default will always be the last record processed. If partial auto deposit is selected, the remaining dollars are distributed to the check. **TIP** To retain history on an employee's direct deposit distributions, inactivate a current distribution by removing X's from all pay cycle fields and adding a new direct deposit distribution with a new number in sequence. 5. Choose the Main tab to assign direct deposit distributions for United States and non-Canada employees. Consider the following fields.

| Receiving DFI | Select the routing number identifying the bank where the net pay or portion of net pay is deposited. | | | | |
|---|--|--|--|--|--|
| Bank | The bank name for the Receiving DFI displays, if the description exists on Employee Bank MaintenanceEmployee Bank Maintenance (PR12.4). Type a description to override the description at the employee level. | | | | |
| | For partial direct deposit, the description prints on direct deposit receipts and payments. | | | | |
| Account | Type the bank account number where deposits are made. | | | | |
| Account Type Select C (Checking) or S (Savings) to ident type of account where funds are deposited. | | | | | |
| Prenotify Status | Select the value identifying the status of the direct deposit distribution between the company and the processing bank. | | | | |
| | Select A (Accepted), P (Prenotified), or N (Not Prenotified). If you change the Bank ID or Account fields, the Prenotify Status automatically changes to Not Prenotified and you must repeat | | | | |
| | the process. | | | | |
| Payment Description | Type the description that prints under the employee deductions in Earnings and Deductions CalculationEarnings and Deductions Calculation (PR140) and on payment and direct deposit receipts created by Payment PrintPayment Print (PR160). | | | | |
| Payment Description Flat Amount | the process. Type the description that prints under the employee deductions in Earnings and Deductions CalculationEarnings and Deductions Calculation (PR140) and on payment and direct deposit receipts created by Payment PrintPayment Print (PR160). If the employee wants a specific amount automatically deposited, type the amount and leave the Percent of Net field blank. | | | | |
| Payment Description Flat Amount Percent of Net | the process. Type the description that prints under the employee deductions in Earnings and Deductions Calculation (PR140) and on payment and direct deposit receipts created by Payment PrintPayment Print (PR160). If the employee wants a specific amount automatically deposited, type the amount and leave the Percent of Net field blank. Type the percent of net pay the employee wants automatically deposited. | | | | |

| Default | Select the option indicating whether this is the employee's default direct deposit distribution. | | |
|----------------|--|--|--|
| | If the Automatic Deposit field on EmployeeEmployee (HR11.1) is set to Yes, you must select a default direct deposit distribution. The distribution you select as the default is always processed last. You must define the default account as 100 percent to allow the Payroll application to distribute the total remaining balance of net pay to this account after all other distributions have been processed. | | |
| Effective Date | Type a beginning date for the distribution. If you | | |
| (Begin Date) | date defaults. Payroll compares the begin date to the payment date typed in Earnings and Deductions CalculationEarnings and Deductions Calculation (PR140) to determine if the direct deposit distribution is valid. | | |
| Effective Date | Type an ending date for the distribution. If the | | |
| (End Date) | End Date field is left blank, no end date is assumed. Payroll compares the end date to the payment date typed in Earnings and Deductions CalculationEarnings and Deductions Calculation (PR140) to determine whether the direct deposit distribution is taken. | | |
| Cycles | Match the cycles with the cycles on Earnings and Deductions CalculationEarnings and Deductions Calculation (PR140). Select an X in the appropriate fields to indicate the cycles in which the direct deposit distribution is taken. You can select up to nine cycles. | | |
| | NOTE You must select at least one cycle. | | |

IMPORTANT If you move an employee from one country to another, make distributions for the current country inactive. To make distributions inactive, you must put an end date on all direct deposit distributions for the current country or remove the X's from the Cycles field. Then, create new distributions for the employee with the new country in the Country Code field.

STEPS To assign direct deposit distributions for Canada employees

- 1. Access Direct Deposit DistributionDirect Deposit Distribution (PR12.1).
- 2. Select the Company and Employee in the appropriate fields.
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NOTE The direct deposit distribution record selected as the default will always be the last record processed. If partial auto deposit is selected, the remaining dollars are distributed to the check.

TIP To retain history on an employee's direct deposit distributions, inactivate a current distribution by removing X's from all pay cycle fields and adding a new direct deposit distribution with a new number in sequence.

- 3. In the Distribution Order field, type the number indicating the order to take the direct deposit distributions. You can leave this field blank, but Payroll will not take the direct deposit distribution until there is an order number in this field.
- 4. In the Country field, select a different country code to set up a direct deposit distribution for future use. If you do not select a country code, the country code from the employee record defaults.
- 5. Choose the Canada tab to assign direct deposit distributions for Canada employees. Consider the following fields.

| Institution Number | Type the institution number of the bank where Payroll sends the direct deposit payment. | | | |
|------------------------|--|--|--|--|
| Transit Number | Type the transit number of the bank branch to which Payroll sends the direct deposit payment. | | | |
| Bank | The bank name for the Receiving DFI displays, if the description exists on Employee Bank MaintenanceEmployee Bank Maintenance (PR12.4). You can type a description to override this description at the employee level. | | | |
| | The description prints on direct deposit receipts and on payments in the case of a partial direct deposit. | | | |
| Account | Type the bank account number where deposits are made. | | | |
| Payment Description | Type the description of the direct deposit distribution that you want to print on the payment stub or payment receipt for the employee. This description also prints on the report created by Earnings and Deductions CalculationEarnings and Deductions Calculation (PR140). | | | |
| | If this distribution has Canada as its country code, this field is required. | | | |
| Flat Amount | If the employee wants a specific amount automatically deposited, type the amount and leave the Percent of Net field blank. | | | |
| Percent of Net | Type the percent of net pay the employee wants automatically deposited. | | | |
| | If a value is typed in the Percent of Net field, leave the Amount field blank. | | | |

| Default | Select the option indicating whether or not this is the employee's default direct deposit distribution. | | |
|----------------|--|--|--|
| | If the Automatic Deposit field on EmployeeEmployee (HR11.1) is set to Yes, you must select a default direct deposit distribution. The distribution you select as the default is always processed last. You must define the default account as 100 percent to allow Payroll to distribute the total remaining balance of net pay to this account after all other distributions have been processed. | | |
| Effective Date | Type a beginning date for the distribution. If you | | |
| (Begin Date) | defaults. Payroll compares the begin date to the payment date typed in Earnings and Deductions CalculationEarnings and Deductions Calculation (PR140) to determine whether the direct deposit distribution is valid. | | |
| Effective Date | Type an ending date for the distribution. If the | | |
| (End Date) | assumed. Payroll compares the end date is payment date typed in Earnings and Deductions CalculationEarnings and Deductions Calculation (PR140) to determine whether the direct deposit distribution is taken. | | |
| Cycles | Match the cycles with the cycles on Earnings and Deductions CalculationEarnings and Deductions Calculation (PR140). Select an X in the appropriate fields to indicate the cycles in which the direct deposit distribution is taken. You can select up to nine cycles. | | |

NOTE You must select at least one cycle.

Related Reports and Inquiries

| То | Use |
|---|---|
| List all the direct deposit information for the employees | Direct Deposit Account ListingDirect Deposit Account Listing (PR212) |
| Perform maintenance on a direct deposit | Employee Bank MaintenanceEmployee Bank Maintenance (PR12.4) |

Employee: Standard Time Records

This chapter describes how to assign standard time records within the Lawson Payroll application.

STOP Before you assign standard time records to employees, you must flag the employees as Standard, Time Group, or Yes on the AutoTime Record field on the Pay tab on Employee (HR11.1). For more information, see "Assigning Employee Pay" on page 214.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 278 The following concept provides background and conceptual information for the procedures within this chapter.

What are Standard Time Records?

In the Payroll application, you can use an Employee Group to group together employees who work the same number of hours and have the same pay code for the standard time record every pay period. For example, an Employee Group might include all salaried employees.

Once the group is established, you can set up a standard time record for the group using Standard Time Record. Creating standard time records eliminates manual entry of employee time records every pay period. To generate the time records of the group, run Automatic Time Records each pay period.

For an employee to have a time record created through a group standard time record, the Auto Time Record field on the Pay tab of Employee, must be set to T (Time Group) or Y (Time Group or Individual). If you select T, Payroll generates only employee group time records. If you select Y, Payroll generates both employee group time records and standard time records.

IMPORTANT If the employee has both an individual standard time record and a time group standard time record, the Auto Time Record field is set to Y (Time Group or Individual). If the field is set to Y, verify that the time record was not duplicated in the pay period.

Example

Two Rivers has four different sets of employees who work the same number of hours each pay period. To ease entry time each pay period, Two Rivers created the four mutually exclusive Employee Groups listed below and established a Group Standard Time Record for each of the employee groups.

| Employee Groups | Description | Pay Code | Hours Workedc per Pay Period |
|-----------------|--|----------|---------------------------------|
| FT SAL MTH | Full-time salaried employees paid monthly | Reg | 173.33 |
| FT SAL BW | Full-time salaried employees paid bi-weekly | Reg | 80.00 |
| PT SAL W | Part-time salaried employees paid weekly | Reg | 20.00 |
| PR SAL BW | Part-time salaried employees paid bi-weekly | Reg | 40.00 |

For an employee to have a unique time record created from the standard time record, you must set the Auto Time Record field on the Pay tab of Employee to S (Standard Time Record). If you select S, Payroll generates only standard time records.

You can also establish Standard Time Records on an individual basis. If an employee works the same number of hours and receives the same pay each period, use Standard Time Record to define the employee standard time record. If the employee belongs to a group for which there is an automatic time record, do not use this option unless the employee is to have both a group standard time record and an individual standard time record.

Procedures in this Chapter

The following procedure explains how to assign standard time records.

"Assigning Standard Time Records" on page 278

Assigning Standard Time Records

When employees work the same number of hours each pay period, you can create standard time records, eliminating the need to enter time for every pay cycle.

Q Need More Details? Check out the following concepts:

- "What is a Time Record?" on page 298
- "What are Payroll Distributions?" on page 262

STOP To be eligible for a standard time record, the employee record must have an Auto Time Record field value of Standard, Time Group, or Yes. To be eligible for a standard group time record, the employee group must be defined, and the employee must be a member of the group. For more information, see the *Human Resources User Guide*, and the *Personnel Administration User Guide*. For more information, see "Defining Pay Classes" on page 53.

STEPS To assign standard time records

- 1. Access Standard Time Record (PR30.1).
- 2. Enter the employee in the Employee field, or enter the employee group in the Employee Group field.
- 3. Select the TRD Comments button to open the Comments subform, and define time record comments and indicate whether the comments can print on reports.
- 4. Define a standard time record for individual employees or for employee groups. Consider the following fields.

| FC | Select Add, Change or Delete. | | | |
|-------------------------------------|---|--|--|--|
| Pay Code Select a pay code. | | | | |
| | For Time and Attendance users, a pay code tied to an attendance code defaults when you select an attendance code. | | | |
| Hours | Type the number of hours you want to associate with the pay code. | | | |
| Job Code | Select a job code. If you leave this field blank, the job code from the employee record defaults. | | | |

| | Amount | Type the rate of pay or leave the field blank. | | | | |
|----|---|--|--|--|--|--|
| | | For hourly employees, the amount is considered an hourly rate and is multiplied by the hours entered on the time record. For salaried employees, the amount entered overrides normal salary amounts for pay codes with calculation type of Normal Rate and is not multiplied by the hours entered. | | | | |
| | | If you leave the field blank, the pay rate defaults from the pay code, alternate rates, job code, pending actions, log file, or the employee record. | | | | |
| | Begin Date | Type the date the standard time record becomes effective. | | | | |
| | | If left blank, the system date defaults. | | | | |
| | | For the Begin Date and End Date field, Payroll compares the effective date to the time record date entered in Automatic Time Records (PR134) to determine whether a time record is created. | | | | |
| | End Date | If applicable, type the date the standard time record is no longer in effect. | | | | |
| | | If left blank, Payroll assumes there is no end date. | | | | |
| | Curr Code | Select the currency you want to assign to this standard time record. | | | | |
| | | This field must be the same as the employee currency. | | | | |
| 5. | Select the More form tab to define additional parameters for standard time records. The parameters you define in these fields override any corresponding parameters defined. Consider the following fields. | | | | | |
| | CG (Check Group) | All time records with a common entry in this field are grouped on one payment record for the employee. | | | | |
| | | If multiple payments are desired, type a different value. You can type alpha or numeric values. | | | | |
| | PG (Process Group) | All time records with a common value in this field are grouped for tax calculation purposes. | | | | |
| | | Process groups allow you to tax pay codes separately, but combine earnings in a single payment. | | | | |
| | TF (Tax Frequency) | Select the option indicating how you want to override normal taxation. | | | | |

Follow up

** For Benefits Administration application users, if your company has a flex plan, the Benefits Administration application creates standard time records for flex credits that employees receive as pay, even if their employee record does not have an Auto Time Record field value of Standard, Time Group, or Yes. For companies that do not want to issue a payment for flex credits for an employee who does not have any other pay for the pay cycle, the Benefits Administration application has a form that allows you to delete flex time records if no other time records exist for the employee in the pay cycle. For more information, see the *Benefits Administration User Guide*.

Related Reports and Inquiries

| То | Use |
|---|--------------------------------------|
| Identify employees as eligible for automatic time record entry | Employee (HR11.1) |
| Create standard time records for eligible employees based on the parameters defined in Standard Time Record (PR30.1) | Automatic Time Records (PR134) |
| List all the standard time records | Standard Time Record Listing (PR230) |

Chapter 19

Time Records: Overview

This chapter provides an overview of the overall process of entering time records into the Lawson Payroll application. Procedures for each step in the process are detailed in the chapters that follow.

Time Record Process

Entering time records into Payroll includes several processes, including the data entry of time records.

| The table below | / describes | each c | of the | time | record | processes. |
|-----------------|-------------|--------|--------|------|--------|------------|
|-----------------|-------------|--------|--------|------|--------|------------|

| Process | Definition | For details, see |
|-----------------------|--|---|
| Pre-entry maintenance | You need to perform pre-entry maintenance, if you made changes to any of the following: | "Time Records: Pre-entry Maintenance" on page 285 |
| | One-time deductions | |
| | Employee groups | |
| | Pay rates | |
| | Progressive pay plans | |
| Enter Time Records | You must enter time records into the application to process payroll. | "Time Records: Entering" on page 295 |
| | | "Time Records: Pension Payments" on page 339 |
| Move Time Records | After you enter time records and ensure they are correct, you must release and select the records from batch status to current status. Only time records in current status can be processed during the payroll cycle. | "Time Records: Moving" on page 351 |

Each of the time record processes include multiple procedures. It is unlikely that you will perform each of these procedures for every payroll cycle. See the time record chapters for information on which procedures are required, optional, or conditional.

Chapter 20

Time Records: Pre-entry Maintenance

This chapter covers the procedures you might need to complete before you enter time records into the Lawson Payroll application. Depending on the changes you made to the application since the last payroll cycle, you might not have to complete the procedures in this chapter. For more information, see "Time Records: Overview" on page 281.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 289 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What are One-Time Deductions?" on page 286
- "What are Employee Groups?" on page 287

What are One-Time Deductions?

A one-time deduction is a deduction that is not taken on a regular basis for an employee, or is an arrears deduction created by Payroll when the employee has insufficient net pay to take a deduction. You can use one-time deductions to correct a deduction which was processed incorrectly or to pro-rate a deduction for an employee.

Payroll creates one-time deductions as flat amounts regardless of the deduction code calculation type. Payroll takes the one-time deduction in addition to the regular deduction. Payroll automatically assigns the one-time deduction to an employee whether the same deduction code is assigned to the employee as a regular deduction.

You assign one-time deductions a status similar to time records. You can define one-time deductions with a Future status and select the deductions, along with time records, for change to Current status, or you can add one-time deductions directly into Current status for immediate processing. For more information, see "What are Time Record Statuses?" on page 299.

After standard deductions for all categories, except garnishments are processed, Payroll processes one-time deductions by priority number in the category in which the deductions fall. Payroll processes non-refund one-time garnishment deductions with the standard garnishment deductions.

Payroll categorizes and processes deductions in the following order:

- Tax deductions
- Exclude from disposable income deductions
- Garnishment deductions
- Other deductions

Example

When Two Rivers processed Janet Filman's check last pay period, the payroll clerk incorrectly entered the additional amount to be withheld from Janet's Minnesota State Income tax. Rather than \$5.00, an additional \$50.00 was withheld.

During the current pay period, the payroll clerk entered a one-time deduction of negative \$45.00 to pay Janet back for the mistake made in the last pay period.

Employee groups allow you to group a set of employees together. You can define employee groups:

- Based on common criteria
- By grouping employees manually by employee number
- A combination of both

You can use existing employee groups as selection criteria to create groups within groups.

You can use employee groups for performing online inquiries and running standard reports.

Within Payroll, you can use employee groups for creating automatic time records.

**If you use Personnel Administration, you can use employee groups for creating personnel actions. **If you use the Time and Attendance application, you can use employee groups to determine eligibility for Time and Attendance plans. **If you use Benefits, you can use employee groups to determine:

- Employee eligibility
- Coverage
- Contributions
- General Ledger overrides
- Benefit automation rules
- Retiree status

After you define and update employee groups, employees are added into and removed from employee groups as they are added and changed on employee records. You do not need to update the group when employees change or are added to the system.

When you change the criteria of a group or create a new group, you must recompile the employee groups.

Example: Benefit Eligibility

Two Rivers Company offers a special health plan to full-time salaried employees working in either Two Rivers Hospital. Therefore, an employee is defined for benefit eligibility using the following selection criteria:

| Process Level | Grove Hospital | River Bend Hospital |
|-----------------|----------------|---------------------|
| Employee Status | Full Time | Full Time |
| Salary Class | Salaried | Salaried |

Example: Employee Number Group

Grove Cafe needs an address listing for the softball team, so an employee group is created. Because the members of the softball team do not share specific selection criteria, the group is defined by manually adding employees to the group.

Example: Vacation Plan

Two Rivers Company offers a special vacation plan to full-time salaried employees reporting directly to the CEO. Therefore, an employee group is defined using the following selection criteria:

| Employee Status | Full-time |
|-----------------|-----------|
| Salary Class | Salaried |
| Supervisor | CEO |

Harold Sanchez (employee #124) is also eligible for this plan but is not a full-time employee. Because he does not meet the above selection criteria, but is eligible for the same vacation plan as the others in the group, the group was defined to also include employee #124.

Example: Time Record Creation

Two Rivers Company defined two employee groups for time record creation. One employee group named HOURLY is defined for active hourly employees using the following selection criteria:

| Status | Active |
|--------------|--------|
| Salary Class | Hourly |

A second employee group named SALARIED is defined for active salary employees is defined using the following selection criteria:

| Status | Active |
|--------------|----------|
| Salary Class | Salaried |

Example: Group of Groups

At the end of the fiscal year Two Rivers gives all the active employees a flat dollar bonus amount. Therefore, an employee group is defined using both groups in the above. For more information, see "Example: Time Record Creation" on page 288.

| Employee Group | HOURLY | SALARY |
|----------------|--------|--------|
|----------------|--------|--------|
Procedures in this Chapter

Depending on the changes you have made to the application since the last payroll cycle, you might need to complete one of the following procedures before you enter time records.

- "Maintaining One-Time Deductions" on page 289
- "Creating or Updating Employee Groups" on page 292
- "Updating Pay Rates for Multiple Employees" on page 293

Maintaining One-Time Deductions

A one-time deduction is a deduction not taken on a regular basis for an employee, or is an arrears deduction created by Payroll when the employee has insufficient net pay to take a deduction.

Before you enter time records you can add, delete, or verify one-time deductions to ensure the deductions are applied correctly during the payroll cycle.

| "Adding One-Time Deductions" on page 289 | Add a one-time deduction for an employee. |
|---|---|
| "Deleting One-Time Deductions" on page 291 | Delete an unprocessed one-time deduction. |
| "Verifying One-Time Deductions" on page 292 | Verify that the one-time deductions for an employee are accurate. |

Adding One-Time Deductions

If an employee needs a deduction to be applied only once, you can add a one-time deduction.

Q Need More Details? Check out the following concepts:

"What are One-Time Deductions?" on page 286

STEPS To add one-time deductions

- 1. Access One-Time DeductionOne-Time Deduction (PR39.1).
- 2. Select the employee for whom you want to add the deduction in the Employee field on the deduction line (not at the top of the form). Consider the following fields:

| Deduction | Select the deduction code for the one-time deduction. |
|-----------|--|
| | If the deduction does not exist for the employee on PR14.1 (Employee Deduction), Choose Attachment to open a form where you can type comments for this deduction. |

| Amount | Type the one-time deduction amount. To create a negative one-time deduction, type a negative sign following the amount. |
|-------------|--|
| Date | Type the date you want the deduction taken. The date you enter should correspond with a time record date. |
| | PR39 deductions are processed on the date entered in the Payment Date field of Earnings and Deductions Calculations (PR140). That means if the one-time deduction date is before or on the same day as the PR140 date, the deduction will be processed. |
| | If you leave the Date field blank, the system date defaults. Use PR38.1 (Time Card Selection) or PR137 (Batch Time Record Update) to select one-time deductions along with time records for payroll processing. |
| Status | Select Future or Current status when you enter one-time deductions. The system changes Future status one-time deductions to Current status along with time records, based on parameters you define in PR38.1 (Time Card Selection) or PR137 (Batch Time Record Update). |
| | PR140 (Earnings and Deductions Calculation) processes only Current status, one-time deductions. After you run PR140, the status changes to Processed for all one-time deductions that were processed. |
| Check Group | Type a check group. |
| | Defining a check group for the one-time deduction determines that the deduction is taken only from pay codes where the check group is an exact match, or from any pay code if the check group on the one-time deduction is blank. |
| | If the check group on the one-time deduction is any value other than blank and does not match the check group value on any pay code, the one-time deduction will not be taken. |
| | NOTE If the one-time deduction is an arrears deduction created by the system, the message "ARREARS" displays. |

| Priority | Type a value of 1-9, 1 being the highest, to determine the priority in which the system processes the deduction within categories in the following order: Withholding type deductions Exclude from disposable income deductions Garnishment deductions Other deductions |
|------------------------|---|
| | With the exception of garnishments, the Payroll system processes one-time deductions in priority number order in the category in which they fall after standard deductions for all categories are processed. |
| | With the exception of garnishments, if multiple deductions within a category have the same priority, the system processes them in alphanumeric order. |
| | The sub-priorities field on PR26.1 (Employee Garnishment) and PR2.2 (Garnishment Rules) determines the order in which multiple garnishments with the same priority are taken for an employee. You define garnishment deductions by selecting Yes in the Garnishment field of PR05.1 (Deduction). The priority you define for an employee deduction record overrides the priority defined for the deduction. |
| Payment Description | Type a payment description for the one- time deduction. This description prints on PR140 (Earnings and Deductions Calculation), only if a regular deduction with the same code is not taken. PR160 (Payment Print) prints the description from PR05.1 (Deduction) on the payment stub. |

Related Reports and Inquiries

| То | Use |
|--------------------------|--|
| List one-time deductions | One-Time Deduction ListingOne- Time Deduction Listing (PR239) |

Deleting One-Time Deductions

If an incorrect one-time deduction exists for an employee, you can delete the deduction.

_

Q Need More Details? Check out the following concepts:

• "What are One-Time Deductions?" on page 286

STEPS To delete one-time deductions

- 1. Access One-Time DeductionOne-Time Deduction (PR39.1).
- 2. Select the employee for whom you want to delete the deduction in the Employee field at the top of the form.
- 3. Choose the Inquire form action to display all of the employee's one-time deductions.
- 4. Select Delete in the Line Action field on the line of the deduction you want to delete.

Related Reports and Inquiries

| То | Use |
|--------------------------|--|
| List one-time deductions | One-Time Deduction ListingOne- Time Deduction Listing (PR239) |

Verifying One-Time Deductions

You can view all the one-time deductions for an employee to verify that the deductions are correct.

Need More Details? Check out the following concepts:

• "What are One-Time Deductions?" on page 286

STEPS To verify one-time deductions

- 1. Access One-Time DeductionOne-Time Deduction (PR39.1).
- 2. Select the employee for whom you want to verify deductions in the Employee field at the top of the form.
- 3. Choose the Inquire form action to display the employee's one-time deductions.
- 4. Perform any necessary maintenance to the one-time deductions.

Related Reports and Inquiries

| То | Use |
|--------------------------|--|
| List one-time deductions | One-Time Deduction ListingOne- Time Deduction Listing (PR239) |

Creating or Updating Employee Groups

You update an employee group after you define or change the group in the Human Resources application. Standard time records can use employee

groups, so if you change a group, you must update it to ensure the correct employees receive automatic time records.

Need More Details? Check out the following concepts:

"What are Employee Groups?" on page 287

STEPS To create or update employee groups

- 1. Access Employee Group Update (HR155).
- 2. Select the employee group you want to update in the Employee Group field.

– or –

Leave this field blank to update all employee groups.

3. Run the report.

Related Reports and Inquiries

| Т | 0 | Use |
|----|---------------------|--------------------------------|
| Li | ist employee groups | Employee Group Listing (HR255) |

Updating Pay Rates for Multiple Employees

3.

You can increase or decrease the pay of more than one employee at the same time, if the change is the same for all the employees you update.

STEPS To update pay rates for multiple employees

1. Access Mass Pay Update (PR120).

IMPORTANT Mass Pay Update (PR120) is used only by clients that do not use the Personnel Administration application. If you use the Personnel Administration application, you can use Mass Pay Action (PA52.2) to update pay rates for multiple employees.

2. Select the criteria of the employees whose pay rates you want to update. Consider the following field.

| Include or Exclude, Status | The statuses you want to incl the pay updates. | lude or exclude from |
|---|---|----------------------|
| Select how you want the following fields. | to change the pay rates for em | iployees. Consider |
| | | |

| Percent Increase | A percent increase you want to apply to the employees. |
|------------------|--|
| Percent Decrease | A percent decrease you want to apply to the employees. |

NOTE If you change an employee group that is a subgroup of another employee group, you must first update the subgroup and then update the group it is a part of.

| Round to | If you type a value in the Percent Increase or Percent Decrease field, this field indicates the number of decimal places you want the calculated rate to extend. |
|-----------------|---|
| Rounding Option | If you type a value in the Percent Increase or Percent Decrease field, select the rounding method you want to use in the calculation. |
| Amount Increase | If the mass pay change is a flat amount pay increase, type the appropriate amount. |
| Amount Decrease | If the mass pay change is a flat amount pay decrease, type the appropriate amount. |
| New Rate of Pay | If the mass pay change is a new rate of pay, type the appropriate rate of pay. |

4. Select to update the system with the pay rate changes in the Update field

– or –

Select only to create a report that you can use to audit proposed changes in the Update field.

Related Reports and Inquiries

| То | Use |
|---|--------------------------|
| List employee details, including employee pay rates | Employee Listing (HR211) |

Time Records: Entering

This chapter covers how to manually enter time records into the Lawson Payroll application.

STOP Before you create time records, you must perform any necessary pre-entry maintenance. For more information, see "Time Records: Pre-entry Maintenance" on page 285.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 304 The following concepts provide background and conceptual information for the procedures within this chapter.

- "Which Time Record Entry Method Should I Use?" on page 296
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- "What is a Process Group?" on page 302
- "What is a Check Group?" on page 303

Which Time Record Entry Method Should I Use?

The following table lists the procedures in this chapter for manual time entry, and the general and specific use of each method.

| Method | General Use | Specific Use |
|--|---|---|
| "Entering Time Records for One Employee by Batch" on page 306 | Enter more than one time record for one employee at a time and use minimum detail on your time records. | One employee, general use |
| "Entering Time Records for One Employee by Work Period" on page 304 | Enter a specific number of hours for each date an employee worked within a work period. | Employees with FLSA (Fair Labor Standards Act) overtime pay plans |
| "Entering Detailed Time Records for One | Enter more than one detailed time record | Overrides to Employee Record |
| page 309 | for one employee at a time. | Strategic Ledger |
| "Entering Activity Time | **Enter time records | Activity Codes |
| Records" on page 312 | and assign activity | Strategic Ledger |
| | Accounting application. | Overrides to Employee Record |
| "Entering and Maintaining Current or Future Time Records" | Enter time records after you move the records out of batch status. | Add last minute time records before processing payroll. |
| on page 316 | - or - | Correct time record |
| | Maintain time records in current, future or error status. | errors. |

| Method | General Use | Specific Use |
|---|---|--|
| "Speed Entering Time Records for Multiple | Enter time records for employees in a | Customized time entry form. |
| Employees" on page 319 | specific process level, department, employee group, or user level using specific pay codes. | Faster entry of records because pay codes and employees are already selected. |
| | | Ensure all pay clerks are using correct pay codes with the appropriate employees. |
| "Entering Time Records for Multiple Employees" on page 323 | Enter time records for multiple employees using the same time record date. | Multiple employees, general use |
| "Entering Step and Grade or Grade Range Schedule Time | Enter time records for multiple employees who are assigned to | Step and Grade Schedules * ^{**} Grade Range |
| Records on page 324 | grade range schedule. | Schedules |
| "Entering Attendance Time Records" on page 328 | Enter time records for multiple employees and assign attendance codes to the time records. | Attendance Codes |
| "Entering Position Time Records" on page 329 | **Enter time records for multiple employees and assign position codes from the Personnel Administration application to the time records. | **Position Codes |

The following chart shows a decision process to determine which time record entry method to use.

Figure 21. Time Record Entry: Deciding which method to use



What is a Time Record?

Time record is a Lawson term for the record containing the type of pay, hours, and rate an employee is to be paid. Usually a one-to-one relationship exists between a Lawson Software time record and each line written on an employee's time card.

If you use the Lawson FLSA overtime calculations, you must enter a minimum of one time record per work period for non-exempt employees so the proper overtime hours can be calculated.

Gross wages are calculated for an employee as you add time records based on the employee's salary class, the rate of pay, and the calculation type defined for the pay type entered.

Example

Janet Filman filled out the following time cards for the pay period ending January 12th:

| | | N | ame | | | | · | Janet Fi | lman | | |
|---------------|-----|-----|----------|--------|------|-----|-----|----------|------|------|-------|
| | | Jo | b | | | | I | Hostess | | | |
| | | Pa | ay Perio | od End | Date | | , | January | 12 | | |
| Date | 1/1 | 1/2 | 1/3 | 1/4 | 1/5 | 1/8 | 1/9 | 1/10 | 1/11 | 1/12 | Total |
| Regular Hours | 8 | 8 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 20 |
| Sick Hours | | | | | | | | | 8 | 8 | 16 |
| | | N | ame | | | | | Janet Fi | lman | | |
| | | Jo | b | | | | ١ | Waitress | ; | | |
| | | Pa | ay Perio | od End | Date | | , | January | 12 | | |
| Date | 1/1 | 1/2 | 1/3 | 1/4 | 1/5 | 1/8 | 1/9 | 1/10 | 1/11 | 1/12 | Total |
| Regular Hours | 0 | 0 | 8 | 0 | 4 | 8 | 8 | 8 | 0 | 0 | 36 |
| Sick Hours | | | 2 | | | 1 | | 1 | | | 4 |

The payroll clerk creates the following time records in Payroll for Janet.

| | Pay | | | |
|-------|------------|----------|--------|------|
| Hours | Code | Job Code | Rate | Date |
| 28.00 | REG | HOSTESS | 6.2500 | 105 |
| 16.00 | SIK | HOSTESS | 6.2500 | 112 |
| 12.00 | REG | WAITRESS | 5.0000 | 105 |
| 24.00 | REG | WAITRESS | 5.0000 | 112 |
| 2.00 | рут | WAITRESS | 5.0000 | 105 |
| 2.00 | DVT | WAITRESS | 5.0000 | 112 |

Figure 22. Time Record example

What are Time Record Statuses?

The time record status identifies where the time record is in the payroll processing cycle. A time record can be in Batch, Future, Current, Processed, or Error status.

Time records are typically entered into the application in Batch status, and are grouped together using a batch number for easy editing and balancing purposes.

Time records are released by batch number to Future status. Future status time records are selected to Current status by time record date and process

level, department, and pay frequency, or any combination. Current status time records are time records that are ready for processing through a payroll cycle.

If no problems exist when you process earnings and deductions, the time records are updated to a Processed status. If problems occur, the time records are updated to an Error status.

The following sections define each time-record status code in detail:

- "Batch" on page 300
- "Future" on page 300
- "Current " on page 300
- "Processed" on page 300
- "Error" on page 301

Batch

Batch status time records share a common batch number for editing and balancing. You can make changes to batch status time records at any time.

The following processes create time records in batch status.

- "Entering Time Records for One Employee by Work Period" on page 304
- "Speed Entering Time Records for Multiple Employees" on page 319
- "Entering Time Records for One Employee by Batch" on page 306
- "Creating Automatic Time Records" on page 332

You can define company parameters to require batch control totals before releasing a batch for processing.

Future

Future status time records are time records released from batch status but are not yet ready to process in a payroll cycle. Future status serves as a holding status and provides a stopping point for further editing, if necessary.

Future time records are no longer associated with the batch number, so the time record date becomes the key for selecting future status time records for release to current status.

After you release time records to future status, you cannot change them back to Batch status. Future status provides further editing and sorting by process level, department, or user level.

Current

Current-status time records are ready for processing in a payroll cycle. Payroll uses only current status time records when you create earnings and deductions during the payroll cycle.

Processed

A Processed status indicates that a time record has been processed during the payroll cycle. You can make changes to processed time records, but you must then reprocess earnings and deductions. Payroll deletes Processed status time records when you close the payroll cycle.

Error

Payroll automatically places time records in Error status when an error occurs in processing a time record or when you make a change to a processed time record. You can manually place time records in Error status and then correct the time records.

You must re-run payroll cycle programs when error-status time records exist.

What is the Time Record Date?

The date assigned to each time record serves several important functions. The time record date determines the following:

- Work period and pay period for the time record hours and wages
- Appropriate rate of pay
- Time and Attendance edits
- Selection for processing in the payroll cycle
- Posting of general ledger entries to multiple general ledger periods based on the time record date

Example

The payroll clerk created the following time records in the Payroll application for Janet Filman:

| | Pag | | | |
|-------|-------|----------|--------|------|
| Hours | Code | Job Code | Rate | Date |
| 28.00 | REG | HOSTESS | 6.2500 | 105 |
| 16.00 | SIK | HOSTESS | 6.2500 | 112 |
| 12.00 | REG | WAITRESS | 5.0000 | 105 |
| 24.00 | REG | WAITRESS | 5.0000 | 112 |
| 2.00 | DVT - | WAITRESS | 5.0000 | 105 |
| 2.00 | DVT . | WAITRESS | 5.0000 | 112 |

Figure 23. Example: Time Record Date

Based on the time record dates associated with these time records, Janet had 40 hours of Regular and 2 hours of Overtime for the work period ending January 5th. She had 24 hours of Regular, 16 hours of Sick, and 2 hours of Overtime for the work period ending January 12th.

In total, Janet had 64 hours of Regular, 16 hours of Sick and 4 hours of Overtime for the pay period.

A process group lets time records or groups of time records be taxed separately even though the records are combined on a single payment with time records in a different process group.

Time records with the same process group value are all taxed the same.

Alpha entries use the normal deduction cycle assigned to the payroll cycle. Numeric entries override the payroll deduction cycle. For more information, see "What are Deduction Cycles?" on page 98.

Example

Two Rivers wants to pre-pay one week of vacation pay to Sarah Smith along with her earnings for this pay period. Sarah is paid weekly, so her earnings for this pay period are 40 hours of regular pay, and 40 hours of vacation. The payroll clerk at Two Rivers enters Sarah's hours as follows:

| Pay | | | SCPPO |
|----------------------|-------|---------|-------|
| Houris Code Job Code | Date | Rate | HGGDC |
| 40.00 REG ACCTCLRK | 11296 | 7 .5088 | FEFF |
| 48.88 VAC ACCTOLRK | 11996 | 7.5888 | FEREE |

Sarah receives one payment, but Payroll sends each time record separately to BSI for taxation.

The check group field lets you create multiple payments for an employee in a single payroll cycle. Time records with the same check group are grouped together onto a single payment.

Alphabetic entries use the normal deduction cycle assigned to the payroll run. Numeric entries override the payroll deduction cycle. For more information, see "What are Deduction Cycles?" on page 98.

Example

Two Rivers wants to pay out a bonus to Sarah Smith along with her regular earnings for the pay period. Two Rivers wants to process her bonus along with the regular payroll cycle, but they want the bonus amount to be a separate payment with deductions taken based on a special deduction cycle created for bonuses. The payroll clerk at Two Rivers enters Sarah's time records as follows.

Figure 24. Example: Check Group Time Records

| | | Pag | | | | SCPPO |
|---|-------|------|----------|-------|-----------|-------|
| 2 | Hours | Code | Job Code | Date | Rate | HGGDC |
| Γ | | BNS | ACCTCLRK | 11296 | 100 .0000 | ПРГИГ |
| Ε | 40.00 | REG | ACCTCLRK | 11296 | 7 .5000 | |

Procedures in this Chapter

The following procedures explain how to create time records.

- "Entering Time Records for One Employee by Work Period" on page 304
- "Entering Time Records for One Employee by Batch" on page 306
- "Entering Detailed Time Records for One Employee by Batch" on page 309
- "Entering Activity Time Records" on page 312
- "Entering and Maintaining Current or Future Time Records" on page 316
- "Speed Entering Time Records for Multiple Employees" on page 319
- "Entering Time Records for Multiple Employees" on page 323
- "Entering Step and Grade or Grade Range Schedule Time Records"
 on page 324
- "Entering Attendance Time Records" on page 328
- "Entering Position Time Records" on page 329
- "Creating Automatic Time Records" on page 332
- "Deleting Batches" on page 337

Entering Time Records for One Employee by Work Period

This procedure covers how to enter a specific number of hours for each date an employee worked within a work period. You can use this procedure for any employee, but it is designed to track daily overtime hours, which are used in FLSA overtime calculation.

When you use this procedure, Payroll calculates overtime based on how you set up the work period on the pay plan assigned to the employee.

STOP Before you enter time records for one employee by work period, you must define pay codes, define pay plans, and assign employees to the pay plans. For more information, see "Setting Up Pay Structure" on page 29.

Need More Details? Check out the following concepts:

- "Which Time Record Entry Method Should I Use?" on page 296
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is a Process Group?" on page 302
- "What is a Check Group?" on page 303

STEPS To enter time records for one employee by work period

- 1. Access Employee Daily Time Entry (PR32.1).
- 2. Type the batch number you want to assign to the time records in the Batch field.
- 3. Select the employee you want to enter time records for in the Employee field.
- 4. Type the end date of the work period you want to enter time records for in the Work Period End Date field.
- 5. Choose the Inquire form action to display the time record fields.
- 6. Enter time records. Consider the following fields:

| Pay Code | The pay code that applies to all hours entered on the same line. |
|-----------------------|--|
| (Date fields) | Hours worked under the selected pay code for the specific date. |
| Job Code | The job code with which the pay is associated. If left blank, the job code defaults from the employee record. |
| SH (Shift) | The shift the pay is associated with, or you can leave the field blank and let the shift default from the employee record. |
| CG (Check Group) | The check group that hours on this line belong to. Time records with a common entry in this field are grouped on one payment record for the employee. If multiple payments are desired, type a different value. |
| PG (Process Group) | The process group that hours on this line belong to. Time records with a common value in this field are grouped for tax calculation purposes. Process groups let you tax pay codes separately, but combine earnings in a single payment. |
| TF (Tax Frequency) | The option that indicates how you want to override normal taxation. |

| PD (Payroll Distribution) | If a percent distribution record exists on Payroll Distribution - Employees (PR23.1) for the pay code entered on the time record, Yes displays. To override a defined percent distribution, change |
|------------------------------|---|
| | the Yes to No. |

 If the work period is more than one week, select one of the special actions, SecondWeek, ThirdWeek, or FourthWeek, to enter time records for that week.

Options for Entering Time Records for One Employee by Work Period

The following options are available for entering time records for one employee by work period:

| If you want to | Select |
|--|-----------------------------|
| view total hours and amounts entered for the employee | the Totals special action. |
| write comments to store on the time record | the TRD Comments button. |
| write comments that print on the employee's payment | the PMT Comments button. |
| release the time records from batch to future status | the Release special action. |

Related Reports and Inquiries

| То | Use |
|--|-----------------------------|
| View the start and end dates of pay periods and work periods | Pay Period Inquiry (PR21.2) |

Entering Time Records for One Employee by Batch

This procedure covers how to enter time records in batch status for an employee.

STOP Before you enter time records for one employee by batch, you must define pay codes and employee pay. For more information, see "Setting Up Pay Structure" on page 29.

Need More Details? Check out the following concepts:

- "Which Time Record Entry Method Should I Use?" on page 296
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- "What is a Process Group?" on page 302
- "What is a Check Group?" on page 303

STEPS To enter time records for one employee by batch

- 1. Access Time Entry (PR35.1).
- 2. Type the batch number you want to assign to the time records in the Batch field.
- 3. Select the employee you want to enter time records for in the Employee field.
- 4. Type the year these time records occur in.
- 5. Enter time records. Consider the following fields.

| Hours | Hours worked for this time record. |
|--------------|--|
| Pay Code | The pay code that applies to this time record. |
| Job Code | The job code with which the pay is associated. If left blank, the job code defaults from the employee record. |
| | If you use formal positions in the Personnel Administration application and position rules are defined to default the job code, then the job code defaults from the position followed by the employee. |
| Rate | Type the rate of pay for this time record. |
| | – or – |
| | Leave the field blank, and the rate of pay defaults. |
| | For more information, see "Rate of Pay Defaults" on page 667. |
| MMDD (Month, | Type the month and date of the time record. |
| Date) | The system uses this field with the Year field to determine the pay period and work period, and to select time records for processing. |

| SH (Shift) | The shift the pay is associated with, or you can leave the field blank and let the shift default from the employee record. |
|--|---|
| | If you use position rules in the Personnel Administration application, see the <i>Payroll</i> <i>User Guide</i> for position and pay rate defaulting information. |
| CG (Check Group) | The check group that hours on this line belong to. Time records with a common entry in this field are grouped on one payment record for the employee. If multiple payments are desired, type a different value. |
| | |
| PG (Process Group) | The process group that hours on this line belong to. Time records with a common value in this field are grouped for tax calculation purposes. Process groups let you tax pay codes separately, but combine earnings in a single payment. |
| PG (Process Group) TF (Tax Frequency) | The process group that hours on this line belong to. Time records with a common value in this field are grouped for tax calculation purposes. Process groups let you tax pay codes separately, but combine earnings in a single payment. The option that indicates how you want to override normal taxation. |
| PG (Process Group) TF (Tax Frequency) PD (Payroll Distribution) | The process group that hours on this line belong to. Time records with a common value in this field are grouped for tax calculation purposes. Process groups let you tax pay codes separately, but combine earnings in a single payment. The option that indicates how you want to override normal taxation. If a percent distribution record exists on Payroll Distribution - Employees (PR23.1) for the pay code entered on the time record, Yes displays. |

Options for Entering Time Records for One Employee by batch

The following options are available for entering time records for one employee by batch:

| If you want to | Select |
|--|-----------------------------|
| view total hours and amounts entered for the employee | the Totals special action. |
| write comments to store on the time record | the TRD Comments button. |
| write comments that print on the employee's payment | the PMT Comments button. |
| release the time records from batch | the Release special action. |

to future status

Entering Detailed Time Records for One Employee by Batch

This procedure covers how to enter time records with detailed information that overrides the employee record. Also, you can enter user analysis for use by Strategic Ledger.

STOP Before you enter detailed time records for one employee by batch, you must define pay codes and employee pay. For more information, see "Setting Up Pay Structure" on page 29.

Need More Details? Check out the following concepts:

- "Which Time Record Entry Method Should I Use?" on page 296
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- "What is a Process Group?" on page 302
- "What is a Check Group?" on page 303
- "What are Attendance Codes?" on page 70

STEPS To enter detailed time records for one employee by batch

- 1. Access Detail Time Entry (PR35.2).
- 2. Type the batch number you want to assign to the time records in the Batch field.
- 3. Select the employee you want to enter time records for in the Employee field.
- 4. Enter time records. Consider the following fields.

| Hours | Hours worked for this time record. |
|----------|--|
| Pay Code | The pay code that applies to this time record. |
| Job Code | The job code with which the pay is associated. If left blank, the job code defaults from the employee record. |
| | If you use formal positions in the Personnel Administration application and position rules are defined to default the job code, then the job code defaults from the position followed by the employee. |
| Date | Type the date of the time record. |
| | Payroll uses this field to determine the pay period and work period and to select time records for processing. |

| Rate | Type the rate of pay for this time record. |
|---|--|
| | – or – |
| | Leave the field blank and the rate of pay defaults. |
| | For more information, see "Rate of Pay Defaults" on page 667. |
| SH (Shift) | The shift the pay is associated with, or leave blank and let the shift default from the employee record. |
| | If you use formal positions in the Personnel Administration application and position rules are defined to default the shift, then the shift defaults from the position followed by the employee. |
| CG (Check Group) | The check group that hours on this line belong to. Time records with a common entry in this field are grouped on one payment record for the employee. If multiple payments are desired, type a different value. |
| PG (Process Group) | The process group that hours on this line belong to. Time records with a common value in this field are grouped for tax calculation purposes. Process groups let you tax pay codes separately, but combine earnings in a single payment. |
| TF (Tax Frequency) | The option that indicates how you want to override normal taxation. |
| PD (Payroll Distribution) | If a percent distribution record exists on Payroll Distribution - Employees (PR23.1) for the pay code entered on the time record, Yes displays. To override a defined percent distribution, change the Yes to No. |
| If you use Time and Attendance, you can define attendance information for the time record. Consider the following fields. | |
| OC (Occurrence) | Determines if the time record entry is a new occurrence or a continuation of an existing occurrence if associated with an attendance |

code.

5.

| Attend Code (Attendance Code) | Attendance code used to track attendance history in Time and Attendance. |
|--|--|
| | NOTE If the attendance code is associated with a pay code, you can leave the Pay Code field blank and let the pay code associated with the attendance code default. If the attendance code is not associated with a pay code, you must enter a pay code in the Pay Code field. |
| Select the Work tab to fields. | o override work information. Consider the following |
| Business Nbr Code (Business Number Code) | The business number code you want to use for this time record. The business number code is a code representing a business number for a Canada employer. |
| | NOTE The business number code you type in this field overrides the one you type in the Business Number Code field on the Canada tab of Company (HR00.1) or Process Level (HR01.1). |
| Quebec Ent Nbr Grp (Quebec Enterprise Number Group) | The Quebec enterprise number group you want to use for this time record. The Quebec enterprise number group is a code that represents an enterprise number for a Quebec employer. |
| | NOTE The Quebec enterprise number group you type in this field overrides the one you type in the Quebec Enterprise Number Group field on the Canada tab on Company (HR00.1) or Process Level (HR01.1). |

6.

| Location | A location to override the location defined on Employee (HR11.1). |
|----------|---|
| | |

NOTE If this time record applies to U.S. employees and you make a selection in this field, TaxLocator uses this location to create tax deductions for these time records.

- 7. Select the Expenses tab to override the General Ledger or Activity expense account.
- 8. Select the Additional Information tab to override pay and position information. Consider the following field.

Nbr Pay PeriodsThe number of times a bonus is paid during the
year. The system uses this value to annualize
the payment. The value is used with bonus type
pay codes and is referred to as the Aggregation
with Pay Periods method.

9. Select the User Analysis tab to define user analysis values used in Strategic Ledger.

Options for Entering Detail Time Records for One Employee by batch

The following options are available for entering detail time records for one employee by batch:

| If you want to | Select |
|--|-----------------------------|
| view total hours and amounts entered for the employee | the Totals special action. |
| write comments to store on the time record | the TRD Comments button. |
| write comments that print on the employee's payment | the PMT Comments button. |
| release the time records from batch to future status | the Release special action. |

Entering Activity Time Records

This procedure covers how to enter time records with activity information assigned to them. The activity information is used by Project Accounting.

STOP Before you enter activity time records, you must define pay codes, employee pay, and activities. For more information, see "Setting Up Pay Structure" on page 29.

Need More Details? Check out the following concepts:

- "Which Time Record Entry Method Should I Use?" on page 296
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- "What is a Process Group?" on page 302
- "What is a Check Group?" on page 303

STEPS To enter activity time records

- 1. Access Activity Time Entry (PR35.6).
- 2. Type the batch number you want to assign to the time records in the Batch field.
- 3. Select the employee you want to enter time records for in the Employee field.
- 4. Enter time records. Consider the following fields.

| Hours | Hours worked for this time record. |
|--------------------------------|---|
| Activity Code | The activity to which you want to post the time record amount. |
| | NOTE If you leave this field blank, the system posts the time record amount to the activity from the pay code, job code, then from the employee record. |
| Acct Cat (Account Category) | The account category to which you want to post the time record amount. If you leave this field blank, the system posts the time record amount to the account category from the pay code, job code, then from the employee record. |
| At Cd (Attendance Code) | **The attendance code used to track attendance history in the Time and Attendance application. |
| Date | Type the date of the time record. |
| | The system uses this field to determine the pay period and work period and to select time records for processing. |
| Pay Code | The pay code that applies to this time record. |

| Job Code | The job code with which the pay is associated. If left blank, the job code defaults from the employee record. |
|------------------------------|--|
| | If you use formal positions in the Personnel Administration application and position rules are defined to default the job code, then the job code defaults from the position and then the employee. |
| Rate | Type the rate of pay for this time record. |
| | – or – |
| | Leave the field blank and the rate of pay defaults in. |
| | For more information, see "Rate of Pay Defaults" on page 667 |
| SH (Shift) | The shift the pay is associated with, or you can leave the field blank and let the shift default from the employee record. |
| | If you use formal positions in the Personnel Administration application and position rules are defined to default the shift, then the shift defaults from the position and then the employee. |
| CG (Check Group) | The check group that hours on this line belong to. Time records with a common entry in this field are grouped on one payment record for the employee. If multiple payments are desired, type a different value. |
| PG (Process Group) | The process group that hours on this line belong to. Time records with a common value in this field are grouped for tax calculation purposes. Process groups let you tax pay codes separately, but combine earnings in a single payment. |
| TF (Tax Frequency) | The option that indicates how you want to override normal taxation. |
| PD (Payroll Distribution) | If a percent distribution record exists on Payroll Distribution - Employees (PR23.1) for the pay code entered on the time record, Yes displays. To override a defined percent distribution, change the Yes to No. |

| | OC (Occurrence) | Determines if the time record entry is a new occurrence or a continuation of an existing occurrence if it is associated with an attendance code. |
|----|--|---|
| 5. | Select the Work tab to fields. | o override work information. Consider the following |
| | Business Nbr Grp (Business Number Group) | The business number group you want to use for this time record. The business number group is a code that represents a business number for a Canada employer. |
| | | NOTE The Business Number Group you type in this field overrides the one you type in the Business Number Group field on the Canada tab of Company (HR00.1) or Process Level (HR01.1). |
| | Quebec Ent Nbr Grp (Quebec Enterprise Number Group) | The Quebec enterprise number group you want to use for this time record. The Quebec enterprise number group is a code that represents an enterprise number for a Quebec employer. |
| | | NOTE The Quebec enterprise number group you type in this field overrides the one you type in the Quebec Enterprise Number Group field on the Canada tab on Company (HR00.1) or Process Level (HR01.1). |
| | Location | A location to override the location defined on Employee (HR11.1). |
| | | NOTE If this time record applies to U.S.employees and you make a selection in this field, TaxLocator uses this location to create tax deductions for these time records. |
| | | |

- 6. Select the Expenses tab to override the General Ledger or Activity expense account.
- 7. Select the User Analysis tab to define user analysis values used in Strategic Ledger.

Options for Entering Activity Time Records

The following options are available for entering activity time records:

If you want to

Select

view total hours and amounts entered for the employee

the Totals special action.

Entering and Maintaining Current or Future Time Records

This procedure covers how to enter time records in future or current status or maintain time records after being released from batch status to future or current status.

STOP Before you enter or maintain current or future time records, you must define pay codes and employee pay. For more information, see "Setting Up Pay Structure" on page 29.

Q Need More Details? Check out the following concepts:

- "Which Time Record Entry Method Should I Use?" on page 296
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- "What is a Process Group?" on page 302
- "What is a Check Group?" on page 303
- "What are Attendance Codes?" on page 70

STEPS To enter and maintain current or future time records

- 1. Access Time Record Entry (PR36.1).
- 2. Select the employee you want to enter time records for in the Employee field.
- 3. Select the status you want to apply to the time records in the Status field.
- 4. Enter time records. Consider the following fields.

| Hours | Hours worked for this time record. |
|----------|--|
| Pay Code | The pay code that applies to this time record. |
| Job Code | The job code with which the pay is associated. If left blank, the job code defaults from the employee record. |
| | If you use formal positions in the Personnel Administration application and position rules are defined to default the job code, then the job code defaults from the position and then the employee. |

| Date | Type the date of the time record. |
|---|--|
| | The system uses this field to determine the pay period and work period and to select time records for processing. |
| Rate | Type the rate of pay for this time record. |
| | – or – |
| | Leave the field blank and the rate of pay defaults in. |
| | For more information, see "Rate of Pay Defaults" on page 667. |
| SH (Shift) | The shift the pay is associated with, or you can leave the field blank and let the shift default from the employee record. |
| | * [*] If you use formal positions in the Personnel Administration application and position rules are defined to default the shift, then the shift defaults from the position and then the employee. |
| CG (Check Group) | The check group that hours on this line belong to. Time records with a common entry in this field are grouped on one payment record for the employee. If multiple payments are desired, type a different value. |
| PG (Process Group) | The process group that hours on this line belong to. Time records with a common value in this field are grouped for tax calculation purposes. Process groups let you tax pay codes separately, but combine earnings in a single payment. |
| TF (Tax Frequency) | The option that indicates how you want to override normal taxation. |
| PD (Payroll Distribution) | If a percent distribution record exists on Payroll Distribution (PR23.1) for the pay code entered on the time record, Yes displays. To override a defined percent distribution, change the Yes to No. |
| If you use Time and A for the time record. C | ttendance, you can define attendance information onsider the following fields. |
| OC (Occurrence) | Determines if the time record entry is a new |

| OC (Occurrence) | Determines if the time record entry is a new occurrence or a continuation of an existing |
|-----------------|--|
| | occurrence if it is associated with an attendance code. |

| Attend Code (Attendance Code) | Attendance code used to track attendance history in Time and Attendance. | |
|--|---|--|
| | TIP If the attendance code is associated with a pay code, you can leave the Pay Code field blank and let the pay code associated with the attendance code default. If the attendance code is not associated with a pay code, you must enter a pay code in the Pay Code field. | |
| Select the Work tab to fields. | override work information. Consider the following | |
| Business Nbr Grp (Business Number Group) | The business number group you want to use for this time record. The business number group is a code that represents a business number for a Canada employer. | |
| | NOTE The Business Number Group you type in this field overrides the one you type in the Business Number Group field on the Canada tab of Company (HR00.1) or Process Level (HR01.1). | |
| Quebec Ent Nbr Grp (Quebec Enterprise Number Group) | The Quebec enterprise number group you want to use for this time record. The Quebec enterprise number group is a code that represents an enterprise number for a Quebec employer. | |
| | NOTE The Quebec enterprise number group you type in this field overrides the number typed in the Quebec Enterprise Number Group field on the Canada tab on Company (HR00.1) or Process Level (HR01.1). | |

6.

| Location | A location to override the location defined on Employee (HR11.1). |
|----------|---|
| | NOTE If this time record applies to |

NOTE If this time record applies to U.S.employees and you make a selection in this field, TaxLocator uses this location to create tax deductions for these time records.

- 7. Select the Expenses tab to override the General Ledger or Activity expense account.
- 8. Select the Additional Information tab to override pay and position information. Consider the following field.

Nbr Pay Periods
(Number of Pay
Periods)The number of times a bonus is paid during the
year. The system uses this value to annualize
the payment. This is used with bonus type pay
codes and is referred to as the Aggregation with
Pay Periods method.

9. Select the User Analysis tab to define user analysis values used in Strategic Ledger.

Options for Entering and Maintaining Current or Future Time Records

The following options are available for entering and maintaining current or future time records:

| If you want to | Select |
|--|-----------------------------|
| view total hours and amounts entered for the employee | the Totals special action. |
| write comments to store on the time record | the TRD Comments button. |
| write comments that print on the employee's payment | the PMT Comments button. |
| release the time records from batch | the Release special action. |

to future status

Speed Entering Time Records for Multiple Employees

Speed time entry forms let you enter time records for employees in a specific process level, department, employee group, or user level using specific pay codes.

Speed time entry lets you customize the time entry form with specific pay codes and employees for faster record entry. You can also use speed time entry to ensure all pay clerks use the correct pay codes with the appropriate employees.

To use speed time entry you must set up the speed time entry forms for each batch and then enter time records.

| "Setting Up Speed Time Entry" on page 320 | Set up which pay codes and employees you want to perform speed entry for. You need to set up forms for each batch you want to perform speed entry for. |
|---|--|
| "Speed Entering Time Records by Employee Name" on page 321 | Speed enter time records for employees listed by employee last name. |
| "Speed Entering Time Records by Employee Number" on page 322 | Speed enter time records for employees listed by employee number. |

Setting Up Speed Time Entry

Before you can use the speed time entry forms, you must select the pay codes and employees for each batch you want to speed enter.

You can choose to save the settings for each batch, which means you do not need to perform this setup every pay cycle.

STOP Before you set up speed time entry, you must set up pay codes and attendance codes. For more information, see "Setting Up Pay Structure" on page 29.

Need More Details? Check out the following concepts:

- "Which Time Record Entry Method Should I Use?" on page 296
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301

STEPS To set up speed time entry

- 1. Access Speed Entry Setup (PR33.1).
- 2. Type the number of the batch you want to select criteria for in the Batch field.
- 3. Type the date you want to assign to all the time records for this batch in the Time Record Date field.
- 4. Select the pay codes you want to use for speed entry. Consider the following fields.

Hours Select up to four pay codes for hours entry. The selected pay codes appear as headers for time record information fields in Speed Entry - Number (PR33.2) and Speed Entry - Name (PR33.3).

| Amount | Select one pay code for amount entry. The selected pay codes appear as headers for time |
|--------|---|
| | record information fields in Speed Entry - Number (PR33.2) and Speed Entry - Name (PR33.3). |

NOTE A pay code tied to an attendance code defaults in the Pay Code field.

- 5. Select up to four attendance codes to track attendance detail for reporting in theTime and Attendance application in the Attendance Codes, Hours fields.
- 6. Select the employees you want to use for speed entry. Consider the following fields.

| Process Level | If you select a process level, only employees associated with the selected process level display on the speed entry screens. |
|----------------|---|
| Department | Select a department. |
| | If you select a department, only employees associated with the selected department display on the speed entry screens. |
| Employee Group | Select an employee group. |
| | If you select an employee group, only employees associated with the selected employee group display on the speed entry screens. |
| User Level | Select a user level. |
| | If you select a user level, only employees associated with the selected user level display on the speed entry screens. |

7. Select whether or not you want to delete the set up for this batch when you release the batch in the Delete Batch Number field

Speed Entering Time Records by Employee Name

You can speed enter time records by employee last name.

STOP You must set up speed time entry before you speed enter time records by employee name. For more information, see "Setting Up Speed Time Entry" on page 320.

TIP If you select yes in the Delete Batch Number field, you must set this form up again during the next payroll cycle. **Q Need More Details?** Check out the following concepts:

- "Which Time Record Entry Method Should I Use?" on page 296
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299

STEPS To speed enter time records by employee name

- 1. Access Speed Entry by Name (PR33.3).
- 2. Select the batch you want to enter time records for in the Batch field.
- 3. Choose the Inquire form action to display pay codes and employee names.
- 4. Type the hours worked under the appropriate paycode for each employee who needs time records created.
- 5. If an employee has an amount time record, type the amount in the Amount pay code field.

Speed Entering Time Records by Employee Number

You can speed enter time records by employee number.

STOP You must set up speed time entry before you speed enter time records by employee number. For more information, see "Setting Up Speed Time Entry" on page 320.

Need More Details? Check out the following concepts:

- "Which Time Record Entry Method Should I Use?" on page 296
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299

STEPS To speed enter time records by employee name

- 1. Access Speed Entry by Number (PR33.2).
- 2. Select the batch for which you want to enter time records in the Batch field.
- 3. Choose the Inquire form action to display pay codes and employee numbers.
- 4. Type the hours worked under the appropriate paycode for each employee who needs time records created.
- 5. If an employee has an amount time record, type the amount in the Amount pay code field.

Options for Speed Entering Time Records by Employee Number

The following options are available for speed entering time records by employee number.

If you want to

Select

view total hours and amounts entered for the employees

the Totals special action.

Entering Time Records for Multiple Employees

This procedure covers how to enter time records for more than one employee using the same form. These time records do not contain a great amount of detail.

STOP Before you enter time records for multiple employees, you must define pay codes and employee pay. For more information, see "Setting Up Pay Structure" on page 29.

Need More Details? Check out the following concepts:

- "Which Time Record Entry Method Should I Use?" on page 296
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- "What is a Process Group?" on page 302
- "What is a Check Group?" on page 303

STEPS To enter time records for multiple employees

- 1. Access Speed Time Entry (PR35.3).
- 2. Type the batch number you want to assign to the time records in the Batch field.
- 3. Type the time record date for these time records in the Time Record Date field.
- 4. Select grouping options. Consider the following fields.

| CG (Check Group) | The check group that hours on this line belong to. Time records with a common entry in this field are grouped on one payment record for the employee. If multiple payments are desired, type a different value. |
|-----------------------|--|
| PG (Process Group) | The process group that hours on this line belong to. Time records with a common value in this field are grouped for tax calculation purposes. Process groups let you tax pay codes separately, but combine earnings in a single payment. |

| TF (Tax Frequency) | The option that indicates how you want to override normal taxation. |
|-----------------------|--|
| Enter time records. C | Consider the following fields. |
| Employee | The employee this time record applies to. |
| Hours | Hours worked for this time record. |
| Rate | Type the rate of pay for this time record. |
| | – or – |
| | Leave the field blank and the rate of pay defaults. |
| | For more information, see "Rate of Pay Defaults" on page 667. |
| Pay Code | The pay code that applies to this time record. |
| Job Code | The job code with which the pay is associated. If left blank, the job code defaults from the employee record. |
| | If you use formal positions in the Personnel Administration application and position rules are defined to default the job code, then the job code defaults from the position and then the employee. |
| SH (Shift) | The shift the pay is associated with. You can leave the field blank and let the shift default from the employee record. |
| | If you use formal positions in the Personnel Administration application and position rules are defined to default the shift, then the shift defaults from the position and then from the employee. |

Options for Entering Time Records for Multiple Employees

The following options are available for entering time records for multiple employees.

| If you want to | Select | |
|--|----------------------------|--|
| view total hours and amounts entered for the employees | the Totals special action. | |

Entering Step and Grade or Grade Range Schedule Time Records

This procedure covers how to enter time records for employees assigned to a step and grade or grade range schedule.

5.
^{}You set up grade range schedules in the Personnel Administration application.

STOP Before you enter step and grade or grade range schedule time records, you must define pay codes and step and grade or grade range schedules. For more information, see the *Personnel Administration User Guide*. For more information, see "Setting Up Pay Structure" on page 29.

Q Need More Details? Check out the following concepts:

- "Which Time Record Entry Method Should I Use?" on page 296
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- "What is a Process Group?" on page 302
- "What is a Check Group?" on page 303
- "What are Step and Grade Schedules?" on page 41

STEPS To enter step and grade or grade range schedule time records

- 1. Access Step and Grade, Grade Range Time Entry (PR35.4).
- 2. Type the batch number you want to assign to the time records in the Batch field.
- 3. Type the time record date for these time records in the Time Record Date field.
- 4. Select grouping options. Consider the following fields.

| Check (Check Group) | The check group that hours on this line belong to. Time records with a common entry in this field are grouped on one payment record for the employee. If multiple payments are desired, type a different value. |
|--|--|
| Process (Process Group) | The process group that hours on this line belong to. Time records with a common value in this field are grouped for tax calculation purposes. Process groups let you tax pay codes separately, but combine earnings in a single payment. |
| Enter time records. Consider the following fields. | |

| Hours | Hours worked for this time record. |
|----------|--|
| Pay Code | The pay code that applies to this time record. |

5.

| Schedule | If this is a Step and Grade time record, select a schedule. |
|----------|---|
| | – or – |
| | Leave the field blank and let the schedule default from the employee record. |
| | If this is a Grade Range time record, select a schedule, or leave the field blank and let the schedule default from the job code, then from the employee record. |
| | If you use position management in the Personnel Administration application and the position rules are defined to default schedule from positions, the schedule first defaults from the employee multiple position record, then from the either the job code (if you do not use formal positions) or position (if you use formal positions). |
| Grade | If this is a Step and Grade time record, select a grade. |
| | – or – |
| | Leave the field blank and let the grade default from the employee record. |
| | If this is a Grade Range time record, select a grade, or leave the field blank and let the grade default from the job code, then from the employee record. |
| | If you use position management in the Personnel Administration application and position rules are defined to default schedule from positions, the grade first defaults from the employee multiple position record, then from either the job code (if you do not use formal positions) or position (if you use formal positions). |
| Step | If this is a Step and Grade time record, select a step. |
| | – or – |
| | Leave the field blank and let the step default from the employee record. |
| | If you use formal positions in the Personnel Administration application and position rules are defined to default step from positions, the step first defaults from the employee multiple position record, then from the formal position code. |

| | Job Code | The job code with which the pay is associated. |
|----|--|---|
| | | – or – |
| | | Leave the field blank and let the job code default from the employee record. |
| | | If you use formal positions in the Personnel Administration application and position rules are defined to default the job code, then the job code defaults from the position and then the employee. |
| ð. | Select the Work tab to fields. | override work information. Consider the following |
| | Business Nbr Code (Business Number Code) | The business number code you want to use for this time record. The business number code is a code representing a business number for a Canada employer. |
| | | NOTE The business number code you type in this field overrides the one you type in the Business Number Code field on the Canada tab of Company (HR00.1) or Process Level (HR01.1). |
| | Quebec Ent Nbr Grp (Quebec Enterprise Number Group) | The Quebec enterprise number group you want to use for this time record. The Quebec enterprise number group is a code that represents an enterprise number for a Quebec employer. |
| | | NOTE The Quebec enterprise number group you type in this field overrides the one you type in the Quebec Enterprise Number Group field on the Canada tab on Company (HR00.1) or Process Level (HR01.1). |
| | Location | A location to override the location defined on Employee (HR11.1). |
| | | NOTE If this time record applies to U.S.employees and you make a selection in this field, TaxLocator uses this location to create tax deductions for these time records. |
| | | |

- 7. Select the Expenses tab to override the General Ledger or Activity expense account.
- 8. Select the User Analysis tab to define user analysis values used in Strategic Ledger.

Entering Attendance Time Records

This procedure covers how to enter time records for employees and assign the time records to an attendance code or occurrence.

STOP Before you enter attendance time records, you must define pay codes. For more information, see "Defining Pay Codes" on page 58.

Q Need More Details? Check out the following concepts:

- "Which Time Record Entry Method Should I Use?" on page 296
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- "What is a Process Group?" on page 302
- "What is a Check Group?" on page 303
- "What are Attendance Codes?" on page 70

STEPS To enter attendance time records

- 1. Access Attendance Time Entry (PR35.5).
- 2. Type the batch number you want to assign to the time records in the Batch field.
- 3. Select grouping options. Consider the following fields.

| Check (Check Group) | The check group that the hours for these time records belong to. Time records with a common entry in this field are grouped on one payment record for the employee. If multiple payments are desired, type a different value. |
|----------------------------|---|
| Process (Process Group) | The process group that hours for these time records belong to. Time records with a common value in this field are grouped for tax calculation purposes. Process groups let you tax pay codes separately, but combine earnings in a single payment. |

| Tax Freq (Tax Frequency) | The option that indicates how you want to override normal taxation. |
|---------------------------------------|--|
| Enter time records. C | onsider the following fields. |
| Employee | The employee this time record applies to. |
| Date | The time record date. If left blank, the system date defaults. |
| Hours | Hours worked for this time record. |
| At Cd (Attendance Code) | Select an attendance code to track attendance history if you use the Time and Attendance application. |
| Att Occ (Attendance Occurrence) | If the time record is associated with an attendance code, select the value that determines if the time record entry is a new occurrence or a continuation of an existing occurrence. |
| Pay Code | The pay code that applies to this time record. |
| Job Code | The job code with which the pay is associated. If left blank, the job code defaults from the employee record. |
| | If you use formal positions in the Personnel Administration application and position rules are defined to default the job code, then the job code defaults from the position and then the employee. |
| SH (Shift) | The shift the pay is associated with, or you can leave the field blank and let the shift default from the employee record. |
| | If you use formal positions in the Personnel Administration application and position rules are defined to default the shift, then the shift defaults from the position and then the employee. |

Entering Position Time Records

4.

This procedure covers how to enter time records for employees assigned to a position.

*You set up positions in the Personnel Administration application.

STOP Before you enter position time records, you must set up pay codes and positions. For more information, see the *Personnel Administration User Guide*. For more information, see "Defining Pay Codes" on page 58.

Q Need More Details? Check out the following concepts:

- "Which Time Record Entry Method Should I Use?" on page 296
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- "What is a Process Group?" on page 302
- "What is a Check Group?" on page 303

STEPS To enter position time records

- 1. Access Position Time Entry (PR35.8).
- 2. Type the batch number you want to assign to the time records in the Batch field.
- 3. Select grouping options. Consider the following fields.

| CG (Check Group) | The check group that hours on this line belong to. Time records with a common entry in this field are grouped on one payment record for the employee. If multiple payments are desired, type a different value. |
|-----------------------|--|
| PG (Process Group) | The process group that hours on this line belong to. Time records with a common value in this field are grouped for tax calculation purposes. Process groups let you tax pay codes separately, but combine earnings in a single payment. |
| TF (Tax Frequency) | The option indicating how you want to override normal taxation. |

- 4. Type the year these time records occur in.
- 5. Enter time records. Consider the following fields.

| Employee | The employee this time record applies to. | |
|-----------------------|--|--|
| Hours | Hours worked for this time record. | |
| Pay Code | The pay code that applies to this time record. | |
| MMDD (Month, Date) | Type the month and date of the time record. | |
| | The system uses this field with the Year field to determine the pay period and work period, and to select time records for processing. | |
| Position | The position that applies to this time record. | |

| Job Code | The job code with which the pay is associated. If left blank, the job code defaults from the employee record. |
|--|--|
| | If you use formal positions in the Personnel Administration application and position rules are defined to default the job code, then the job code defaults from the position and then the employee. |
| Rate | Type the rate of pay for this time record |
| | – or – |
| | Leave the field blank and the rate of pay defaults. |
| | For hourly employees, the amount is considered an hourly rate and is multiplied by the hours entered on the time record. For salaried employees, the amount entered overrides normal salary amounts for pay codes with calculation type of Normal Rate and is not multiplied by the hours entered. |
| | For more information, see "Rate of Pay Defaults" on page 667. |
| Select the Work tab to fields. | override work information. Consider the following |
| Business Nbr Code (Business Number Code) | The business number code you want to use for this time record. The business number code is a code representing a business number for a Canada employer. |
| | NOTE The business number code you type in this field overrides the one you type in the Business Number Group field on the Canada tab of Company (HR00.1) or Process Level (HR01.1). |
| Quebec Ent Nbr Grp (Quebec Enterprise Number Group) | The Quebec enterprise number group you want to use for this time record. The Quebec enterprise number group is a code that represents an enterprise number for a Quebec employer. |
| | NOTE The Quebec enterprise number group you type in this field overrides the one you type in the Quebec Enterprise Number Group field on the Canada tab on Company (HR00.1) or Process Level (HR01.1). |

6.

Location A location to override the location defined on Employee (HR11.1).

NOTE If this time record applies to U.S.employees and you make a selection in this field, TaxLocator uses this location to create tax deductions for these time records.

- 7. Select the Expenses tab to override the General Ledger or Activity expense account.
- 8. Select the User Analysis tab to define user analysis values used in Strategic Ledger.

Creating Automatic Time Records

This procedure covers how to update Payroll to automatically create time records for those employees with standard time records.

STOP Before you update automatic time records you must assign standard time records to employees. For more information, see "Assigning Standard Time Records" on page 278.

Need More Details? Check out the following concepts:

- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- "What is a Process Group?" on page 302
- "What is a Check Group?" on page 303
- "What are Payroll Distributions?" on page 262

STEPS To create automatic time records

- 1. Access Automatic Time Records (PR134).
- 2. Select the type of time records you want to create in the Time Record Type field:

| If you want to | Select |
|---|------------------------------|
| Create standard time records for employees with a value of Standard or Yes in the Auto Time Record field on their employee record and have an active standard time record in Standard Time Record (PR30.1) | Standard. |
| Create time group time records for employees who have a value of Time Group or Yes in the Auto Time Record field on their employee record and are included in an active time group time record defined in Standard Time Record (PR30.1) | Employee Group. |
| **Create flex standard time records for employees who have an active flex standard time record created by the Benefits Administration application for a flex plan. The system does not perform an edit on the Auto Time Record field of the employee record for this option | Flex Benefit. |
| Override pay codes defined in Standard Time Record (PR30.1) for active standard or time group time records for employees who have a value of Yes, Standard, or Time Group in the Auto Time Record field on their employee record. This does not affect flex standard time records | Override Pay Codes. |
| Create standard and time group time records for employees who have a value of Yes, Standard, or Time Group in the Auto Time Record field on their employee record and have an active standard or time group time record defined in Standard Time Record (PR30.1) | Standard and Employee Group. |

| If you want to | | Select |
|---|---|---|
| **Create standard and time group time records for employees who have a value of Standard, Time Group, or Yes in the Auto Time Record field on their employee record and have an active standard or time group time record defined in Standard Time Record (PR30.1), and for employees who have an active flex standard time record created by the Benefits Administration application for a flex plan | | Standard, Employee Group, and Flex. |
| **Create standard time records for employees who have a value of Standard or Yes in the Auto Time Record field on their employee record and for employees who have an active flex standard time record created by the Benefits Administration application for a flex plan. | | Standard and Flex. |
| Define time record info | ormation. Cons | ider the following fields.: |
| Batch | If auto batch r form tab in Co company, leav new batch, or | numbering is defined on the Payroll ompany (HR00.1), for the selected ve the Batch field blank to create a you can select an existing batch. |
| | If auto batch i selected compused. | numbering is not defined for the pany, type the batch number to be |
| Time Rec Date (Time Record Date) | The time record record date to period and to | ord date. Payroll uses the time determine the pay period and work select time records for processing. |
| Deduction Cycle | Type a value of cycle time rec | of 1-9 to determine which deduction cords are created in. |
| Define how Payroll selects the employees to create automatic time records for. Consider the following fields. | | |
| Processing Group | To create auto processing gr | omatic time records for a specific oup, select a processing group. |
| Process Level | To create time in a specific p | e records for only eligible employees rocess level, select a process level. |
| Department | To create time in a specific d | e records for only eligible employees epartment, select a department. |
| | | |

3.

4.

| Flex Date | If you want to create time records for flex credits that employees receive as pay, regardless of the Auto Time Record field value on their employee records, type a Flex Date. |
|----------------|---|
| Pay Frequency | Select a pay frequency to create time records for only employees associated with the selected pay frequency. |
| Employee Group | Select up to ten employee groups for which you want to create time records. |
| Employee | Select up to fifteen employees for whom you want to create time records. |

- 5. If you want to apply a check group to all the time records created by PR134, type a value in the Check Group field at the top of the Additional Information tab.
- 6. If you want to apply a process group to all the time records created by PR134, type a value in the Process Group field at the top of the Additional Information tab.
- 7. Define additional information for specific pay codes. Consider the following fields.:

| Attend Code (Attendance Code) | If you track attendance in Time and Attendance, select an attendance code to create a time record for a specific attendance code. |
|-------------------------------------|---|
| | For time record types of Standard, Employee Group, or Standard And Employee Group, a time record associated with the attendance code is created <i>in addition to</i> the time record created using the parameters defined in Standard Time Record (PR30.1). |
| | For time record type Override Pay Codes, the pay code associated with the attendance code <i>replaces</i> the standard time records created using the parameters defined in PR30.1. |
| OC (Occurrence) | If you selected an attendance code in the Attendance Code field, select Yes to indicate that the record is an attendance occurrence or select No to indicate that the record is a continuation of an existing occurrence. |

| Paycode | For time record types Standard, Employee Group, or Standard And Employee Group, select a pay code to create a time record for a specific pay code <i>in addition to</i> the time record created from parameters defined in Standard Time Record (PR30.1). |
|--------------------------------|--|
| | For time record type Override Pay Codes, select a pay code to <i>override</i> the pay code defined in PR30.1. |
| Hours | The hours you want to associate with the selected pay code. |
| CG (Check Group) | The check group you want to assign to the time records created for this pay code. |
| | NOTE This check group overrides the check group you selected at the top of this tab for the time records created for the selected pay code. |
| PG (Process Group) | The process group you want to assign to the time records created for this pay code. |
| | NOTE This process group overrides the process group you selected at the top of this tab for the time records created for the selected pay code. |
| Activity | Select the activity to which you want to post the time record amount. If you leave this field blank, the application posts the time record amount to the activity from the pay code, job code, then from the employee record. |
| Acct Cat (Account Category) | Select the account category to which you want to post the time record amount. If you leave this field blank, the application posts the time record amount to the account category from the pay code, job code, then from the employee record. |

8. Run the report.

Related Reports and Inquiries

То

Use

List standard time records

Standard Time Record Listing (PR230)

Deleting Batches

If you accidentally enter two batches that have the same time record information or if you enter an incorrect batch, you can delete the batches.

Q Need More Details? Check out the following concepts:

- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299

STEPS To delete batches

- 1. Access Batch Time Control (PR37.1).
- 2. Choose the Inquire form action to display existing batches.
- 3. Select Delete in the Line Action field of the batch you want to delete.
- 4. Choose the Change form action.

Related Reports and Inquiries

| То | Use |
|----------------|--|
| Delete batches | Batch Time Record Update (PR137), report option 4 |
| | NOTE No selection criteria are required with this option. |

Time Records: Pension Payments

This chapter covers how to create pension payments for U.S. pension recipients. These payments are set up to report 1099R information.

IMPORTANT This feature is for U.S. pension payments only.

STOP Your organization must install BSI Pension Tax^{TM} to issue pension payments.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 344 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What are Pension Payments?" on page 340
- "What are Pension Distribution Types?" on page 340
- "What are Pension Distribution Codes?" on page 342
- "What Do I Need to Set Up to Process Pension Payments?" on page 342

What are Pension Payments?

Pension payments are the payouts to employees of pension or retirement plan funds. Payroll creates pension payments by first creating time records for the payment amount and then creating the payment when you run the payroll cycle.

There are two types of pension payments:

- Periodic
- Lump sum

What are Periodic Pension Payments?

Periodic pension payments are payouts of pension or retirement funds that occur over a period of time and have at least one payment per year.

When you create a periodic pension payment, Payroll creates a standard time record for the payment, and gives the payment an alphabetic value in the Check Group field on the time record. All time records associated with a pension payment record share the same check group value.

What are Lump Sum Pension Payments?

Lump sum pension payments are payouts of pension or retirement funds that occur once or that occur over a period of time, but *do not* occur at least once a year.

Payroll creates a future time record with an alphabetic check group value for each lump sum payment. All time records associated with a pension payment record share the same check group value.

What are Pension Distribution Types?

Pension distribution types determine whether the pension payment is a periodic or lump sum payment, the taxing method, the type of pension payment.

Listed below are the distribution types that can be assigned to a payment. The table also includes the type of payment and type of time record Payroll creates for the distribution type.

| Distribution Type | Type of Payment | Type of Time Record |
|---|-----------------|---------------------|
| Partial, Hardship | Lump Sum | Future |
| Partial, Non-Hardship | Lump Sum | Future |
| Partial, Rollover to IRA | Lump Sum | Future |
| Total, Non-Rollover | Lump Sum | Future |
| Total Rollover to IRA | Lump Sum | Future |
| Total Rollover to Qualified Plan | Lump Sum | Future |
| Periodic, greater 10 years | Periodic | Standard |
| Periodic, less 10 years | Periodic | Standard |
| Periodic, less 10 years, rollover to IRA | Periodic | Standard |
| Periodic, Tax Not Determined | Periodic | Standard |
| Periodic, W-2 | Periodic | Standard |
| Lump Sum Payment, W-2 | Lump Sum | Future |
| Retro-payment | Lump Sum | Future |
| Retro-payment, rollover to IRA | Lump Sum | Future |
| Loan Issued | Lump Sum | Future |
| Dividend | Lump Sum | Future |
| Minimum Distribution | Lump Sum | Future |
| Excess Deferrals | Lump Sum | Future |
| Non-spousal death benefit | Lump Sum | Future |
| Periodic Non Resident Alien (NRA), 1042S | Periodic | Standard |
| Lump Sum NRA, 1042S | Lump Sum | Future |
| Periodic, 480.6 | Periodic | Standard |
| Lump Sum, 480.6 | Lump Sum | Future |
| Retro, W2 | Lump Sum | Future |

What are Pension Distribution Codes?

Pension distribution codes determine the how Payroll reports distribution payments on the 1099R tax form and whether or not Payroll creates multiple 1099Rs. For more information on reporting on the 1099R, contact the Internal Revenue Service at www.irs.gov.

What Do I Need to Set Up to Process Pension Payments?

To process pension payments you must perform set up in both the Human Resources and Payroll applications.

Human Resources

Company and Process Level

In the Human Resources application, when you set up a company, you must select the type of tax reporting forms that are valid for the company.

You can override the company value on the process level.

Employee

The participant must have an employee record that includes a state of residence and a work location of "pension." The pension location is a hard-coded value that edits against federal and state deductions that generally are not deducted for pension payments.

Also, if the employee has periodic pension payments, you must set up the employee to use auto time records.

Payroll

Pay Summary Group

On each pay summary group to be used for pension payments, you must specify which U.S. form to report on or specify if the reporting is non-U.S. If the form is 1099R you can define the type of 1099R income, as well. These parameters cannot be changed once history exists because it will affect 1099R history.

Lawson does not support reporting on 1099DIV, 1042S or 480.6 forms. Data for the forms Lawson does not support are updated to the 1099Rhist file. You can export this data and report on it. You also must define how Payroll reports pension earnings on the 1099R. This information is used during payroll close to update the 1099R history files.

Funding Sources

You must set up the funding sources your company uses for pension payments. For more information, see "Setting Up Pension Funding Sources" on page 193.

Employee Taxes

Employees can claim exempt from withholding on their W4 or W4P. You can indicate this option on the employee tax. If employees claim exempt, taxable wages are updated but no taxes are withheld.

IMPORTANT If you define a tax deduction as exempt withholding, that exemption applies taxable wages but does not withhold taxes from any payments made to this employee.

Pension Payments

You must add and process pension payments after you complete all the required set up. For more information, see "What are Pension Payments?" on page 340.

Procedures in this Chapter

You can create either periodic or lump sum pension payments.

- "Creating Periodic Pension Payments" on page 344
- "Creating Lump Sum Pension Payments" on page 347

Creating Periodic Pension Payments

Periodic pension payments are payouts of pension or retirement funds that occur over a period of time and have a least one payment per year.

Q Need More Details? Check out the following concepts:

- "What are Pension Payments?" on page 340
- "What are Pension Distribution Types?" on page 340
- "What are Pension Distribution Codes?" on page 342
- "What are Payroll Distributions?" on page 262
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- "What is a Process Group?" on page 302

STEPS To create periodic pension payments

- 1. Access Pension Payment Maintenance (PR29.1).
- 2. Select the participant you want to create the pension payment for in the Participant field.
- 3. Type the effective date range in the Effective Date fields. You must enter a beginning date and an end date.
- 4. Define the parameters of the pension payment on the Main tab. Consider the following fields.

| Distribution Type | Select a periodic distribution type. |
|--------------------------|---|
| Distribution Code (1) | Select the code or codes determining how Payroll reports the pension payment to the 1099R. This code is reported on the 1099R and Payroll uses the code to determine if it creates more than one 1099R. |
| Distribution Code (2) | A pension payment can have two distribution codes associated with it. |
| Tax Category | The tax category defaults, based on the selection you make in the Distribution Type field. |

NOTE The effective date range is applied to the standard time record Payroll creates for this periodic payment.

| Process Level | If you want to override the participant process level, select the process level you want to associate with the pension payment. |
|---|--|
| | Payroll assigns this process level to the standard time record created for this pension payment. |
| | Payroll uses this process level to determine the reporting entity for this payment. |
| Department | If you want to override the participant department, select the department you want to associate with the pension payment. |
| | Payroll assigns this department to the standard time record created for this pension payment. |
| Addl Federal Tax (Additional Federal Tax) | Type an additional amount to withhold from federal tax for this pension payment. This field overrides any additional amount on U.S. Employee Taxes (PR13.1) for federal tax. |
| Tax Frequency Override | If you want to override the participant's current tax frequency, select a value in this field. |
| | If you select a tax frequency, you must select a process group. |
| Process Group | Type a numeric process group to define the deduction cycle for this payment. Type an alphabetic process group to use as a break level on Earnings and Deductions Calculation (PR140) that is passed to BSI. All time records for this payment have the same process group. |
| Percent Total Dist (Percent Total Distribution) | Enter the beneficiary's percent of the total distribution. This is reported on the 1099R. |
| Define the funding sou on the Source tab. Co | urces you want to use to pay this pension payment onsider the following fields. |
| Source | The funding source you want to issue the pension payment from. |
| | You can use more than one funding source for each pension payment. |

5.

| Amount | The amount you want to issue from this funding |
|--------|--|
| | source. |

6. Define the standard time record you want Payroll to create on the Time Record tab. Consider the following fields.

| Pay (Pay Code) | The pay code you want to use to create the standard time record for this pension payment. |
|----------------|---|
| | You can use more than one pay code for each pension payment. |
| Amount | The amount you want to associate with this pay code. |

IMPORTANT The number of sources and number of pay codes do not need to match, but the total dollar amount of the sources and time records must equal each other before you can add the pension payment.

- 7. If the recipient of the payment is someone other than the participant, define the recipient's name and address on the Payment tab.
- 8. If you need to override the direct deposit information set up for the participant, override it on the Direct Deposit tab.

Follow-up Tasks

To include pension payments in a payroll cycle, you must create automatic time records before you run the payroll cycle. For more information, see "Creating Automatic Time Records" on page 332.

Options for Creating Periodic Pension Payments

You can also use PR29.1 to make changes to periodic pension payments. If you make a change to an existing periodic payment, Payroll automatically updates Standard Time Record (PR30.1); however, if any time records exist at the time of the change, you must delete the time records and run Automatic Time Records (PR134).

Related Reports and Inquiries

| То | Use |
|----------------------------|--------------------------------------|
| List funding sources | Ee Garnishment Listing (PR225) |
| List standard time records | Standard Time Record Listing (PR230) |
| List pension payments | Pension Participants Listing (PR229) |

Creating Lump Sum Pension Payments

TIP If you make a change to an existing lump sum payment, Payroll automatically updates Time Record Entry (PR36.1).

Lump sum pension payments are payouts of pension or retirement funds that occur in a single payment.

Need More Details? Check out the following concepts:

- "What are Pension Payments?" on page 340
- "What are Pension Distribution Types?" on page 340
- "What are Pension Distribution Codes?" on page 342
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- "What is a Process Group?" on page 302

STEPS To create lump sum pension payments

- 1. Access Pension Payment Maintenance (PR29.1).
- 2. Select the participant you want to create the pension payment for in the Participant field.
- 3. Type the effective date in the Effective Date field.
- 4. Define the parameters of the pension payment on the Main tab. Consider the following fields.

| Distribution Type | Select a lump sum distribution type. |
|--------------------------|---|
| Distribution Code (1) | Select the code or codes determining how Payroll reports the pension payment to the 1099R. This code is reported on the 1099R and Payroll uses the code to determine if it creates more than one 1099R. |
| Distribution Code (2) | A pension payment can have two distribution codes associated with it. |
| Tax Category | The tax category defaults in based on the selection you make in the Distribution Type field. |
| Process Level | If you want to override the participant process level, select the process level you want to associate with the pension payment. |
| | Payroll assigns this process level to the future time record created for this pension payment. |
| | Payroll uses this process level to determine the reporting entity for this payment. |
| Department | If you want to override the participant department, select the department you want to associate with the pension payment. |
| | Payroll assigns this department to the future time record created for this pension payment. |

TIP The effective date is applied to the future time records Payroll creates for this lump sum payment.

| Addl Federal Tax (Additional Federal Tax) | Type an additional amount to withhold from federal tax for this pension payment. This field overrides any additional amount on U.S. Employee Taxes (PR13.1) for federal tax. |
|---|---|
| Tax Frequency Override | If you want to override the participant's current tax frequency, select a value in this field. |
| | If you select a tax frequency, you must select a process group. |
| Process Group | Type a numeric process group to define the deduction cycle for this payment. Type an alphabetic process group to use as a break level on Earnings and Deductions Calculation (PR140) that is passed to BSI. All time records for this payment have the same process group. |
| Percent Total Dist (Percent Total Distribution) | Enter the beneficiary's percent of the total distribution. This is reported on the 1099R. |
| Define the funding so on the Source tab. Co | urces you want to use to pay this pension payment onsider the following fields. |
| Source | The funding source you want to issue the pension payment from. |
| | TIP You can use more than one funding source for each pension payment. |
| Amount | The amount you want to issue from this funding source. |
| Define the standard ti Record tab. Consider | me record you want Payroll to create on the Time [.] the following fields. |
| Pay (Pay Code) | The pay code you want to use to create the future time record for this pension payment. |
| | TIP You can use more than one pay code for each pension payment. |

5.

6.

Amount

The amount you want to associate with this pay code.

IMPORTANT The number of sources and number of pay codes do not need to match, but the total dollar amount of the sources and total amount of time records must equal each other before you can create the pension payment.

- 7. If the recipient of the payment is someone other than the participant, define the recipient's name and address on the Payment tab.
- 8. If you need to override the direct deposit information set up for the participant, override it on the Direct Deposit tab.

| То | Use |
|--------------------------|--------------------------------------|
| List funding sources | Ee Garnishment Listing (PR225) |
| List future time records | Time Record Edit (PR135) |
| List Pension Payments | Pension Participants Listing (PR229) |

Related Reports and Inquiries

Time Records: Moving

This chapter covers how to move time records from batch status to current status, making the records available for payroll processing. You release batch status time records to future status and then select future status time records to current status.

STOP Before you move time records, you must create one-time deductions, time records, or pension payment records. For more information, see "Maintaining One-Time Deductions" on page 289. For more information, see "Time Records: Entering" on page 295. For more information, see "Time Records: Pension Payments" on page 339.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 354 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What is Moving Time Records?" on page 352
- "Why Would I Release and Select in Two Steps Rather Than One?" on page 353

What is Moving Time Records?

Moving time records is the process of changing time records from batch to current status. Moving time records consists of releasing time records from batch to future status and selecting time records from future to current status. Time records must be in current status to be included in payroll processing. Payroll only processes time records that have a status of current.

You can choose to move time records directly from batch to current, or you can release time records to future status and then select them to current status.





Whether you move time records in one or two steps depends on the needs of your organization.

Moving time records in two steps provides an additional level of time record verification. You can choose to review time record accuracy before you release batches, after you release batches to future status, and after you select time records to current status.

If you release and select in one step, you can review time record accuracy before you release batches and after you select time records to current status.

Some organizations have different functional positions perform the release and the select procedures. For example, the payroll supervisor might release time records, and the payroll manager might select the time records to current status for processing. Also, an organization might want more checks and balances before processing the time records. If this is the case with your organization, Lawson recommends moving time records in two steps.

IMPORTANT If your organization uses batch control to control hours and amounts, you must move time records in two steps.

Procedures in this Chapter

To release time records for payroll processing, you must move them from batch to current status. You can release groups of time records manually or automatically. You can also release one time record at a time.

- "Releasing Time Records from Batch to Future Status" on page 354
- "Selecting Time Records from Future to Current Status" on page 355
- "Moving Time Records from Batch to Current Status in One Step" on page 357
- "Selecting One Time Record" on page 359

Releasing Time Records from Batch to Future Status

You can release time records from batch to future status to provide an additional level of review.



CAUTION Once a batch is released, you cannot change Future status time records back to Batch status. You can only edit future status time records on Time Record Entry (PR36.1).

STOP Before you release time records to future status, you must enter time records into Payroll in batch status. For more information, see "Time Records: Entering" on page 295.

Need More Details? Check out the following concepts:

- "What is Moving Time Records?" on page 352
- "Why Would I Release and Select in Two Steps Rather Than One?" on page 353
- "What are Time Record Statuses?" on page 299

STEPS To release time records from batch to future status

- 1. Access Batch Time Control (PR37.1).
- 2. Choose the Inquire form action to display batches and the time record amounts and hours that have been entered for the batch.
- 3. Type the control hours and amounts for each batch in the Control Hours and Control Amount fields.

TIP If the control and entry hours, amounts do not match use Time Record Edit (PR135) and Missing Time Records (PR136) to find discrepancies in the entered time records. 4. If the company uses batch control to control hours and amounts, review the totals in the Control Hours, Control Amount, Entry Hours, and Entry Amount fields to ensure that they match.

IMPORTANT If the company is set up to use batch control, you cannot release time records to future status unless the Control Hours, Control Amount fields and the Entry Hours, Entry Amount fields match.

- 5. Select Release in the Line Action field next to each batch you want to release to future status.
- 6. Choose the Release form action.

Options for Releasing Time Records from Batch to Future Status

You can use Batch Time Record Update (PR137) to release batch status time records to future status by selecting Release Batches Only in the Report Option fields; however, you cannot use PR137 if the company uses batch control.

Follow up tasks

You must select time records and release them to current status using Time Record Selection (PR38.1).

Related Reports and Inquiries

| То | Use |
|---|------------------------------|
| List employees who are missing a Batch, Future, or Current status time record | Missing Time Records (PR136) |
| Verify the accuracy of all time records entered in Payroll | Edit Time Records (PR135) |

Selecting Time Records from Future to Current Status

If you have time records in future status, you must select and release time records from future to current status to include the time records in payroll processing. Payroll selects time records based on the time record date. Only time records in current status can be processed during the payroll cycle.

IMPORTANT This procedure selects one-time deductions from future status as well as selecting time records from future status.

STOP Before you release time records to current status, you must release the time records from batch to future status. For more information, see "Releasing Time Records from Batch to Future Status" on page 354.

Q Need More Details? Check out the following concepts:

- "What is Moving Time Records?" on page 352
- "Why Would I Release and Select in Two Steps Rather Than One?" on page 353
- "What are Time Record Statuses?" on page 299
- "What are One-Time Deductions?" on page 286

STEPS To select time records from future to current status

- 1. Access Time Record Selection (PR38.1).
- 2. Define the time records to be released to current status. Consider the following fields.

| Process Level | Select the process you want to release time records for. |
|-----------------------------|--|
| Department | Select the department you want to release time records for. |
| | You cannot select a department unless you selected a process level in the Process Level field.x |
| Pay Freq (Pay Frequency) | Select the pay frequency you want to release time records for. |
| Date | Type the date that determines which Future time records and one-time deductions are changed to Current status. |
| | All time records and one-time deductions with a date on or before the date you enter are selected to current status. |
| | Time records and one-time deductions with a date after the date entered remain in Future status. |

3. Choose the Select form action.

Options for Selecting Time Records from Future to Current Status

You can also use Batch Time Record Update (PR137) to release future status time records to current status by selecting a through date and selecting Select Time Records in the Report Option field.

Related Reports and Inquiries

| То | Use |
|---|------------------------------|
| List employees who are missing a Batch, Future, or Current status time record | Missing Time Records (PR136) |
| Verify the accuracy of all time records entered in Payroll | Edit Time Records (PR135) |

Moving Time Records from Batch to Current Status in One Step

You can release and select time records in one step. When you follow this procedure, Payroll releases time records and one-time deductions and then immediately selects them to current status.

IMPORTANT You cannot move time records from batch to current status in one step if the company is set up to use batch control.

Need More Details? Check out the following concepts:

- "What is Moving Time Records?" on page 352
- "Why Would I Release and Select in Two Steps Rather Than One?" on page 353
- "What are Time Record Statuses?" on page 299

STEPS To release time records automatically

- 1. Access Batch Time Record Update (PR137).
- 2. Select Release Batches/Select Records in the Report Option field.
- 3. Select the batches you want to release in the Batches fields.
- 4. Define the selection criteria for time records to be moved to current status. Consider the following fields.

| Process Level | Select the process you want to release time records for. |
|-----------------------------|--|
| Department | Select the department you want to move time records for. |
| | You cannot select a department unless you selected a process level in the Process Level field. |
| Pay Freq (Pay Frequency) | Select the pay frequency you want to move time records for. |

NOTE You must define at least one set of selection criteria that includes a select date.

| Select Date | Type the date that determines which time records and one-time deductions are changed to Current status. |
|-------------|---|
| | All time records and one-time deductions with a date on or before the date you enter are changed. |
| | Time records and one-time deductions with a date after the date entered remain in Future status. |

5. Run the report.

Related Reports and Inquiries

| То | Use |
|---|------------------------------|
| List employees who are missing a Batch, Future, or Current status time record | Missing Time Records (PR136) |
| Verify the accuracy of all time records entered in Payroll | Edit Time Records (PR135) |

Selecting One Time Record

You can select one time record from error or future status to current status.

Q Need More Details? Check out the following concepts:

- "What is Moving Time Records?" on page 352
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299

STEPS To select one time record

- 1. Access Time Record Entry (PR36.1).
- 2. Select the employee whose time records you want to select in the Employee field at the top of the form.
- 3. Select the status of the time records you want to select in the Status field.
- 4. Choose the Inquire form action to display time records with the selected status for the employee.
- 5. Select Change in the Line Action field of the time record you want to change.
- 6. Select Current in the ST (Status) field of the time record you want to change.
- 7. Choose the Change form action.

Related Reports and Inquiries

| То | Use |
|---|------------------------------|
| List employees who are missing a Batch, Future, or Current status time record | Missing Time Records (PR136) |
| Verify the accuracy of all time records entered in Payroll | Edit Time Records (PR135) |
Chapter 24

Payroll Cycle: Overview

This chapter covers how to process the payroll cycle within the Lawson Payroll application.

STOP Before you process Payroll, you must move time records. For more information, see "What is Moving Time Records?" on page 352.

Concepts in this Chapter

The following concepts provide an overview for payroll cycle processing.

- "How Do I Prepare for Payroll Cycle Processing?" on page 362
- "Payroll Cycle: A Big Picture" on page 363
- "Editing Time Records" on page 364
- "Pre-cycle Maintenance" on page 365
- "Calculating Earnings" on page 366
- "Creating Payments" on page 367
- "Closing A Payroll Cycle" on page 368
- "Troubleshooting" on page 369

How Do I Prepare for Payroll Cycle Processing?

Perform the following steps to prepare for payroll cycle processing:

- · Edit time records
- Verify the payroll cycle status
- Update deduction changes
- Update benefit changes

Edit time records using Missing Time Records (PR136) and Time Record Edit (PR135). When time records are no longer in Batch status, perform time record maintenance on Time Record Entry (PR36.1).

When necessary, verify final time records by processing Time Record Edit (PR135) for all Current status time records. Verify time records before calculating the earnings and deductions.

Verify the payroll cycle status using Payroll Cycle Status (PR00.1). Inquire on the Payroll Cycle Status (PR00.1) to verify the previous payroll cycle is closed for the process levels you plan to process.

Update deduction changes using the Ded, Garn Fee, PSG Update (PR115). Run this report to update employee deductions with changes made to information on Employee Deduction (PR14.1), United States Employee Garnishment (PR26.1), or Canada Employee Garnishment (PR47.1). If you override deduction information at the employee level, the information is not updated.

If another report must be run, the Earnings and Deductions Calculation (PR140) gives an edit message when you attempt to add, change, or submit PR140.

If you have not updated benefit changes, run the necessary programs to update benefit changes.

Payroll Cycle: A Big Picture

The Payroll Cycle is divided into six chapters within the *Payroll User Guide*. The diagram below illustrates the sequence of the payroll cycle chapters.





Editing Time Records

Editing time records includes the following procedures:

- "Editing for Missing Time Records" on page 374
- "Editing Time Records" on page 377
- "Creating Offset Time Records" on page 379
- "Creating a One-Time Deduction Listing" on page 380
- "Deleting Flex Time Records" on page 382
- •

STOP Before you edit time records, the time records must be entered into Payroll in Batch, Future, or Current status. For more information, see "Time Records: Entering" on page 295.

You need to edit for missing time records with Missing Time Records (PR136) to verify employees missing a Batch, Future, or Current status time record, and optionally, to create time records for employees missing time records.

After editing for missing time records, edit time records to verify the accuracy of hours, wages, general ledger accounts and activities. Process Time Record Edit (PR135) for all Current status time records before calculating the earnings and deductions.

If necessary, create offset time records through Offset Time Record Creation (PR123). Offset time records consist of negative hours that reduce the regular hours produced by auto time records. Only time records in current status have offset time records created using PR123.

The One-Time Deduction Listing (PR239) lists one-time and arrears deductions including deductions from employee pay and deductions not yet deducted from employee pay.

If you are a Benefits Administration application user, you can delete the Current status standard time records created in the Benefits Administration application on Current Flex Time Record Delete (BN134). You might want to delete the records if you do not want to issue a payment for flex credits for an employee, if the employee has no other pay for the pay cycle.

When you update employee leave through Leave Plan Update (UK120), Payroll evaluates time records with attendance codes to determine employees eligible for leave and how the employees are paid for leave.

Pre-cycle Maintenance

Pre-cycle Maintenance includes the following procedures:

- "Verifying the Payroll Cycle Status" on page 393
- "Calculating Tip Credit Records (U.S. and CA)" on page 393
- "Calculating Retroactive Pay" on page 395
- "Calculating FLSA Overtime (U.S. and CA)" on page 399
- "Creating Arrears Deductions" on page 401
- "Calculating the Cost of Excess Life Insurance" on page 405

Before you begin a new payroll cycle, use Payroll Cycle Status (PR00.1) to verify that the previous payroll cycle is closed. Throughout the Payroll Cycle Process, the procedures in this guide prompt you to verify the payroll cycle status before proceeding.

If you use the Tips application, you must process the Tip Calculation (TP135) to:

- Verify minimum wage requirements according to the employee's work state or federal requirements
- · Calculate the tip credit if minimum wage has not been met
- · Create time records for any shortfall amount
- Create tip history records used for tip allocation
- Calculate the hours worked in tipped jobs for tip allocation using the hours worked method
- Use Retroactive Pay Calculation (PR131) if you have retroactive pay to calculate. You can have a retroactive pay increase based on a percent of earnings or an amount per hour, and can create a time record for the amount of pay.

Based on the overtime pay plan assigned to the employee, run FLSA Overtime Calculation (PR132) to calculate the regular rate and the required overtime premium amount due. Run (PR132) after (PR131) if you gave a retroactive pay increase to non-exempt employees.

Use Arrears Automation (PR139) to put eligible deductions into arrears for employees who do not have time records in current, process, or error status, or for employees who have current time records for non-cash pay only. Although this report is not required, Lawson recommends using it to put deductions in arrears.

Run Life Insurance Reportable Income (BN150) to calculate the cost of excess employee and dependent life insurance for each employee. Do this calculation annually, each month, or on a pay period basis.

Run Time Record Export (UK330) to export time records from your payroll to a third-party software. Time Record Export (UK330) also updates employee time record history files.

Calculating Earnings

Calculating Earnings includes the following procedures:

- "Verifying the Payroll Cycle Status" on page 393
- "Calculating Tip Credit Records (U.S. and CA)" on page 393
- "Updating Deduction Changes" on page 422
- "Updating Enrollment Plan Changes" on page 423
- "Updating Time Accrual Transactions" on page 423

Before you calculate earnings, use Payroll Cycle Status (PR00.1) to verify the status of the payroll cycle and to verify the successful completion of forms required before running Earnings and Deductions Calculation (PR140). The reports to run include Retroactive Pay Calculation (PR131) if applicable, FLSA Overtime Calculation (PR132) and Tip Calculation (TP135) if established as required items by flags on Company (HR00.1) and Process Level (HR01.1).

Use Earnings and Deductions Calculation (PR140) to calculate and report employee deductions, company deductions, and net pay for all employees with Current status time records.

When you add, change, or submit on (PR140), Payroll might prompt you to run the Ded, Garn Fee, PSG Update (PR115), Plan Update (BN105), and Frequency Table Update (BN104), if the forms are necessary to continue payroll cycle processing.

Use Time Accrual Update (TA170) to create and update transactions for employees enrolled in time accrual plans. You can update both manual transactions and current payment records, or update only manual transactions through a specific date.

STOP Before you process Time and Attendance within the Payroll Cycle, you must first create time records. For more information, see "Time Records: Entering" on page 295.

Creating Payments

Creating Payments includes the following procedures:

- "Verifying the Payroll Cycle Status" on page 393
- "Calculating Tip Credit Records (U.S. and CA)" on page 393
- "Creating General Ledger Payroll Accruals" on page 437
- "Creating the Payroll Register (U.S. and CA)" on page 439

Before you continue creating payments, use Payroll Cycle Status (PR00.1) to verify the status of the payroll cycle and to verify the successful completion of the forms required for Earnings and Deductions Calculation (PR140) to run. The forms include Retroactive Pay Calculation (PR131) if applicable, FLSA Overtime Calculation (PR132), and Tip Calculation (TP135) if required by flags on Company (HR00.1) and Process Level (HR01.1).

Use Payment Print (PR160) to create a print file of payments and direct deposit receipts based on earnings and deductions calculated by Earnings and Deductions Calculation (PR140), and to create a disk file of direct deposit payment information that can be copied to tape for submission to the processing financial institution.

Use Accrual Program (PR195) to create estimated general ledger payroll accruals for all company expenses when a payroll period spans two accounting periods.

STOP Before running the Accrual Program (PR195) for the cycle that includes the deductions you want to accrue, run Earnings and Deductions Calculation (PR140) if you plan to run Percent or Time Records reports on PR195. For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393.

Use the Payroll Register (PR141) to create a report of the earnings and deductions processed in the current payroll cycle. You can submit the job with a unique name to retain an electronic copy of the report. Use Payroll Register (PR141) to balance and audit payroll records.

Closing the Payroll Cycle includes the following procedures:

- "Verifying the Payroll Cycle Status" on page 393
- "Calculating Tip Credit Records (U.S. and CA)" on page 393
- "Closing Time Accrual" on page 448
- "Posting to the General Ledger" on page 449

Before you continue closing the payroll cycle, use Payroll Cycle Status (PR00.1) to verify the status of the payroll cycle and to verify the successful completion of forms required for Earnings and Deductions Calculation (PR140) to run. The required forms include Retroactive Pay Calculation (PR131) if applicable, FLSA Overtime Calculation (PR132), and Tip Calculation (TP135) if established as required forms by flags on Company (HR00.1) and Process Level (HR01.1).

Use Payroll Close (PR197) to close and complete a payroll cycle. Closing payroll allows the start of a new cycle, creates payroll accruals, updates payroll history with information from the completed payroll cycle, deletes processed time records from the application, and clears the cycle indicators in Payroll Cycle Status (PR00.1). Before running Payroll Close (PR197) in update mode, run PR197 in report mode to produce a report to use when making final edits.

Time Accrual Close (TA199) closes the Time Accrual Cycle, updates the Balances fields in Employee Plan Inquiry (TA60.1), and generates a report showing the updated balances. The application closes the transactions of the current time accrual cycle and updates employee balances and history records. Time Accrual Close (TA199) must be run after Payroll Close (PR197).

Payroll liabilities flagged for payment in the Accounts Payable application cannot be paid until the general ledger is updated using General Ledger Posting (PR198).

When you close a payroll year through Payroll Year End Close (PR999), the application:

- Changes the year in the Payroll Year field on Company (HR00.1) to the new year
- Deletes all arrears withholding deductions created by the application during the previous year
- Creates new pay period and work period dates for pay plans defined in Pay Plan (PR21.1)

Payroll transactions and adjustments for the closed year can still be submitted after running the Payroll Year End Close (PR999). To create transactions and adjustments, change the payroll year on Company (HR00.1) to the prior (closed) year. You can then create and close transactions. After completing the transactions, change the payroll year back to the new year.

Troubleshooting

Payroll cycle troubleshooting includes the following procedures:

- "Choosing a Procedure When Re-running Payroll" on page 457
- "Deleting Processed Time Records" on page 459
- "Recalculating Deductions and Net Pay Before Running Payment Print (PR160)" on page 460
- "Recalculating Deductions and Net Pay After Running Payment Print (PR160)" on page 463
- "Recalculating Deductions and Net Pay After Printing Actual Payments"
 on page 464
- "Re-running Payments With Voids and Recreating the Direct Deposit Tape File" on page 465
- "Reprinting Payments and Recreating the Direct Deposit Tape File" on page 466

Before re-running payroll, you must determine if the error is related to recalculating or printing payments, and which procedure you must use to correct the error.

Use Earnings and Deductions Calculation (PR45.1) to change the status of time records from Current or Processed to Error status.

Payroll Cycle: Editing Time Records

This chapter covers how to edit time records within the Lawson Payroll application.

STOP Before editing time records, you must enter the time records into Payroll in Batch, Future, or Current status. For more information, see "Time Records: Entering" on page 295.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 374 The following concepts provide background and conceptual information for the procedures within this chapter.

- "Why Should I Identify Missing Time Records?" on page 372
- "How Do I Verify the Accuracy of Time Records?" on page 372
- "What Are Offset Time Records?" on page 373

Why Should I Identify Missing Time Records?

Identify missing time records to verify proper entry of employee time records for payment in the current payroll cycle. Verifying time records helps you find records that were lost, not keyed, not punched out by an employee, or that did not interface with Payroll.

Define parameters in Missing Time Records to limit the time records to employees in a specific process level, department, user level, employee group, employee number range, or employee status. Select a pay code to include employees missing a time record for a specific pay code.

You can further define parameters to report missing time records for a specific time record status. For example, in Missing Time Records, select Batch time record status to include only employees missing a Batch status time record.

How Do I Verify the Accuracy of Time Records?

Run Time Record Edit at any time for any or all statuses, specific batch, processing group, or process level to verify the accuracy of all time records entered in Payroll.

Time Record Edit offers options to select the level of detail and the sequence in which the information displays. You can include:

- Current, Error, and Processed status time records
- Batch, Future, or Error status records only
- All statuses

If you use Time Accrual, you can define parameters to edit the current eligible time accrual balance against any hours entered for an employee. A separate edit report prints information for time records with entered hours exceeding an employee's current eligible balance. The Payroll application lets you create offset time records. Offset time records consist of negative hours that reduce the regular hours produced by auto time records.

You create offset time records for employees who have too many hours entered into the application due to exception time records. Exception time is time that deviates from automatic regular pay. Payroll uses offset pay codes identified with exception pay codes to create a negative time record.

For example, if you generate an automatic time record for an employee with 40 hours of regular pay, and you enter 16 hours of vacation, the total time for the employee is overstated for the work period by 16 hours. Create an offset time record of negative 16 hours to reduce the total hours for the employee. The result is total time of 40 hours for the employee.

When you run Offset Time Record Creation, you can create up to three reports. The reports include Offset TIme Record Creation, Error Listing, and Exception Offset Time Record Variance.

The Offset Time Record Creation report lists the employees, the exception time records, and the offset time records created by Payroll.

The Error Listing report lists employees and exception time records for which offset time records could not be created due to errors.

The Exception Offset Time Record Variance Report lists employees whose exception and offset time record hours do not balance.

Procedures in this Chapter

The following procedures explain how to edit time records.

- "Editing for Missing Time Records" on page 374
- "Editing Time Records" on page 377
- "Creating Offset Time Records" on page 379
- "Creating a One-Time Deduction Listing" on page 380
- "Deleting Flex Time Records" on page 382

Editing for Missing Time Records

Use Missing Time Records (PR136) to list employees missing a Batch, Future, or Current status time record. Optionally, you can create time records for employees missing time records. Time records can also be created using Standard Time Records (PR30.1).

STOP Before you run the report Missing Time Records (PR136), exclude terminated, retired, and leave of absence employees from the report parameters.

Q Need More Details? Check out the following concepts:

- "Why Should I Identify Missing Time Records?" on page 372
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- "What is Moving Time Records?" on page 352

STEPS To edit for missing time records

- 1. Access Missing Time Records (PR136).
- 2. Choose the Selection tab to edit for missing time records.
- Choose to run the report by Company, Processing Group, Process Level, User Level, Department, Employee Group, or Employee. Consider the following fields:

| Exclude or Include | Select the value to include or exclude employee status codes selected in the Employee Status fields. |
|--------------------|---|
| Status | Select up to ten employee status codes to include or exclude from the report depending on the value you select in the Exclude or Include field. |

NOTE You can complete both the Selection and Create TR tabs in one submission of the job, or you can complete the Selection or Create TR tabs separately for separate submissions.

| Time Record Status | Leave this field blank to include Batch, Future, and Current time records. | | |
|-----------------------|---|--|--|
| | – or – | | |
| | Type X in the field associated with the pay frequency to select the status. | | |
| | Since time records can only hold one status at a time (Batch, Future, or Current), the time record always reflects as "missing" from the other statuses. | | |
| Pay Frequency | Leave this field blank to include all pay frequencies. | | |
| | – or – | | |
| | Type X in the field associated with the pay frequency to select the pay frequency. | | |
| Pay Codes | Select up to ten pay codes to report only the employees missing time records for specific pay codes. | | |
| Employee Sequence | Select an employee sequence to override the default print order defined for the company. | | |

4. Select the Create TR tab to create time records. In the Create Time Record field, select the value that indicates if and how you want to create time records for employees missing time records:

| You select Employee Standard Time Records | Payroll creates time records using the employee's standard time records on Standard Time Record (PR30.1). |
|--|--|
| You select From Parameters | Payroll creates time records using the parameters you define on Missing Time Records (PR136). |
| You select Employee Std TR or Parameters | Payroll creates time records by first looking to Standard Time Record (PR30.1). If Payroll does not find employee standard time records in Standard Time Record (PR30.1), it uses the parameters you define on Missing Time Records (PR136). |
| You select Do Not Create Time Records | Payroll does not create time records. This selection defaults if you do not make a selection in the Create Time Record field. |

In the Create Time Record field, Then if

NOTE When you create time records, the time records created are still displayed as missing on the prt. report.

5. Create a Time Record on the Create TR tab. If you did not complete parameters on the Selection tab, you receive a prt. report showing time records missing in all three statuses (Batch, Future, and Current).

Consider the following fields.

| Time Record | Select the status of Batch, Future, or Current. | | |
|-----------------------|---|--|--|
| Status | If you selected to create time records in the Create Time Records field, you must make a selection in this field. | | |
| Time Record Date | Type a date to determine the pay period and work period if you selected: | | |
| | Employee standard time records | | |
| | – or – | | |
| | Employee Std TR or Parameters in the Create Time Record field. | | |
| Batch | Type or select the batch number you want to use to create time records if you selected Batch in the Time Record Status field. | | |
| | If the selected company has auto batch numbering defined on Company (HR00.1), leave this field blank to create a new batch. | | |
| | If the company does not have auto batch numbering, type a batch number or select an existing batch number. | | |
| Exclude Emp Status | Select up to ten statuses to exclude from time record creation. | | |
| Pay Code | Select the pay code to use to create time recor | | |
| | Payroll verifies the pay code for each employee. | | |
| Hours | Type the number of hours to assign to the time record. | | |
| TR Date | Type the date on which you want to create the time record. | | |
| Att Code | Select an attendance code to create a time record for a specific attendance code when tracking attendance in Time and Attendance. | | |
| | If the selected attendance code has a default pay code defined, you can leave the Pay Code field blank. If a default pay code is not defined for the attendance code, enter a valid pay code in the Pay Code field. | | |

| OC | If an attendance code is entered in the Attendance Code field, select Yes to indicate the record is an attendance occurrence, or No to indicate the record is a continuation of an existing occurrence. |
|----------|---|
| CG | Type a check group, to associate the pay code with a specific check group. |
| PG | Type an alpha or numeric value to associate the pay code with a specific process group. |
| Activity | Select the activity to which you want to post this time record information. |
| | If you leave this field blank, Payroll posts the time record amount to the activity from the pay code, job code, and then from the employee record. |
| Acct Cat | Select the account category to which you want to post this time record information. |
| | The account category defaults the same way as the activity, but can be changed. |

- 6. Choose the Add form action.
- 7. Choose the Submit form action to submit the report.

Options for Creating Missing Time Records

The following options are available for Creating Missing Time Records

You can re-run Automatic Time Records (PR134) to create missing Time Records for employees flagged for group or standard time records.

Choosing Employee Standard Time Records in the Create Time Record field creates time records for employees who have a record created through Standard Time Records (PR30.1) and are flagged on Employee (HR11.1).

You can manually enter a missing time record using Time Record Entry (PR36.1) or Attendance Time Entry (PR35.5).

Run Missing Time Records (PR136) to create time records.

Editing Time Records

You can edit time records through Time Record Edit (PR135) and verify the accuracy of hours, wages, general ledger accounts, and activities.

Process Time Record Edit (PR135) for Current, Error, and Processed status time records; only Batch, Future, or Error status time records; or all statuses before calculating the earnings and deductions.

STOP Before you can edit time records, the time records must be entered or interfaced with Payroll. For more information, see "Time Records: Entering" on page 295.

Q Need More Details? Check out the following concepts:

- "How Do I Verify the Accuracy of Time Records?" on page 372
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301

STEPS To edit time records

1. Access Time Record Edit (PR135).

- 2. Run the report to list all time records entered in the application.
- 3. Complete the form. Consider the following fields.

| Report Selection | Choose a report selection of 1, 2, or 3 to determine the information included in the report. | |
|--------------------------|---|--|
| | Select 1 (Time Record Edit) to include general time record information. | |
| | Select 2 (Time Record Distribution) to include general ledger distribution information for each time record. | |
| | Select 3 (Time Record Detail) to include detail information from the time records. | |
| Time Record Selection | Select a value of 1-5 to indicate the status of time records to verify. | |
| Batch | Select a batch to verify time records for a specific batch. | |
| | If you do not select a batch number, the report includes all batches. | |
| Processing Group | Select a processing group to verify time records for a specific processing group. | |
| Process Level | Select a process level to verify time records for a specific process level. | |
| Employee Sequence | Select a value that determines if the report prints in alpha or numeric sequence by employee, or in time record sequence. | |
| | Time record sequence is the order in which time records were entered, and is only valid for Batch status time records. | |
| Summary Option | Select the value that determines if the time record edit prints in summary by employee. | |

TIP The TRD Comments button on Time Entry (PR35.1) and Detail Time Entry (PR35.2) lets you enter comments you can print on Time Record Edit (PR135).

| Comments | Select the value that indicates if time record comments print on the report. |
|----------------------|--|
| Check TA Balances | Select the value that determines if the employee's current eligible balance for each time accrual plan is edited against any hours entered. All entered hours associated with the pay class defined in Plan (TA20.1) are considered in the edit. |
| | The value in the Time Record Selection field determines time records considered for the balance check. A separate edit report prints with employees whose entered hours exceed their current eligible balance. |

4. Choose the Submit form action.

Creating Offset Time Records

Payroll lets you create offset time records through Offset Time Record Creation (PR128). Offset time records consist of negative hours that reduce the regular hours produced by auto time records.

Only time records in current status can have offset time records created using Offset Time Record Creation (PR128).

STOP Before you create offset time records, you must set up exception and offset time record rules, manually enter exception time records, or create automatic time records. For more information, see "Setting Up Pay Structure" on page 29. For more information, see "Time Records: Entering" on page 295.

Q Need More Details? Check out the following concepts:

- "What Are Offset Time Records?" on page 373
- - "What are Exception, Offset Time Record Rules?" on page 42

STEPS To create offset time records

- 1. Access Offset Time Record Creation (PR128).
- 2. Select to print the report by Company, Processing Group, or Process Level. You cannot select both a Processing Group and a Process Level.
- 3. Select report options. Consider the following fields.

| Update | Select the value N (Report Only), or Y (Update) indicate whether you want to perform the updat | |
|----------------------|---|--|
| | If you select Y (Update), the update is performed. If you select N (Report Only), the application creates a report listing pending changes. | |
| Employee Sequence | Select an employee sequence to override the default print order defined for the company on Company (HR00.1). | |
| Variance Report | Select the option that indicates whether or not you want to create a report listing the employees with unbalanced exception and offset pay codes. | |
| | Select Yes to create the report. Select No if you do not want to create the report. | |

4. Choose the Submit form action to submit the report.

IMPORTANT If you define rules by employee group, Offset Time Record Creation (PR128) looks through employee groups alphabetically until it finds the first group where the employee belongs. The application uses the exception rules for that employee group to create offset time records for the employee.

Creating a One-Time Deduction Listing

One Time Deduction Listing (PR239) lists one-time and arrears deductions including deductions from employee pay and deductions not deducted from pay.

NOTE When you run Offset Time Record Creation (PR128), the application creates offset time records for employees who have the Auto Time Record field on Employee (HR11.1) set to Yes, Standard, or Time Group, and who have one or more exception time records. Payroll creates an offset time record for each exception time record. $\textcircled{\sc line tails}$ Check out the following concepts:

- "What are One-Time Deductions?" on page 286
- "What are Time Record Statuses?" on page 299

STEPS To create a one-time deduction listing

- 1. Access One Time Deduction Listing (PR239).
- 2. Select to print the report by Company, Processing Group, or Process Level. You cannot select both a Processing Group and a Process Level.
- 3. Complete the form. Consider the following fields.

| Employee | Select an employee, or type a beginning and ending employee number to define a range of employees to include in the listing. | | | |
|----------------------|---|--|--|--|
| | If you define an employee range, the listing includes only employees within that range who have one-time deductions. | | | |
| Deduction | Select a deduction to include in the one time deduction listing. | | | |
| | If you do not choose a deduction, all one-time deductions are selected. | | | |
| Status | Leave this field blank to include arrears deductions created by the application. | | | |
| | – or – | | | |
| | Select a status to include in the listing. To display system created arrears deductions, select Current status records. | | | |
| | Select Future status to include only Future status one-time deductions. | | | |
| | Select Future or Current status to establish manually created one-time deductions. | | | |
| | Select Current status to include only Current status one-time deductions as created in One Time Deduction (PR39.1), Payroll created arrears deductions, and one-time deductions currently processing through a payroll cycle. | | | |
| Employee Sequence | Select an employee sequence to override the default print order defined for the company on Company (HR00.1). | | | |

4. Select the Submit form action to submit the report.

Follow up

If required, perform adjustments to one-time deductions through One Time Deduction (PR39.1) or One Time Deduction - Speed (PR39.2). For more information, see "Maintaining One-Time Deductions" on page 289.

Use Earnings and Deductions Calculation (PR140) or Arrears Automation (PR139) to create arrears deductions. For more information, see "Creating Arrears Deductions" on page 401. For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393.

Once the deduction from either the One Time Deduction (PR39.1) or One Time Deduction - Speed (PR39.2) is picked up by the Earnings and Deductions Calculation (PR140), the status for the one-time deduction is changed to processed. For this change to occur, the deduction must be in current status with an effective date equal to or prior to the date on PR140.

Deleting Flex Time Records

^{}If you are a Benefits Administration application user, you can delete the Current status standard time records created in the Benefits Administration application. You might want to do this if you do not want to issue a payment for flex credits for an employee when the employee has no other pay for the pay cycle.

For more information on editing time records and the Benefits Administration application, see the *Benefits Administration User Guide*.

STEPS To delete flex time records

- 1. Access Current Flex Time Record Delete (BN134).
- 2. Complete the form. Consider the following fields:

Report Option Select U (Update) or R (Report Only).

If you select Update, BN134 deletes the selected time records and lists the deleted time records. If you select Report Only, BN134 lists, but does not delete the selected time records.

NOTE Lawson recommends selecting R (Report Only) to review the report before selecting U (Update).

EmployeeSelect A (Alpha) or N (Numeric) to override the
default print order defined in Company (HR00.1).

3. Choose the Submit form action to submit the form.

Chapter 26

Payroll Cycle: Pre-cycle Maintenance

This chapter describes how to perform pre-cycle maintenance for the payroll cycle within the Lawson Payroll application. Some of the procedures explained in this chapter are required to run as part of the payroll cycle based on flags set on Company (HR00.1), Process Level (HR01.1), or both.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 391 The following concepts provide background and conceptual information for the procedures within this chapter.

- "How do I Check on Payroll Cycle Status?" on page 385
- "What is the Tips Calculation? (U.S. and CA)" on page 386
- "How Do I Update Gross Receipts for Tipped Employees? (U.S. and CA)" on page 388
- "What is the Retroactive Pay Calculation?" on page 389
- "What is Arrears Automation?" on page 390

How do I Check on Payroll Cycle Status?

The Payroll Cycle Status inquiry displays the status of the current payroll and time accrual cycles for all process levels. Use the Payroll Cycle Status to verify where you are within a payroll or time accrual cycle. The forms and reports displayed on the Payroll Cycle Status Inquiry are:

- Tip Calculation (U.S. and CA only)
- FLSA Overtime Calculation (U.S. and CA only)
- Earnings and Deductions Calculation
- Payment Print
- Payroll Close
- Time Accrual Update
- Time Accrual Close

Payroll uses information on the Payroll Cycle Status to control when payments are ready for printing, when a form or report must be reprocessed, when payroll can be closed, and when to send appropriate error messages.

The following statuses display for each form or report by process level:

- _(blank) the program has not yet been processed
- R the program is currently running
- E the program ended in error
- * (asterisk) the program completed successfully

When the Payroll Close completes successfully, the * indicator clears from payroll cycle programs. The * indicator clears from time accrual cycle programs when Time Accrual Close completes successfully.

Example

In this example, for Process Level GRH, the Overtime Calculation and Earnings and Deductions Calculation completed successfully. For RBH, the Overtime Calculation completed successfully, but the Earnings and Deductions Calculation has not been processed.

Figure 27. Example: Checking the Payroll Cycle Status

| Process Level GBCLC GRF&C | Tips Calc | Ovt Calc | Earnings Deductions | Payment Print | Payrol I Close |
|------------------------------------|--------------|-------------|------------------------|------------------|-------------------|
| ONH GRBES | | ř | * | | |
| HUUIF | | | | | |
| RBH | | × | | | |

What is the Tips Calculation? (U.S. and CA)

If you use the Tips application, you can process the Tip Calculation to:

- Verify minimum wage requirements according to the employee's work state or federal requirements
- Calculate the tip credit if minimum wage was not met
- · Create time records for any shortfall amount
- · Create tip history records used for tip allocation
- Calculate the hours worked in tipped jobs for tip allocation using the hours worked method

The tip credit is stored for audit and reporting purposes and is included in the regular rate of pay for the overtime calculation.

Hours worked for tipped employees in tipped jobs are calculated and stored for use in the hours worked method of tip shortfall allocation calculation.

If there is no tip time record, the Tip Calculation determines which direct or indirect pay code to use based on the time record job code and on how Company Allocation is set up.

The Tip Calculation can be required as part of the Payroll Cycle if it is flagged as required on the Company or Process Level forms.

Example 1

The following time records were created for Megan:

| | Pay | | | |
|---------|------|----------|----------|------|
|) Hours | Code | Job Code | Rate | Date |
| | DTIP | WAITRESS | 100.0000 | 103 |
| 32.00 | REG | WAITRESS | 2.1300 | 103 |

Megan is an hourly, weekly-paid employee who is eligible for the tip credit. The minimum wage for her state of MD is 4.25/hour.

The Tip Credit Calculation calculates as follows:

1. Verifies minimum wage has been met:

| 2.13 x 32 (hrs) = | 68.16 + 100.00 (tips) = | 168.16 total wages |
|-------------------|----------------------------|-------------------------------------|
| 4.25 x 32 (hrs) = | | <u>136.00</u> min. wage required |

No tip shortage.

2. Calculates tip credit:

136.00 - 68.16 = 67.84 tip credit amount

Example 2

The following time records were created for John:

| | Pag | | | |
|-------|--------------|-----------|---------|------|
| Hours | Code | Job Code | Rate | Date |
| | DT IP | BARTENDER | 45.0000 | 103 |
| 28.00 | REG | BARTENDER | 2.4100 | 103 |

John is an hourly, weekly-paid employee who is eligible for the tip credit. The minimum wage for his state of MD is 4.25/hour.

The Tip Credit Calculation calculates as follows:

1. Verifies minimum wage has been met:

| 2.41 x 28 (hrs) = | 67.48 + 45.00 (tips) = | 112.48 total wages |
|-------------------|------------------------|----------------------------------|
| 4.25 x 28 (hrs) = | | <u>119.00</u> min. wage required |
| | | 6.52 Tip shortage |

2. Calculates tip credit:

119.00 - 67.48 = 51.52 tip credit amount

Creates time record for tip shortage as follows:

| Pag | | | | | S |
|------|-------|-----------|----------|-------|---|
| Code | Hours | Job Code | Rate | Date | Т |
| REG | 28.00 | BARTENDER | 2.4100 | 10397 | Ē |
| DTIP | | BARTENDER | 45 .0000 | 10397 | Ē |
| TIPC | | BARTENDER | 6 .5200 | 10397 | Ē |

How Do I Update Gross Receipts for Tipped Employees? (U.S. and CA)

If you are a Lawson Tips user, you have a number of options for entering gross sales receipts in to the Tips application.

Run the Point of Sale Interface to create gross receipts records for tipped employees in the Lawson Tips application. The application creates gross receipts records by reading a file created from a non-Lawson time record application. You are responsible for creating the time record interface file read by any non-Lawson time record applications.

Use the Hours Worked Allocation to create gross receipts records to use in the Hours Worked method of calculating shortfall allocations for specific allocation levels. You can record charged tips, charged receipts, and service charges of less than 10 percent paid as wages to employees. The application uses this optional information for year-end federal reporting.

Use Gross Receipts by Allocation Level to create gross receipts records for employees in a specific allocation level. The application uses these gross receipts records to calculate shortfall allocations using the Individual Gross Receipts method.

Use Employee Gross Receipts Allocation to record gross receipts for individual employees reporting in more than one allocation level.

Use Gross Receipts Allocation to create gross receipts records to use in the individual gross receipts method of calculating shortfall allocations for specific allocation levels. You can record charged tips, charged receipts, and service charges of less than 10 percent paid as wages to employees. The application uses this information for year-end federal reporting.

What is the Retroactive Pay Calculation?

The retroactive pay calculation calculates, and as an option, creates time records for retroactive pay amounts. When you calculate retroactive pay, Payroll reads the payroll history files to determine the amount due to the employee.

You can create a separate time record for each distribution found on the time records that were used to calculate the retroactive pay. Retroactive time records can be expensed using current home wage expense distribution.

Retroactive pay calculation can be based on a flat amount per hour or a percentage of wages for a specific population of employees. The calculation can be based on a specified group of wages or all wages earned by an employee for a specified date range.

Different parameters can be defined for multiple job codes. You can establish unique amounts or percentages for combinations of job codes and pay classes or pay codes.

If you choose to have time records automatically created, the time records are created as a flat amount.

Example

The payroll manager must create retroactive pay time records for the Minnesota Nurses Association (MNA) union, which has just re-negotiated a 6.2 percent salary increase for all employees in the union. The increase is retroactive to the first of May through the current pay date (June 16, 2001). Therefore, the payroll manager processes the Retroactive Pay Calculation using the following parameters.

Payroll creates time records for all employees in this union for the appropriate retroactive pay amount based on the pay history from May 1, 2001 through June 15, 2001.

A separate retro time record is created for each distribution found on the time records which were used to calculate the retroactive pay.

Arrears automation lets you automatically create arrears deductions for active employees who:

• Have no time records of any status which will result in net pay to the employee in the current payroll cycle

– or –

Have only non-cash time records entered for the current payroll cycle

A deduction is eligible for arrears if you designated it as eligible when you defined the deduction on Deduction.

To activate the arrears automation feature, run Arrears Automation. Use the Pay Code and Pay Class fields on Arrears Automation to designate the non-cash pay codes, pay classes, or both on time records for employees who have only non-cash time records in the current payroll cycle.

Example

When the McBride Bottling Company was ready to process their payroll, they had fifteen employees who had no time records for this pay cycle. McBride wanted to create arrears deductions for these fifteen employees. To do this, McBride ran Arrears Automation specifying the fifteen employees before Earnings and Deductions Calculations were processed in the payroll cycle.

Procedures in this Chapter

| "Verifying the Payroll Cycle Status" on page 393 | Verify the status of the payroll cycle before closing the cycle. |
|--|--|
| "Calculating Tip Credit Records (U.S. and CA)" on page 393 | Calculate tip credit records to verify minimum wage requirements, calculate tip credit, create time records for shortfall, create tip history records, and calculate the hours worked in tipped jobs. |
| "Calculating Retroactive Pay" on page 395 | Calculate retroactive pay, and create a time record for retroactive pay. |
| "Calculating FLSA Overtime (U.S. and CA)" on page 399 | Calculate FLSA overtime to calculate the regular rate and the required overtime premium amount due. |
| "Creating Arrears Deductions" on page 401 | Create arrears deductions to put eligible deductions into arrears for employees who do not have time records in Current, Process, or Error status, or for employees who have current time records for only non-cash pay. |
| "Calculating the Cost of Excess Life Insurance" on page 405 | Calculate the cost of excess life insurance on an annual, monthly, or pay period basis. |

The following procedures explain how to process Pre-cycle maintenance.

Export time records from your payroll to a third-party software.



Figure 28. Procedure relationship: Payroll Cycle: Pre-cycle Maintenance

Verifying the Payroll Cycle Status

Use Payroll Cycle Status (PR00.1) to verify that the previous payroll cycle is closed before you begin processing the payroll cycle. For more information, see "Time Records: Entering" on page 295.

STOP Before you continue processing the payroll cycle, you must enter or import time records into Payroll. For more information, see "Time Records: Entering" on page 295.

Need More Details? Check out the following concepts:

- How Do I Prepare for Payroll Cycle Processing?" on page 362
- "How Do I Prepare for Payroll Cycle Processing?" on page 362

STEPS To verify the payroll cycle status

- 1. Access Payroll Cycle Status (PR00.1).
- 2. Enter the Company in the Company field.
- 3. Choose Inquire to verify that the previous payroll cycle is closed for the process levels you are processing. All fields must be blank when beginning a payroll cycle.

IMPORTANT Throughout the payroll close, access Payroll Cycle Status (PR00.1) to display the status of the current payroll and time accrual cycles for all process levels. Access PR00.1 after completing TP135, PR132, PR140, TA170, PR160, PR197, and TA199 to verify that the cycle processing reports are completed successfully.

Calculating Tip Credit Records (U.S. and CA)

If you use the Tips application, you must process the Tip Calculation to:

- Verify minimum wage requirements according to the employee's work state or federal requirements
- · Calculate the tip credit if minimum wage has not been met
- Create time records for any shortfall amount
- · Create tip history records used for tip allocation
- Calculate the hours worked in tipped jobs for tip allocation using the hours worked method

TIP Instead of using Payroll Cycle Status (PR00.1), you can use the Drill Around feature on the Company field on any form to verify the payroll cycle status. **NOTE** If the form is blank, a payroll cycle is not started, or the payroll close completed successfully. Once a payroll cycle is started,

indicators are viewable

on the form.

STOP Tipped employees can be identified either by a job code flagged in the Job Code field on the Assignment tab, or the Tipped Employee Flag on the Pay tab on Employee (HR11.1).

Q Need More Details? Check out the following concepts:

- "What is the Tips Calculation? (U.S. and CA)" on page 386
- "How Do I Update Gross Receipts for Tipped Employees? (U.S. and CA)" on page 388
- "What are Allocation Levels?" on page 198
- "What is Shortfall Allocation?" on page 198
- "How does Tips Calculate the Shortfall Allocation Using Individual Gross Receipts Method?" on page 198
- "How does Tips Calculate the Shortfall Allocation for the Hours Worked Method?" on page 200
- "What do I need to Set Up Before I Use the Tips application?" on page 202
- "What are Time Record Statuses?" on page 299

STEPS To calculate tip credit records

- 1. Access Tip Calculation (TP135).
- 2. Select the Parameters Tab. Consider the following fields.

| Rerun | Select the value that determines if this is a rerun of Tip Calculation (TP135). |
|---------------|--|
| | When you rerun TP135 during a cycle, the application performs the same calculations again. Previously created records are deleted and recreated based on the re-run. |
| Errors Only | Select the value that determines if you want to run the report for time records in error status. |
| Pay Class | Select the pay class representing the kind of pay you want to include in the tip credit calculation. |
| Update Option | Select whether or not you want to update the application with tip pay records and time records for shortages. |
| | |

| Report Sequence | Select the sequence in which you want the report to print. | |
|-------------------------------|--|--|
| | The report sequence is based on the process level, department, and job code from the time record; not on the "home" process level, department, or job code from the employee record. | |
| Employee Sequence | Select the employee sequence in which you want the report to print. If you do not select an employee sequence, the sequence defaults as defined in the Print Order field of Company (HR00.1). | |
| On the Default tab se fields. | lect the default pay codes. Consider the following | |

| Direct Tipped Pay Code | Select the direct tipped pay code you want to use to update or create tip history records when no tip time record exists. |
|-----------------------------|---|
| Indirect Tipped Pay Code | Select the indirect tipped pay code you want to use to update or create tip history records when no tip time record exists. |

- 4. Choose the Submit form action to submit the calculation.
- 5. Access Payroll Cycle Status (PR00.1).
- 6. Verify the completion of tip credit calculation.

NOTE Running Payroll Close (PR197) at the end of the payroll cycle updates tip records to history.

Calculating Retroactive Pay

3.

Use Retroactive Pay Calculation (PR131) if you have retroactive pay to calculate. A retroactive pay increase can be based on a percent of earnings or an amount per hour.

Calculate retroactive pay for all employees in the company, or for any subgroup of employees based on process level, department, union, job code, shift, employee group, payment dates, pay class, and pay codes, or both pay class and pay codes.

Q Need More Details? Check out the following concepts:

- "What is the Retroactive Pay Calculation?" on page 389
- "What are Time Record Statuses?" on page 299

STEPS To calculate retroactive pay

•

1. Access Retroactive Pay Calculation (PR131).

NOTE For nonexempt employees the time record date for retroactive pay uses the default from the work-period end date. For exempt employees, the application uses the time record date parameter. 2. Select the employees who need retroactive pay calculated. Use the Selection form tab to define general parameters for retroactive pay calculation. Consider the following fields.

| Processing Group | Select a processing group to calculate retroactive pay for a specific processing group. |
|------------------|--|
| | You cannot select both a processing group and a process level or department. |
| Process Level | Select a process level to calculate retroactive pay for a specific process level. |
| | If you leave this field blank, the calculation includes all process levels. |
| | You cannot select both a processing group and a process level or department. |
| Department | Select a department to calculate retroactive pay for a specific department. |
| | If you leave this field blank, the calculation includes all departments. |
| | You cannot select both a processing group and a process level or department. |
| Union | Select a union code to calculate retroactive pay for a specific union. |
| | If this field is blank, the calculation includes all unions. |
| Job Code | Select a job code to calculate retroactive pay for a specific job. |
| | If this field is left blank, the calculation includes all job codes. |
| | NOTE You cannot select a job code on this tab if you select job codes on the Job Codes tab. You can also calculate retroactive pay for multiple job codes. For more information, see "Calculating Retroactive Pay" on page 395. |
| Shift | Select a shift to calculate retroactive pay for a specific shift. You can select up to eight shifts. |
| | If this field is left blank, the calculation includes all shifts. |
| Employee | Select an employee for the retroactive calculation in this cycle. You cannot select employees in addition to other selection criteria. |
| | If the Employee fields are left blank, the calculation includes all employees. |
| Employee Group | Select an employee group for the retroactive calculation in this cycle. | |
|---|---|--|
| | If this field is left blank, the calculation includes all employee groups. | |
| | You cannot select an employee group in addition to other selection criteria. | |
| Date | Type the date range for the calculation. | |
| Pay Class | Select a pay class that includes the kind of pay you want included in the retroactive pay calculation. | |
| | You cannot select both a pay class and pay codes. | |
| Pay Code | Select a pay code that represents the kind of pay you want to include in the retroactive pay calculation. | |
| | You cannot select both a pay class and pay codes. | |
| Select the Time Reco specify parameters for fields. | rd Tab. Use the Time Record form tab to further retroactive pay calculation. Consider the following | |
| Retro Percent | Type a percent value to calculate a retroactive increase based on a percent of earnings. | |
| | If you type a percent, leave the Amount Per Hour field blank. | |
| Amount per Hour | Type an amount to calculate a retroactive pay increase based on an amount per hour. | |
| | If you type an amount per hour, leave the Retro Percent field blank. | |
| Retro Pay Code | Select the pay code for the application to use when creating time records for the retroactive pay increase. | |
| Time Record Date | Type a date for the time records created for the retroactive pay increase. Leave this field blank to use the work week ending date on the time records. | |
| | NOTE For employees assigned to an overtime pay plan, the report creates a time record for each work week included in the retroactive calculation. The date on each of the time records is the work week ending date. | |

3.

| Check Group | Type a check group value to associate the retroactive pay with a specific check group. | | | | |
|---|---|--|--|--|--|
| Process Group | Type an alpha or numeric value to associate the pay code with a specific process group. | | | | |
| Distribution Option | Select how you want to distribute retroactive time records. | | | | |
| | Select Current Distribution to create time records using each employee's current general ledger account distribution defined on Employee (HR11.1). | | | | |
| | Select Historical Time Record to create time records using the general ledger account distribution from the original payment. | | | | |
| Update Option | Select whether you want to update the application with retroactive time records. | | | | |
| | Select Report Only to produce an edit report without creating actual time records. | | | | |
| | Oplant Lindata to availations records in addition | | | | |
| | to the edit report. | | | | |
| Choose the Jobs tab the Jobs tab, you can calculate retroactive p | select Update to create time records in addition to the edit report. if calculating pay for multiple job codes. With define up to seven job codes for which you can bay. Consider the following fields. | | | | |
| Choose the Jobs tab the Jobs tab, you can calculate retroactive p Job Code | Select Update to create time records in addition to the edit report. if calculating pay for multiple job codes. With define up to seven job codes for which you can bay. Consider the following fields. Select the job code to calculate retroactive pay for a specific job. You can use this form to have the application calculate retroactive pay for up to seven job codes. | | | | |
| Choose the Jobs tab the Jobs tab, you can calculate retroactive p Job Code Retro Percent | Select Opdate to create time records in addition to the edit report. if calculating pay for multiple job codes. With define up to seven job codes for which you can bay. Consider the following fields. Select the job code to calculate retroactive pay for a specific job. You can use this form to have the application calculate retroactive pay for up to seven job codes. Type a percent value to calculate a retroactive increase for the job code based on a percent of earnings. | | | | |
| Choose the Jobs tab the Jobs tab, you can calculate retroactive p Job Code Retro Percent | Select Opdate to create time records in addition to the edit report. if calculating pay for multiple job codes. With define up to seven job codes for which you can bay. Consider the following fields. Select the job code to calculate retroactive pay for a specific job. You can use this form to have the application calculate retroactive pay for up to seven job codes. Type a percent value to calculate a retroactive increase for the job code based on a percent of earnings. If you type a percent, leave the Amount Per Hour field blank. | | | | |
| Choose the Jobs tab the Jobs tab, you can calculate retroactive p Job Code Retro Percent Amount Per Hour | Select Opdate to create time records in addition to the edit report. if calculating pay for multiple job codes. With a define up to seven job codes for which you can bay. Consider the following fields. Select the job code to calculate retroactive pay for a specific job. You can use this form to have the application calculate retroactive pay for up to seven job codes. Type a percent value to calculate a retroactive increase for the job code based on a percent of earnings. If you type a percent, leave the Amount Per Hour field blank. Type an amount to calculate a retroactive pay increase for the job code based on an amount per hour. | | | | |
| Choose the Jobs tab the Jobs tab, you can calculate retroactive p Job Code Retro Percent Amount Per Hour | Select Opdate to create time records in addition to the edit report. if calculating pay for multiple job codes. With a define up to seven job codes for which you can bay. Consider the following fields. Select the job code to calculate retroactive pay for a specific job. You can use this form to have the application calculate retroactive pay for up to seven job codes. Type a percent value to calculate a retroactive increase for the job code based on a percent of earnings. If you type a percent, leave the Amount Per Hour field blank. Type an amount to calculate a retroactive pay increase for the job code based on an amount per hour. If you type an amount per hour, leave the Retro Percent field blank. | | | | |

NOTE Entries in fields on the Jobs tab override entries on the corresponding fields on the Selection and Time Record tabs.

| Pay Class | Select a pay class that includes the kind of pay you want included in the retroactive pay calculation. | | | |
|---|---|--|--|--|
| | You cannot select both a pay class and pay codes. | | | |
| Pay Code | Select a pay code that represents the kind of pay you want included in the retroactive pay calculation. | | | |
| | If you do not select a pay code, Payroll uses the pay codes you select on the Selection tab. | | | |
| | You cannot select both a pay class and pay codes. | | | |
| Choose the Special Action icon to Add or Change the form. | | | | |
| Choose Validate Request to validate the form. | | | | |

7. Choose the Submit form action to submit the report.

IMPORTANT If you give a retroactive pay increase to non-exempt employees, run FLSA Overtime Calculation (PR132) to calculate overtime due on the retroactive amount. For more information, see "Calculating FLSA Overtime (U.S. and CA)" on page 399.

Calculating FLSA Overtime (U.S. and CA)

5. 6.

Run FLSA Overtime Calculation (PR132) to calculate the weighted average rate for the required overtime premium amount due, based on the overtime pay plan assigned to the employee. Use this form if you gave a retroactive pay increase to non-exempt employees on Retroactive Pay Calculation (PR131).

The method for calculating overtime depends on how the overtime plan is set up and whether or not the user supplies overtime pay codes.

If the manually entered overtime on the time record is less than the overtime amount due, the application adjusts the premium on the supplied overtime paycode. If additional overtime hours are due, the application creates an FLSA overtime paycode using the weighted average rate.

IMPORTANT If you defined the overtime calculation as a required report in the payroll cycle for the company or process level, this procedure is required.

STOP Before calculating overtime, you must verify that the employee is nonexempt and has a valid overtime pay plan assigned on the Pay form tab on Employee (HR11.1). For more information, see "Assigning Employee Pay" on page 214.

Need More Details? Check out the following concepts:

- "How does Payroll Calculate FLSA Overtime?" on page 37
- "What are Payroll Distributions?" on page 262
- "What are Time Record Statuses?" on page 299

STEPS To calculate FLSA overtime

- 1. Access FLSA Overtime Calculation (PR132).
- 2. Run the report by Processing Group or Process Level by completing the appropriate field.
- 3. Select the report options. Consider the following fields.

| | Update Option | Select whether or not to update the application with changes when the report is run. | | | | |
|----|------------------------|--|--|--|--|--|
| | | Select Report Only to produce an edit report without creating overtime records. | | | | |
| | | Select Update to create overtime records in addition to the edit report. | | | | |
| | Distribution Option | If you create overtime time records through PR132, Select C (Current) or P (Prorate to Timerecords) to indicate whether you want the overtime wages distributed to the home (Current) distribution account or prorated to the distribution on the time records. | | | | |
| | | If you select Prorate to Timerecords, the application calculates the percentage of time spent in each reporting area. (A reporting area is a general ledger account and activity.) Only time records used in the calculation of overtime hours are prorated. | | | | |
| | | If you leave this field blank, Current defaults. | | | | |
| | | TIP If you choose to rerun the PR132, you must first delete any created overtime record entries using Time Record Entry (PR36.1), and then rerun PR132. | | | | |
| | Distribution Report | **Select the value that indicates whether or not you want to create a General Ledger distribution report. | | | | |
| | | If you leave this field blank, No defaults and a report is not created. | | | | |
| 4. | Run the report. | | | | | |

TIP The FLSA Overtime Calculation (PR132) can be required as part of the Payroll Cycle if PR132 is flagged as required on the Company (HR00.1) or Process Level (HR01.1) forms. **NOTE** FLSA Overtime Calculation (PR132) cannot correctly calculate overtime on payroll history converted through Payroll History Load CSV (PR560) because the overtime premium field is not available in the conversion work file on PR560. 5. Access Payroll Cycle Status (PR00.1) to see if PR132 calculated properly.

| If the status marker under Ovt Calc is | It indicates that PR132 |
|---|-------------------------|
| an asterisk (*) | ran properly |
| R | is still running |
| E | ended in error |
| (blank) | has not been run |

IMPORTANT If FLSA Overtime Calculation (PR132) ended with errors, or if time records are deleted, added or otherwise changed after running PR132, you must rerun the PR132 before continuing the payroll cycle. For more information, see "What Causes Errors in the Payroll Cycle?" on page 452.

Creating Arrears Deductions

Use Arrears Automation (PR139) to put eligible deductions into arrears for employees who do not have time records in Current, Process, or Error status, or for employees who have current time records for only non-cash pay.

Although this report is not required, Lawson recommends using Arrears Automation (PR139) to put deductions in arrears.

STOP A deduction is eligible for arrears if you select All or None, Create Arrears or Net to Zero, or Create Arrears in the Arrears field of Deduction (PR05.1). For more information, see "Defining Deduction Codes" on page 103.

Q Need More Details? Check out the following concepts:

- "What is Arrears Automation?" on page 390
 - "What are Deduction Cycles?" on page 98
 - "What are Time Record Statuses?" on page 299

STEPS To create arrears deductions

1. Access Arrears Automation (PR139).

NOTE If you select a pay class or pay codes, Payroll finds current time records associated with the pay codes or pay class and changes them from current to future status before it creates arrears deductions.

2. Choose the Selection form tab to find employees who do not have time records in current status. When you run PR139, Payroll puts eligible deductions for these employees into arrears.

Consider the following fields.

| Processing Group | Select a processing group to search for employees who do not have current time records. | | |
|--------------------|---|--|--|
| | You cannot select both a Processing Group and a Process Level. | | |
| Processing Level | Select a process level to search for employees who do not have current time records. | | |
| Department | Select a department to search for employees who do not have current time records. You must select a process level in the Process Level field before you can select a department. | | |
| User Level | Select a user level to search for employees who do not have current time records. | | |
| Employee Group | Select an employee group to search for employees who do not have current time records. | | |
| Pay Frequency | Select X to include employees paid weekly, bi-weekly, semi-monthly, or monthly, and who do not have current time records. | | |
| | You can select more than one pay frequency. If you do not select any pay frequencies, all pay frequencies are included. | | |
| Include or Exclude | Select the value indicating whether you want to include or exclude status codes (from the status field) in the search criteria. | | |
| Status | Select to include or exclude an employee status code in your search for employees. | | |
| Employees | Select an employee for whom you want to create arrears deductions. | | |
| | The application creates arrears for the employee even if the employee does not meet the criteria you select above. The employee must not have current time records eligible for arrears deductions. | | |

NOTE You cannot select both a pay class and pay codes.

3. Select the More tab to define the settings for the arrears automation report and to further define the time records used in arrears automation. Consider the following fields.

| Pay Class | Select a Pay Class to include employees who DO have current time records with pay codes linked to this pay class. |
|-----------------|--|
| | Use this field if you have employees with current time records in a noncash or flex dollar (no regular pay) pay class. The application changes the current status time records to future status before putting eligible deductions into arrears. |
| Pay Codes | Select a Pay Code to include employees who DO have current time records with this pay code. |
| | Use this field if you have employees with current time records in noncash or flex dollar (no regular pay) pay codes. The application changes the current status time records to future status before putting eligible deductions into arrears. |
| Deduction Cycle | Select a deduction cycle from 1-9 to determine which deductions to place into arrears. |
| | Use Deduction (PR05.1) to assign individual deductions to a specific deduction cycle. Use Employee Deduction (PR14) or Deduction Speed Entry (PR15) to override the deduction cycles defined on PR05.1 for individual employees. |
| Payment Date | Type the payment date on which the payroll cycle will perform arrears deductions. |
| | The payment date, along with the deduction cycle, determines which deductions the application puts into arrears. |
| Arrears Status | Select a value indicating whether you want to create the arrears deduction in future or current status. |
| | If you create arrears in Current status, Payroll processes the deductions in the next payroll cycle in which the employee has current time records. The application uses Earnings and Deductions Calculation (PR140) to process the arrears deductions. |
| | If you create arrears in Future status you must first run Time Record Selection (PR38.1) or Batch Time Record Update (PR137) to bring the deductions to current status before running Earnings and Deductions Calculation (PR140). |

| Update | Select an option to determine if you want to create the arrears deduction records and a report or a report only. |
|----------------------|---|
| | Select Yes to create the arrears deduction records and create a report. If you selected a pay class or pay code, Payroll changes current time records in the pay classes or pay codes to Future status before the application updates the arrears deduction records. |
| | Select No to create a report to view pending changes without making updates to the application. |
| Run Option | Select a value to determine whether you want to create or delete arrears deductions. |
| | Select Create if you want to create new arrears deductions for the employees who meet your selected criteria. |
| | Select Delete if you want to delete arrears deductions originally created by Arrears Automation (PR139). Use this option if you previously ran PR139 in error or with incorrect parameters. If you want to delete all arrears deductions for one employee, use One Time Deduction (PR39). |
| Report Sequence | Select the value indicating the order the report prints. |
| Employee Sequence | Select the value indicating whether you want to override the default print order defined in Company (HR00.1). |
| | If you select Employee Name, employees list by name. |
| | If you select Employee Number, employees list by number. |

4. Choose the Submit form action to submit the form.

Calculating the Cost of Excess Life Insurance

^{}Run Life Insurance Reportable Income (BN150) to calculate the cost of excess employee and dependent life insurance for each employee.

You can calculate the cost of excess life insurance annually, monthly, or on a pay period basis.

STOP Before you run Run Life Insurance Reportable Income (BN150), you must complete enrollment maintenance and flag plans included in the excess life insurance calculation. For more information, see the *Benefits Administration User Guide*.

STEPS To calculate the cost of excess life insurance

- 1. Access Life Insurance Reportable Income (BN150).
- 2. Complete the form. For more information, see the *Benefits Administration User Guide.*
- 3. Choose the Submit form action to submit the report.

NOTE The Benefits Administration application performs calculations based on the coverage and contributions in effect on the As of Date. You can create a time record for each employee to update taxable wages. The time record represents the cost of excess life insurance for the reporting period.

Payroll Cycle: Calculate Earnings

This chapter covers how to calculate earnings for the payroll cycle within the Lawson Payroll application.

STOP Before you calculate earnings, you must create time records, run reports such as Retroactive Pay Calculation (PR131), FLSA Overtime Calculation (PR132), and Time Record Edit (PR135) as required or as necessary, and edit and verify completion and accuracy of time records. For Earnings and Deductions Calculation (PR140) to pick up time records, the time records must be in current, error, or processed status. For more information, see "Payroll Cycle: Pre-cycle Maintenance" on page 383. For more information, see "Editing Time Records" on page 377.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 415 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Functions Does the Earnings and Deductions Calculation Perform?" on page 408
- "What Options Are Available When Calculating Deductions and Net Pay?" on page 409
- "What are the Uses for the Payment Date on Earnings and Deductions Calculation?" on page 411
- "How Do I Monitor Earnings and Deduction Calculation Reports?" on page 412
- "How Do I Process the Time Accrual Cycle Within the Payroll Cycle?" on page 413

What Functions Does the Earnings and Deductions Calculation Perform?

Run the Earnings and Deductions Calculation to complete the Gross to Net calculation. The Earnings and Deductions Calculation performs the following in Payroll:

- · Updates deduction code changes to the employee deductions
- Calculates all current status time records and, optionally, error status time records for the population selected
- Calculates all one-time deductions in current status for employees with time records
- Calculates all deductions and wages for all deductions that are valid according to the payment date and deduction cycle selected
- Updates the payroll history files with the new payroll data (creates records with an open status)
- Creates payroll distributions for use in creating general ledger transactions
- Creates a report of all payroll data created
- Creates a garnishment audit report showing the calculation of any garnishments and informational messages pertaining to the garnishments
- · Creates a funding source report for pension participants
- Updates the earnings and deductions calculation status flag on payroll cycles status

When processing the Earnings and Deductions Calculation, the time records considered for bypass and delete are only those records that cause the application to halt processing. Records that can cause the application to halt processing are those with incorrect tax categories or incorrect tax mapping to BSI.

Example

The following time records were created in Payroll for Janet Filman.

Figure 29. Example: Completing the Earnings and Deductions Calculation

| Pay | | | | |
|------------|-------|----------|---------|-------|
| Code | Hours | Job Code | Rate | Date |
| REG | 28.00 | HOSTESS | 6 .2500 | 10397 |
| <u>БІК</u> | 16.00 | HOSTESS | 6 .2500 | 11097 |
| REG | 12.00 | WAITRESS | 5.0000 | 10397 |
| REG | 24.00 | WAITRESS | 5.0000 | 11097 |
| DVT2 | 2.00 | WAITRESS | 5.0000 | 10397 |
| OVT2 | 2.00 | WAITRESS | 5.0000 | 11097 |

When the payroll manager processed the Earnings and Deductions Calculation, the following earnings and deductions were created for Janet.

Figure 30. Example: Processing the Earnings and Deductions Calculation

| PR140.prt | | | | | Paoo Proal | | | | Line:4 | 19 Pot: |
|--|---|---|--|--|---|---------------------------------|------------------|--|--|--|
| PR140 Date Time | 09/26/96 14:35 | | Сонрапу Earnings | 4321 Tuo Riv and Deductio | vers Company ons Calculatio | | | | | Page |
| Process Lev | el RBRES River | Bend Rest | taurant | Depart | tment REST | Restaurant | | | Payment type | Systeн |
| Employee N | lane | | Date | Payment ID | Gross Pay | Fed Taxable | Soc S | ec Txbl | Medicare Txbl | Net |
| 101 F Earnings Regular Sick Ovt 1.5x | ilHan, Janet J Hours 64.00 16.00 4.00 | Аноunt 1 355.00 Р 100.00 В 30.00 В | 01/19/9 Tax Ded Fed µ/h Ee SS Ee Med TN µ/h | 7 164 Аноилт 42.61 30.07 7.03 19.75 | 485.00 Taxable 385.00 485.00 485.00 385.00 | 385.00 Other Ded Addl 401 | Аноunt 100.00 | 485.00 Cpy Ded Co SS Co Hed FUTA HN SUI | 485.00 Аноилт 30.07 7.03 3.88 13.10 | 285 Taxa 485 485 485 485 485 |

Payroll assigns the temporary number under the payment ID field. In this example, 164 is the temporary number assigned by Payroll for Janet Filman.

What Options Are Available When Calculating Deductions and Net Pay?

The Earnings and Deductions Calculation provides options for determining how the application reacts if time records are in error. Through the Earnings and Deductions Calculation, you can:

 Re-run the Earnings and Deductions Calculation after correcting errors in time records.

Reprocess the report for errors only to save application processing time.

 Bypass employees with time record errors and complete the original payroll cycle; and then, run a separate payroll cycle for employees who had time record errors **NOTE** BSI tax warning messages appear in an output file of Earnings and Deductions Calculation if the BSI product used is "BSI Tax". Warning messages do not appear in the report and must be viewed in the Message Viewer section of the "BSI TaxFactory product". • Complete the original payroll cycle and delete any time records in error The Earnings and Deductions Calculation creates several reports.

| То | Use |
|---|--|
| Print wage detail by employee and employee-and employer-paid deductions | the Earnings and Deductions Calculation report. |
| Print information about how garnishments are calculated | the Garnishment report. |
| Indicate the time records in error and display errors in BSI TaxFactory | the Error report. |
| List warnings messages and display BSI TaxFactory messages | the Warning report. |
| List deleted time records | the Error Time Records Deleted report. |
| List payment numbers voided by Payroll | the Voids report. |
| Report by common currencies and countries | the Calculation report. |
| Report pension payments | Pension Funding Source report. |
| | NOTE This is an optional report. |
| Report Pay to Bill | Pay to Bill report. |
| | NOTE This report is used only by Pay to Bill users. |
| List information for Pay to Bill users | Billable Basis and Fees reports. |

IMPORTANT For records listed on the Errors Time Records Deleted report, use Manual Payment to create payments for the employees who had error time records. For more information, see "Creating Manual Payments" on page 473.

What are the Uses for the Payment Date on Earnings and Deductions Calculation?

When you process the Earnings and Deductions Calculation, you select the payment date to print on the payments given to employees. This payment date not only prints on the payments, but is also used for the following:

- To post cash and employee deduction accruals to the general ledger transaction file
- To store payroll history for use in reporting of wages
- To verify which deductions are valid for the pay cycle
- To determine which one-time deductions to take in a pay cycle
- To calculate MTD (month to date) and monthly limits on deductions
- · To verify which Direct Deposit distributions are valid for an employee

Example

The payment created for Janet is dated January 17, 2001.

Therefore, general ledger postings are created as follows:

Figure 31. Example: Earnings and Deductions Payment Dates

| Cash | 4321 | CORP | 11400 - 0000 | 285.54 | January 17, 2001 |
|-------------------|------|------|--------------|--------|------------------|
| Fed w/h accrual | 4321 | CORP | 23200 - 0000 | 42.61 | January 17, 2001 |
| State w/h accrual | 4321 | CORP | 23235 - 0000 | 19.75 | January 17, 2001 |

When running tax reports, these wages are included in the first quarter of 2001. More specifically, these wages are stored in history with a date of January 17, 2001.

Only deductions with an effective date range that including January 17, 2001(and are flagged for the specified deduction cycle) are taken.

Janet has two one-time deductions to take an additional amount of 401(k) at two specific times this quarter. Both are in Current status with dates of January 1, 2001 and February 1, 2001. Only the first one-time deduction is taken in this cycle.

Only Direct Deposit distributions that have an effective date range that includes January 17, 2001 (and are flagged for the specified deduction cycle) are used for automatic deposit distributions.

NOTE For the application to take the one-time deduction, the one-time deduction date must be less than or equal to the payment date.

The Earnings and Deductions Calculation produces a number of edit reports. Lawson recommends users monitor these reports when the user processes the payroll cycle. The edit reports include Delete TR, Errors, Warnings, Garnish and Voids.

The Delete TR report provides a list of all time records the application deleted as a result of setting the flags for Bypass Employee Errors and Delete Error Time Records to Yes. Only the error time records that cannot be fixed by the application are deleted. If a time record is changed to error status by making a change on the record, the application does not delete this time record and write the error to the Delete TR report unless the time record cannot be processed as changed.

The Errors report provides a list of all fatal errors which prevent the Payroll Cycle reporting to stop.

IMPORTANT Only those time records with errors that cannot be fixed by the application are displayed on the Delete TR report. When you change the wage rate of a processed time record, the application changes the status of the time record to error. The application can fix the error when the Earnings and Deductions Calculation is reprocessed. This kind of error does not display on the Delete TR report because the error can be fixed by the application.

If the Tax Warning Messages flag is set to Yes, the Warnings report displays soft edits describing conditions the user can choose to review for accuracy. These conditions do not prevent the payroll cycle programs from processing. The report indicates when to view BSI messages in the BSI Message Viewer.

For example, employees who elect to have an additional amount or percent withheld for federal taxes are listed on the Warnings report.

The Garnish report gives the user a consolidated report of what was and was not calculated for garnishments for this payroll cycle.

The Void report displays Payroll-voided payment numbers. For example, when an error is discovered on one or more printed payments and the user goes back to edit or delete time records for these payments and re-runs the Earnings and Deductions Calculation for errors only, the voided payment numbers appear on the Voids report.

How Do I Process the Time Accrual Cycle Within the Payroll Cycle?

When you update Time Accrual transactions, Payroll:

- Reads all pay records since the last period end date on Employee Plan Inquiry for each participant
- Updates used hours from time records
- Calculates accrued hours based on plan parameters
- Transfers accrued hours to eligible hours based on plan parameters
- · Creates lost transactions when total hours exceed limits

Before processing Time Accrual within the Payroll Cycle, you must first create time records. Once the time records are created, you can update time accrual transactions, print payments and Direct Deposit receipts, close the payroll cycle, and close the time accrual cycle.

The time accrual cycle can be integrated within the payroll cycle or it can be run independent of a payroll cycle. To print current employee balances including current usage on payments, you must run the Time Accrual Update after the Earnings and Deductions Calculation and before the Payment Print.

Example

The flowcharts on the next page illustrate the difference in the order between Time Accrual processing integrated with a payroll cycle and processing Time Accrual independent of the payroll cycle.

Figure 32. Example: Time Accrual and Payroll Cycle Processing integration



Procedures in this Chapter

The following procedures explain how to calculate earnings.

- "Verifying the Payroll Cycle Status" on page 417
- "Calculating Deductions and Net Pay" on page 417
- "Updating Deduction Changes" on page 422
- "Updating Enrollment Plan Changes" on page 423

• "Updating Time Accrual Transactions" on page 423

Figure 33. Procedure Flow: Calculate Earnings



Verifying the Payroll Cycle Status

Verify the payroll cycle status through Payroll Cycle Status (PR00.1).

STOP Before you can view an updated status of the payroll cycle, you must enter time records into the application and run one or more forms. For more information, see "Time Records: Entering" on page 295.

Q Need More Details? Check out the following concepts:

• "How Do I Prepare for Payroll Cycle Processing?" on page 362

STEPS To verify the payroll cycle status

- 1. Access Payroll Cycle Status (PR00.1).
- 2. Verify the status. For more information, see "Verifying the Payroll Cycle Status" on page 417.

Calculating Deductions and Net Pay

Use Earnings and Deductions Calculation (PR140) to calculate and report employee deductions, company deductions, and net pay for all employees with Current status time records. The Earnings and Deductions Calculation (PR140) creates up to five reports.

Earnings and Deductions Calculation (PR140) can be processed for an entire company, one process level, or multiple process levels making up a processing group.

^{}For more information on Pay to Bill features on the Earnings and Deductions Calculation (PR140), see the *Pay to Bill User Guide*.

STOP Before calculating deductions and net pay, time records must be entered, and if required, forms such as FLSA Overtime Calculation (PR132) and Tip Calculation (TP135) must be run. For more information, see "Calculating FLSA Overtime (U.S. and CA)" on page 399. For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393. **Need More Details?** Check out the following concepts:

- "How Do I Prepare for Payroll Cycle Processing?" on page 362
- "What Options Are Available When Calculating Deductions and Net Pay?" on page 409
- "What are the Uses for the Payment Date on Earnings and Deductions Calculation?" on page 411
- "How Do I Monitor Earnings and Deduction Calculation Reports?" on page 412

STEPS To calculate deductions and net pay

- 1. Access Earnings and Deductions Calculation (PR140).
- 2. Run the report for an entire company, one process level, or multiple process levels making up a processing group by choosing the parameters in the Company, Processing Group, or Process Level fields.

IMPORTANT To assist with balancing, Lawson recommends running Earnings and Deductions Calculation (PR140) and Payment Print (PR160) with the same parameters in the Company, Processing, and Group, and Process Level fields.

3. Choose the Selection tab to define the parameters for the earnings and deductions calculation. Consider the following fields.

| Payment Date | Type the payment date. The payment date prints on payments when Payment Print (PR160) is run. This date determines what deductions and one-time deductions to process. |
|------------------------|---|
| Deduction Cycle | Select a deduction cycle. The deduction cycle determines which deductions are taken for the payroll cycle. |
| Error Time Records | Select Yes to process only Error status time records. |
| | If you select No or leave the field blank, Payroll processes all time records and produces an edit report. |
| | Running for errors only reduces run time significantly. |
| Print Error Records | Select Yes to print only Error status time records on the edit report. |
| | If you select No or leave the field blank, Payroll produces a report of all employees with time records processed in the cycle. |
| Rerun | Select the value indicating if the report is a re-run. For more information, see "Payroll Cycle: Troubleshooting" on page 451. |

TIP You can continue to process payroll without correcting employee error time records by bypassing employee errors. If you do not bypass employee errors, the time records in error must be corrected before you can continue to process payroll. Report OnlySelect Yes to produce an edit report without
creating actual payment records.If you select No, the report creates payment
records in addition to the edit report. You must
create payment records before you can run
Payment Print (PR160).

NOTE If you choose to process errors, both the Bypass Employee Errors and Delete Error Time Records flags must be set to YES.

IMPORTANT Lawson recommends setting the Error Time Records and Print Error Records to the same status, either Y (Yes) or N (No) for both flags.

4. Select Yes or No in the Bypass Employee Errors field to indicate if you want to bypass employee errors and continue with the payroll cycle.

Select Yes or No in the Delete Error Time Records to indicate whether or not you want to delete time records that are in error when you run Earnings and Deduction Calculation (PR140).

| lf | Then | | |
|--|--|--|--|
| You select Yes in the Bypass Employee Errors field and Yes in the Delete Error Time Records field | the application bypasses employees with time record errors and marks Payroll Cycle Status (PR00.1) with an asterisk (*). The * means you can continue processing the payroll cycle. | | |
| | The application deletes the time records in error status and creates the Error Time Record Deleted report. The time records that were in error are no longer in the application. If you want to process time records that had an error status, you must enter the records again or create manual payments on Manual Payment (PR80.1). | | |
| | Do not select Yes if you wish to immediately correct and process those time records that were in error. | | |

| If | | Then | |
|--|---|---|--|
| You select No in the Bypass Employee Errors field and No in the Delete Error Time Records field and there are employee time records in error | | the application marks PR00.1 with an E and you must correct the errors and re-run Earnings and Deduction Calculation (PR140) before continuing with the payroll cycle. If you choose to process errors, both the Bypass Employee Errors and Delete Error Time Records flags must be set to YES. | |
| | | When the fields are set to No, the application does not delete error time records and you can immediately correct the error time records and re-run PR140 before continuing with the payroll cycle. | |
| You select No in the Bypass Employee Errors field and Yes in the Delete Error Time Records field | | you receive an error message when you perform the Add form action. | |
| You select Yes in Bypass Employee Errors, and No in Delete Error Time Records | | the Time Record is changed to Error status, the Error Time Record shows on the Error report, PR140 stops processing, and the Payroll Cycle Status (PR00.1) shows an error. | |
| Select the More tab to deduction calculation. | further define Consider the f | the parameters for the earnings and following fields. | |
| Garn Report Sequence | Select the va garnishments | lue indicating the order to list | |
| | This report is garnishments | used to verify the calculation of the processed in this payroll cycle. | |
| Override Bank Code | If you select a bank code, your selection overrides the bank and cash accounts associated with the Employee's process level. | | |
| | To complete a bank code override, you must also select the override bank code in Payment Print (PR160). | | |
| No Dir Dep, All System Payments | If you select yes, the payroll produces only system checks for employees regardless of whether or not the employees are setup for direct deposit on the employee master. | | |

- 6. Choose the Add form action to add the job.
- 7. Choose the Submit form action to Submit the form.

5.

NOTE You cannot run Earnings and Deductions Calculation (PR140) if you are prompted to first run Deduction and Garn Fee Update (PR115). If prompted to update employee deductions, run Deduction and Garn Fee Update (PR115). For more information, see "Updating Deduction Changes" on page 422.

If prompted to set up federal garnishment for category G, run Load Req United States Federal Garnishment Rules (PR925) for your federal tax authority. For more information, see "Loading U.S. Federal Garnishment Rules" on page 171.



CAUTION Lawson recommends verifying the Earnings and Deductions report before proceeding with the payroll close.

- 9. Access Payroll Cycle Status (PR00.1) .
- 10. Verify the completion of the Earnings and Deduction Calculation.

Follow Up

The Garnishment Audit Report produced by Earnings and Deductions Calculation (PR140) shows the garnishments taken, how much exempt and disposable income is available for each employee, and any errors or messages for conditions affecting how the garnishments were or were not taken.

Related Reports and Inquiries

| То | Use |
|--|--|
| Update employee deductions with changes made to information on Deduction (PR05.1), Employee Garnishment (PR25.2), or Pay Summary Groups (PR20.2) | Deduction and Garn Fee Update (PR115) |
| Update all benefits for plans in which coverage, contributions, or general ledger overrides are added or changed | Plan Update (BN105) |
| Update all frequency tables used for calculation of benefits deductions | Frequency Table Update (BN104) |
| Verify where earnings and deductions expense to the General Ledger | Payroll Close (PR197) |
| View earnings and deductions for balancing | Payroll Register (PR141) |

Updating Deduction Changes

When you add, change or submit a job on Earnings and Deductions Calculation (PR140), you are prompted by Payroll if running Ded, Garn Fee, PSG Update (PR115) is required to continue processing the payroll cycle and to update employee deductions with changes made to information on Deduction (PR05.1), Employee Garnishment (PR26), or Pay Summary Group (PR20.2).

STOP If you overrode deduction information at the employee level, the override information is not changed by PR115. Information is changed through the Earnings and Deductions Calculation (PR140).

Q Need More Details? Check out the following concepts:

- "What Options Are Available When Calculating Deductions and Net Pay?" on page 409
- "How Do I Monitor Earnings and Deduction Calculation Reports?" on page 412

STEPS To update deduction changes

- 1. Access Ded, Garn Fee, PSG Update (PR115).
- 2. In the Company field, select a company for the deduction, garnishment fee, and PSG update.
- 3. Choose the Add form action to add the job.
- 4. Choose the Submit form action to submit the report.

Updating Enrollment Plan Changes

^{}When you add, change, or submit a job on Earnings and Deductions Calculation (PR140), you might have to run Plan Update (BN105) or Frequency Table Update (BN104) to update enrollment for plan changes and frequency table changes.

STOP Run Benefit Plan Status Report (BN220) in T (To Be Updated) report option to verify if running BN105 and BN104 is required to complete payroll processing. Use Plan Update (BN105) and Frequency Table Update (BN104) only if you are a Lawson Benefits Administration application user.

Q Need More Details? Check out the following concepts:

- "What Options Are Available When Calculating Deductions and Net Pay?" on page 409
- "How Do I Monitor Earnings and Deduction Calculation Reports?" on page 412

STEPS To update enrollment for plan changes

- 1. Access Plan Update (BN105).
- 2. Complete and Add the form. For more information, see the *Benefits Administration User Guide*.
- 3. Choose the Submit form action to submit the form.
- 4. Access Frequency Table Update (BN104).
- 5. Complete and Add the form. For more information, see the *Benefits Administration User Guide*.
- 6. Choose the Submit form action to submit the form.

Updating Time Accrual Transactions

Use Time Accrual Update (TA170) to create and update transactions for employees enrolled in time accrual plans. You can update either manual transactions and current payment records, or update only manual transactions through a specific date.

STOP Before processing time accrual within the payroll cycle, you must first create time records. For more information, see "Time Records: Entering" on page 295.

Need More Details? Check out the following concepts:

"How Do I Process the Time Accrual Cycle Within the Payroll • Cycle?" on page 413

STEPS To update time accrual transactions

NOTE Setting the

- 1. Access and run Time Accrual Update (TA170).
- 2. Complete the form. Consider the following fields.

| Manual Transaction | · | Ũ |
|---|---|---|
| Only flag to N on Time Accrual Update (TA170) allows TA170 to pick up | Processing Group | To update time accrual balances for a specific processing group, select a processing group. |
| manual payments and system payments. | | A processing group is made up of process levels grouped for the purpose of processing multiple process levels through payroll and time accrual cycles at one time. Processing groups are defined in Processing Groups (HR08.1). |
| | Process Level | To update time accrual for only employees in a specific process level, select a process level. |
| | | If you leave this field blank, all employees for the company or processing group specified are updated. |
| | | NOTE To process an employee through Time Accrual Update (TA170), the employee must have a time record. The only exception to this is when a manual payment created in Manual Payment (PR80.1) has a value of L (Last) in the Time Accrual Flag field. |
| | Annual, Semi Annual, Quarterly, Monthly | Select the value that indicates which limits the application should apply for plans that have an annual, semi-annual, quarterly, or monthly limit cycle. |
| | Manual Transactions Only | Select the value indicating whether you want to update only manual transactions. |
| | Manuals Thru Date | If you select Yes in the Manual Transactions field, type the date through which you want to update manual transactions. |
| | Sort Sequence | Select the value that indicates how you want the report to sort. |
| | | If you leave this field blank, the report sorts by Plan. |

3. Choose the Add form action to add the job.

NOTE If you run Earnings and Deductions Calculation (PR140) after you run Time Accrual Update (TA170), run TA170 again to recalculate the correct balances.

- 4. Choose the Submit form action to submit the update.
- 5. Access Payroll Cycle Status (PR00.1).
- 6. Verify the completion of TA170.

Related Reports and Inquiries

| То | Use |
|--|-----------------------------|
| List hours used, hours accrued, manual transactions processed, hours lost, or all transactions processed by Time Accrual Update (TA170) for the current time accrual cycle. | Time Accrual Report (TA175) |

Payroll Cycle: Create Payments

This chapter covers how to create payments for the payroll cycle within the Lawson Payroll application.

STOP Before creating payments, you must enter time records, run required reports such as Tip Calculation (TP135) or FLSA Overtime Calculation (PR132), complete Earnings and Deductions Calculation (PR140), and successfully complete all pre-required forms. For more information, see "Time Records: Entering" on page 295. For more information, see "Payroll Cycle: Editing Time Records" on page 371. For more information, see "Payroll Cycle: Pre-cycle Maintenance" on page 383. For more information, see "Payroll Cycle: Calculate Earnings" on page 407.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 432 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Happens When I Run the Payment Print?" on page 428
- "What are Payroll Accruals?" on page 429

What Happens When I Run the Payment Print?

Run Payment Print to create employee payments and direct deposit receipts and for all payments processed through the Earnings and Deductions Calculation for the population and specified bank code.

Payment Print serves the following functions in Payroll:

- · Creates the payment print file
- · Creates the direct deposit receipt print file
- Creates the direct deposit tape file for submission to the bank
- Assigns payment numbers (check numbers) to the payroll history previously created by the Earnings and Deductions Calculation
- Creates payment history with the appropriate payment numbers and amounts for use in reconciling and voiding payments
- · Automatically voids used alignment form numbers
- Updates the payment print status flag on Payroll Cycle Status

When Payment Print is complete, print the payment and Direct Deposit data on the appropriate check stock and copy the tape file to tape.

Example

The following time records were created in Payroll for Janet Filman.

Figure 34. Example: Time Records and Payment Print

| Pay | | | | |
|------|-------|----------|---------|-------|
| Code | Hours | Job Code | Rate | Date |
| REG | 28.00 | HOSTESS | 6 .2500 | 10397 |
| БІК | 16.00 | HOSTESS | 6 .2500 | 11097 |
| REG | 12.00 | WAITRESS | 5.0000 | 10397 |
| REG | 24.00 | WAITRESS | 5.0000 | 11097 |
| DVT2 | 2.00 | WAITRESS | 5.0000 | 10397 |
| OVT2 | 2.00 | WAITRESS | 5.0000 | 11097 |

When the payroll manager processed the Payment Print, the following payment was created for Janet.

Figure 35. Example: Processing Payment Print

| Filman, Janet J | | | 1/10 101-32-1479 |)/97 | 102 101 |
|--|--|---|---|--|-----------------------------|
| Regular 3600 50 Regular 2800 62 Sick 1600 62 Ovt 1.5 400 50 | 1800 18000 150 17500 150 10000 100 3000 | 18000 Emp 40 17500 Fed u/ 10000 Co Hed 3000 Ee Hed HN u/h Co SS Ee SS | 10000 10000 4261 4261 703 703 703 703 1975 1975 3007 3007 3007 3007 | | |
| 8400 | 48500 38500 | 48500 38500 | | 19946 \$28554 Hours Type VAC-ELIG | 19946 \$28554 Balance |

What are Payroll Accruals?

Payroll allows you to create general ledger payroll accruals for all company expenses when a payroll period spans two accounting periods. Entries created by the Accrual Program are identified as auto-reversing entries in the General Ledger Transactions file.

When you use the LawsonGeneral Ledger application, the auto-reversing indicator allows posting to the general ledger to occur in the current period with a reversal in the next accounting period when you post the actual entries for the payroll cycle. The application creates entries for wages as well as company-paid payroll taxes.

The application assumes eight-hour working days when calculating the accrual. The accrual for salaried employees is based on the employee's job code or the annual hours entered on Employee. To perform an accrual for salaried employees, determine the hourly rate by dividing the annual salary by the annual hours, multiplied by the FTE (Full Time Equivalent) factor. For employees not associated with a job code, the report uses the annual hours defined for the company in the calculation.

Accrual Program and Payroll Close are exclusive of each other, but either or both can be used to create accruals. If an accrual is required for the last few days of the month, use Accrual Program. If you use Accrual Program, do not use the Previous Period Tab on the Payroll Close in that cycle or the next cycle that follows when the reversal of the accrual occurs. When you follow this process, the reversal of the accrual in the next month happens automatically.

Comparison of Accrual Functions

Use Payroll Close to create accruals when the current payroll close is near the close date of the previous period and to create entries from the current period for posting to a previous period, or to split expenses by Percent or Time Record dates. The amount you enter determines the amount posted to the previous period using the date entered in the General Ledger Date field.

Use Accrual Program when the current payroll close is not near the close date of the previous period, and to create auto reversing entries to accrue an estimated amount of all company expenses.

| PAYROLL CLOSE | | | PAYROLL ACCRUAL | | |
|--|---|----------------|-----------------|---|----------------|
| METHOD | % | TIME RECORD | DAYS | % | TIME RECORD |
| Requires PR140 | х | х | х | х | х |
| Requires PR160 | Х | Х | | | |
| Allows different % or days by EE criteria | | | Х | Х | |
| Accrues salary | Х | Х | Х | Х | Х |
| Accrues taxes | Х | Х | Х | Х | Х |
| Accrues benefits | Х | Х | | | |
| Can be run multiple times | | | х | Х | |
| Allows prior period posting | Х | Х | Х | Х | Х |
| Reflects actual expenses | | Х | | | |
| Reflects estimated expenses | Х | | х | Х | х |
| Requires time entry dates corresponding with cutoff | | Х | | | Х |

Table 4. Example: Comparison of Accrual Functions

Accrual Exceptions

The application creates wage expense distributions for overtime time records by work period from FLSA Overtime Calculation. Because the application creates only one time record with the work-week end date, the wage expense distributions split by percent of wages.

Wage expense distributions for retroactive pay time records are created by the application through Retroactive Pay Calculation, and split by percent of wages. The split occurs because the application creates only one time record with the retroactive pay amount.

Wage expense distributions for voids are based on the void date.

Wage expense distributions for manual payments, created on Manual Payment with no time record date defined, are based on the payment date.

Wage expense distributions for manual payments, created on Manual Payment with time record dates defined, are based on the time record dates.

Wage distributions for adjustments created on Adjustment, are based on the adjustment date.

Other expense distributions such as company-paid deductions are based on a percent of wages.

Procedures in this Chapter

The following procedures explain how to process payments.

- "Verifying the Payroll Cycle Status" on page 433
- "Printing Payments and Direct Deposit Receipts" on page 433
- "Creating General Ledger Payroll Accruals" on page 437
- "Creating the Payroll Register (U.S. and CA)" on page 439

Figure 36. Procedure relationship: Payroll Cycle: Create Payments


Verify the payroll cycle status through Payroll Cycle Status (PR00.1).

STOP Before making payments, you must enter time records, run required reports such as Tip Calculation (TP135) or FLSA Overtime Calculation (PR132), complete Earnings and Deductions Calculation (PR140), and successfully complete all pre-required forms. For more information, see "Time Records: Entering" on page 295. For more information, see "Payroll Cycle: Editing Time Records" on page 371. To skip directly to the procedures, see "Payroll Cycle: Pre-cycle Maintenance" on page 383 For more information, see "Payroll Cycle: Calculate Earnings" on page 407.

Need More Details? Check out the following concepts:

"How Do I Prepare for Payroll Cycle Processing?" on page 362

STEPS To verify the payroll cycle status

- 1. Access Payroll Cycle Status (PR00.1).
- 2. Verify the status. For more information, see "Verifying the Payroll Cycle Status" on page 433.

Printing Payments and Direct Deposit Receipts

Payment Print (PR160) creates a print file of payments and direct deposit receipts based on earnings and deductions calculated by Earnings and Deductions Calculation (PR140), and creates a file of direct deposit payment information that can be copied to tape for submission to the processing financial institution.

To print custom checks and receipts with a third-party software, choose to create an output data file.

STOP Before you print payments, you must successfully complete the Earnings and Deductions Calculation (PR140). For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393.

Need More Details? Check out the following concepts:

• "What Happens When I Run the Payment Print?" on page 428

STEPS To print payments and direct deposit receipts

1. Access Payment Print (PR160).

- 2. Choose the Company, Process Level, or Processing Group in the appropriate field.
- 3. Select Yes or No in the Hourly Rate field.

When you select Yes, hourly rates print on checks and direct deposits based on the selection in the Type field.

4. If you selected Yes in the Hourly field, select one of the following in the Type field:

| Choose | То |
|-------------------------|--|
| B (Base Rate) | Print the base rate from the time record. This rate does not factor in shift differential or premium rates, if they exist. With this option, a new line item is printed on the check stub for every pay summary group and rate change. |
| C (Calculated Rate) | Calculate a rate of pay by dividing gross pay by the hours for each pay summary group represented. |
| D (Actual Detail Rate) | Print the actual rates for base rates, shift differential and premium rates separately with the wage amount. |
| S (Actual Summary Rate) | Add the actual rates for the base rates, shift differential, and premium rates together. The report prints the total of the rates for every pay summary group and for each time one of the three rates change. |

5. Choose from the following report options in the Report Option field:

NOTE You will need to process the Payment Print separately for each bank code associated with the payment records created by the Earnings and Deductions Calculation (PR140).

| Select | | For | |
|--|--|---|--|
| Report Option 1 (Normal Run) | | Normal processing of payments and Direct Deposit receipts. | |
| | | If you re-run the reports after payments are printed, use this option to automatically void the original payments. | |
| Report Option 2 (Pre Only) | enotification | Creation of a tape of prenotification entries only. | |
| | | Use this option for U.S. and non-Canada employees. | |
| Report Option 3 (Rerun with Voids/Recreate Tape) | | Voiding and re-running payments in the event of a printer jam. | |
| | | Select the Rerun tab to complete the payment print. | |
| Report Option 4 (Reprint payments/Recreate Tape) | | Deletion of original payments and Direct Deposit files in error. | |
| | | Select the Rerun tab to complete the payment print. | |
| Select the Rerun tab if you chose report Option 3. Consider the followin fields. | | port Option 3. Consider the following | |
| Serial Number | Type the serial number associated with the original payment to re-run Payment Print (PR160) using report option 3 (Rerun With Voids/ Recreate Tape). | | |
| | Payroll assigr print file wher | ns a serial number to the payment n you run PR160. | |
| Void Payment | Type a payment number to define the beginning of a range of payments to void. | | |
| | A void payme re-run payme | ent range is required when you ents. | |
| Void Receipt | Type a direct deposit receipt number to define the beginning of a range of direct deposit receipts that are incorrect and must be voided by Payroll. | | |
| | If the original you do not ha when you rec | direct deposit receipts are correct, ave to re-run direct deposit receipts create a direct deposit tape. | |

6.

| Recreate Tape/or Bank File | Select the value determining whether the direct deposit tape is recreated when you re-run payments. | |
|--|--|--|
| Select the Rerun tab a Option 4. Consider th | and complete the Reprint box if you chose report e following fields. | |
| Serial Number | If you selected report option 4, Reprint Payments/Recreate Tape (PR160), type the serial number associated with the original records. | |
| Recreate Tape or Bank File | Select the value determining whether the direct deposit tape is recreated when you re-run payments. | |
| Reprint | Select the value indicating whether you want an entire payment range reprinted using the same payment numbers as the original run. | |
| Bank File Create Nbr | Type the value identifying the ACSS/Direct Deposit file as unique from the last file created. | |
| | Increment this field by one each time a file is created. When it reaches 9999, start over at 0001. | |
| Select the Payment Print tab. Consider the following fields. | | |
| Starting Payment | Type a starting payment number. If you specify zero alignment forms, the starting payment number is the first employee payment printed. If you type a value in the Alignment Forms field, the starting payment number is the first voided alignment payment. | |
| Starting Receipt | If the selected bank code allows direct deposit processing, type a starting pay receipt number. If you specify zero alignment forms, the starting receipt number is the first employee pay receipt printed. If you type a value in the alignment forms field, the starting receipt number is the first voided alignment receipt. | |
| Prenote Also | Select Yes or No to indicate whether or not you want to create a file for use with custom checks and receipt printing. | |
| | NOTE You must have a third party interface to create custom checks and receipts. | |

7.

8.

| Tape Date | Type a date in the Tape Date field to determine the file creation date on the file header record of the direct deposit tape. If you leave the Tape Date field blank, the payment date entered in the Earnings and Deductions Calculation (PR140) defaults. |
|------------------|---|
| Looor Drint File | Salaat Na, Vaa with TA datail, ar Vaa |

Laser Print FileSelect No, Yes with TA detail, or Yes.

- 9. Print the Payment and Direct Deposit receipts on the appropriate check stock.
- 10. Copy the tape file to tape.
- 11. Access Payroll Cycle Status (PR00.1) .
- 12. Verify the completion of the payment print.

Follow up

Once Payment Print (PR160) is complete, you can find the file in the work directory.

Select the File Name tab to create unique names for the files created from Payment Print (PR160).

Related Reports and Inquiries

| То | Use |
|---|---------------------------------|
| Display payment information for U.S. or Canadian employee payment records | Payment Inquiry (PR50.2) |
| Combine multiple Direct Deposit records into one file when Payment Print (PR160) is run multiple times for multiple bank codes | ACH Tape Concatenation (PR19.1) |
| Display P45 information | P45 Summary (UK50.2) |
| Display detailed payment information | Payment Details (UK50.3) |
| Display payment information for an employee | Payment List (UK50.4) |

Creating General Ledger Payroll Accruals

Use the Accrual Program (PR195) to create estimated general ledger payroll accruals for all company expenses when a payroll period spans two accounting periods. This report must be run only once during the general ledger period.

TIP Do not process the Payroll Close (PR197) until you have an opportunity to print all payments on the appropriate stock. This allows you to reprint any payments damaged in the printing process. **STOP** Before you run the Accrual Program (PR195) for the cycle including the deductions you want to accrue, run Earnings and Deductions Calculation (PR140) if you plan to choose the report selections of Percent or Time Records on PR195. For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393.

Q Need More Details? Check out the following concepts:

• "What are Payroll Accruals?" on page 429

STEPS To create General Ledger payroll accruals

- 1. Access Accrual Program (PR195).
- 2. Complete the form. Consider the following fields.

| Report Selection | Select D (Days) if the accrual is based on the number of days entered in the appropriate Days/Percents fields. |
|------------------|---|
| | Select P (Percent) to create general ledger payroll accruals based on a percent of wages and company taxes calculated by Earnings and Deduction Calculation (PR140). |
| | When using the Percent option, you must run PR140 to start a payroll cycle before you run Accrual Program (PR195). |
| | Company-paid taxes are based on percent of wages accrued. |
| | Select T (Time Records) to create all payroll accruals based on wages with time records dated on or before the parameter date. |
| Time Record Date | If you selected T (Time Records), define a date for the application to create wage expense distributions for all processed time records with dates equal to or less than the defined time record date. These distributions are created with the date typed in the General Ledger Date field. |
| | When using the Percent option, you must run |
| | PR140 to start a payroll cycle before you run Accrual Program (PR195). |

- 3. Re-run Earnings and Deduction Calculation (PR140) for the regular deduction cycle.
- 4. Continue processing the payroll cycle.

NOTE If you use the percent or time record date methods for the Report Selection, you must run the Earnings and Deduction Calculation (PR140) before you run the Accrual Program (PR195).

Creating the Payroll Register (U.S. and CA)

The Payroll Register (PR141) is a hard copy of the payroll as a report of all earnings and deductions processed in the current payroll cycle. Use this report for balancing and auditing payroll records.

The register contains all employee earnings and deduction information processed through a payroll cycle, including payroll cycle payments, all open voids, manuals, and adjustments.

Need More Details? Check out the following concepts:

• "What is Payroll Cycle Balancing?" on page 598

STEPS To create the payroll register

- 1. Access Payroll Register (PR141).
- 2. Complete the form. Consider the following fields.

Processing Group Select a processing group to include in the register only payments for employees associated with a specific processing group. Process Level Select a process level to include in the register only payments to employees associated with a specific process level. Bank Code Select a bank code to include in the register only payments for employees associated with a specific bank code. Employee Select an employee sequence to override the Sequence default print order defined for the company. If you select Time Record PL in the Employee Sequence field, wage and deduction amounts are reported based on the process level on the time records. Lawson recommends using this employee sequence for employees paid from different EINs. **Summary Option** Select 1 (Company Totals) to include only company totals. – or – Select 2 (Process Level Totals) to include company and process level totals. – or – Select 3 (Department Totals) to include company, process level, and department totals. If you leave the Summary Option field blank, the payroll register includes detail by employee along with company, process level, and department totals.

TIP To maintain an electronic copy of Payroll Register (PR141), give each new job a unique name.

| Garnishment Report | Select the value that indicates whether you want a garnishment report to list. |
|----------------------------------|---|
| Garn Report Sequence | Select a report sequence for the garnishment report. |
| Total Common/ Curr/ Countries | Select whether you want a total for all common work countries and common currencies. A total is automatically given for each work country and currency combination in the company. |

3. Choose the Submit form action to submit the job.



WARNING Print Payroll Register (PR141) before completing Payroll Close (PR197) to obtain a permanent record. The Payroll Register (PR141) cannot be recreated after Payroll Close (PR197) is complete.

- 4. Access Payroll Cycle Status (PR00.1).
- 5. Verify the payroll cycle status.

Related Reports and Inquiries

| То | Use |
|---|--|
| Produce a detailed register of earnings and deductions for all payments that have not been closed by the Payroll Close (PR197) | Consolidated Payroll Register (PR142) |
| List all payments not closed by Payroll Close (PR197), run PR162 with Yes in the Current Payments field | Payment Register (PR162) |

Payroll Cycle: Close

This chapter covers how to close the payroll cycle within the Lawson Payroll application.

STOP Before continuing the Payroll Cycle Close, all required programs must complete successfully. For more information, see "Payroll Cycle: Editing Time Records" on page 371. For more information, see "Payroll Cycle: Pre-cycle Maintenance" on page 383. For more information, see "Payroll Cycle: Calculate Earnings" on page 407. For more information, see "Payroll Cycle: Create Payments" on page 427.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 445 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Functions Does the Payroll Close Perform?" on page 442
- "What is the Payroll Close General Ledger Date Used For?" on page 443
- "How is the General Ledger Updated With Payroll Transactions?"
 on page 444
- "What Function Does General Ledger Posting Perform?" on page 444

What Functions Does the Payroll Close Perform?

After running the Payment Print, print payments and receipts on the appropriate forms, copy the direct deposit file to tape, and run the Payroll Close to close out the payroll cycle. The Payroll Close picks up all payments processed through the Payment Print for the population you specify.

Payroll Close can be run in report mode to produce a distribution edit report. Review this report for accuracy before performing the close in update mode.

IMPORTANT After you run the Payroll Close in Update mode, you cannot go back and recalculate or reprint payments for the closed payroll cycle.

The Payroll Close serves the following functions in Payroll:

- Creates open payroll distribution records
- Updates the payroll history created by the Earnings and Deductions Calculation to a Closed status
- Updates Benefits Administration history
- UpdatesTime and Attendance history
- · Updates quarterly earnings and deduction totals
- Updates Tips history for manuals and adjustments processed outside
 a payroll cycle
- Deletes all processed time records and creates a copy of time records in history
- · Deletes all processed one-time deductions
- Creates currency error distribution records
- Deletes *'s in the payroll cycle status
- Creates a summary and detail report or both of created general ledger transactions

Lawson recommends performing a full backup before and after performing the payroll close.

What is the Payroll Close General Ledger Date Used For?

When you process the Payroll Close, select the general ledger date in the GL Date field.

The general ledger date is used for posting of company expenses and company accruals to the payroll distribution file.

Example

The payment created for Janet is dated January 17, 2001. When processing the Payroll Close for the payroll cycle, the payroll manager entered the period end date of January 10, 2001, as the general ledger date. Therefore, general ledger postings are created as follows:

Table 5. Example: Payroll Close General Ledger Dates

| | | | | | GL Date |
|-------------------|------|------|--------------|----------|---------|
| Cash | 4321 | CORP | 11400 - 0000 | \$285.54 | 1/17/01 |
| Fed w/h accrual | 4321 | CORP | 23200 - 0000 | \$42.61 | 1/17/01 |
| State w/h accrual | 4321 | CORP | 23235 - 0000 | \$19.75 | 1/17/01 |
| Reg pay expense | 4321 | CORP | 51000 - 0001 | \$355.00 | 1/17/01 |
| Sick pay expense | 4321 | CORP | 51000 - 0003 | \$100.00 | 1/17/01 |
| OVT pay expense | 4321 | CORP | 51000 - 0005 | \$30.00 | 1/17/01 |
| FUTA accrual | 4321 | CORP | 23400 - 0000 | \$3.88 | 1/17/01 |
| SUTA accrual | 4321 | CORP | 23450 - 0000 | \$13.10 | 1/17/01 |

The period end date, which prints on the payment stub, is derived from the time record date. If you are processing the payroll cycle for time records falling into multiple pay periods, the latest pay period end date is printed on the employee's payment stub.

How is the General Ledger Updated With Payroll Transactions?

The General Ledger is updated with payroll transactions when the General Ledger Posting is performed. The posting does not have to be tied to the payroll cycle, but must be performed at period end to post payroll transactions to the appropriate period in the General Ledger.

IMPORTANT General Ledger Posting (PR198) can post distributions for more than one payroll cycle, so you do NOT need to run this report every time you run Payroll Close (PR197).

The General Ledger Posting finds open payroll distributions created by the Payroll Close for the company, processing group, or process level you select on the General Ledger Posting, posts the distributions to the GL, and closes the distributions. If the General Ledger Posting finds any currency error payroll distributions, you must correct the errors on Payroll GL Dist-Currency Err.

The General Ledger Posting also posts AC and AP transactions. AP transactions cannot be processed through accounts payable until the General Ledger Posting is performed.

What Function Does General Ledger Posting Perform?

General Ledger posting:

- Posts General Ledger transactions
- Posts AC transactions
- Posts AP transactions
- Changes PRDISTRB record status from "open" to "Closed" (0 to 9)

Posting forces you to correct currency error records in Payroll GI Dist-Currency Err before you can run General Ledger Posting.

If Company and Process Level created distribution records are set to N (No), the General Ledger Posting deletes closed PRDISTRB records. Run General Ledger Posting in report mode to verify transactions, or Update mode to complete the posting.

Procedures in this Chapter

The following procedures explain how to close the payroll cycle.

- "Verifying the Payroll Cycle Status" on page 445
- "Closing the Payroll Cycle" on page 446
- "Closing Time Accrual" on page 448
- "Posting to the General Ledger" on page 449

Figure 37. Procedure Relationship: Payroll Close



Verifying the Payroll Cycle Status

Verify the payroll cycle status through Payroll Cycle Status (PR00.1).

Q Need More Details? Check out the following concepts:

"How Do I Prepare for Payroll Cycle Processing?" on page 362

STEPS To verify the payroll cycle status

- 1. Access Payroll Cycle Status (PR00.1).
- 2. Verify the status. For more information, see "Verifying the Payroll Cycle Status" on page 445.

Closing payroll completes a payroll cycle, allows the start of a new cycle, creates payroll accruals, updates payroll history with information from the completed payroll cycle, deletes processed time records from the application, and clears the cycle indicators in Payroll Cycle Status (PR00.1).

Before you can start another payroll cycle, you must close the current payroll cycle and update the history files for the processed employee records.



WARNING Lawson recommends backing up the database before running the payroll close. After you close the payroll cycle, the cycle programs cannot be re-run for that cycle, and GL changes must occur through GL programs.

STOP Before updating the close, run the Payroll Close (PR197) in report mode to verify GL transactions. The payroll cycle is closed after PR197 is run in update mode. For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393.

Q Need More Details? Check out the following concepts:

- "What is Payroll Cycle Balancing?" on page 598
- "Procedures in this Chapter" on page 432
- "How is the General Ledger Updated With Payroll Transactions?" on page 444

STEPS To close the payroll cycle

- 1. Access Payroll Close (PR197).
- 2. With the Add form action type the name of the job in the Job Name field.

– or –

With the Inquire form action, select a previously defined job. The jobs displayed are for the active user.

3. Choose the Selection tab. Consider the following fields.

| Processing Group | Select a processing group to close a payroll cycle for a specific processing group. |
|------------------|---|
| Process Level | Select a process level to close a payroll cycle for a specific process level. |

| General Ledger Date | Type a general ledger date to use for general ledger entries of wage and company-paid expenses. |
|---------------------------|--|
| Report Sequence | Select the option indicating how you want to sort the report. |
| Update Option | Select whether you want to update the application with GL transactions and create a report of the transactions. |
| | – or – |
| | Create a report of GL transactions without updating the application. |
| | IMPORTANT Lawson recommends running Payroll Close (PR197) in report mode before completing the cycle by choosing the update mode. |
| Percent Distribution | Select the value determining if the report uses employee percent distribution records without a pay summary group or deduction for expensing pay only, company-paid deductions only, or both. The selection overrides the normal expense defaulting path. |
| Employee Detail Report | Select whether or not you want to create an employee detail report. |

- 4. Choose the Submit form action to submit the job.
- 5. Access Payroll Cycle Status (PR00.1) .
- 6. Verify the completion of the payroll close.

Options for Closing the Payroll Cycle

You can run Payroll Close (PR197) in report mode to see what GL transactions will be posted to the GL before you run PR197 in update mode. Once you run PR197 in update mode, the payroll cycle is closed.

If the Create Distributions fields on Company (HR00.1) and Process Level (HR01.1) are set to N (No), you cannot use payroll inquiry forms and reports that access distribution history if you do not create distribution history.

Regardless of the selection you make in the Create Distributions flag on Company (HR00.1) or Process Level (HR01.1), PR197 creates open distributions, which General Ledger Posting (PR198) uses to post to the General Ledger.

NOTE The Payroll Close (PR197) not only updates payroll history created through the payroll cycle, but also updates voids, manuals, and adjustments.

NOTE You will see a blank screen when Payroll Close (PR197) is successfully run in Update mode. General Ledger Posting (PR198) deletes the records if the Create Distributions field is set to N (No). Records are not deleted if the Create Distributions fields is set to (Y) Yes.

Closing Time Accrual

Time Accrual Close (TA199) closes the time accrual cycle, updates the actual balance fields in Employee Plan Inquiry (TA60.1), and generates a report showing the updated balances. The application closes the transactions of the current time accrual cycle and updates employee balances and history records.

STOP Before you run Time Accrual Close (TA199), you must run Time Accrual Update (TA170), and close the payroll cycle with Payroll Close (PR197) in Update mode. For more information, see "Updating Time Accrual Transactions" on page 423.

Q Need More Details? Check out the following concepts:

"How Do I Process the Time Accrual Cycle Within the Payroll Cycle?" on page 413

STEPS To close Time Accrual

- 1. Access and run Time Accrual Close (TA199).
- 2. Choose the Add or Inquire form action to add or display information on the form.
- 3. Consider the following fields.

| Processing Group | Select a processing group to close time accru for a specific processing group. | |
|------------------|--|--|
| | If you select a processing group, leave the Process Level field blank. | |
| Process Level | To close the time accrual cycle for a specific process level, select a process level. If you do not select a process level, the application closes all process levels in the selected company. | |
| | If you select a process level, leave the Processing Group field blank. | |
| Report Sequence | Select the value that indicating how you want the report to sort. | |

 Employee
 Select the employee sequence for the report.

 Sequence
 If you do not select a value in this field, employees list in the order defined for the selected company in the Print Order field in Company (HR00.1).

- 4. Choose the Submit form action to submit the close.
- 5. Access Payroll Cycle Status (PR00.1).
- 6. Verify the completion of Time Accrual Close (TA199).

IMPORTANT When time balances are manually adjusted, you must always update balances to employee records by running Time Accrual Update (TA170), and Time Accrual Close (TA199).

Follow Up

Use General Ledger Liability Update (TA195) to produce a listing of transactions and create auto reversing General Ledger entries for time accrual liabilities based on the employee's current hourly rate multiplied by the liability hours as determined by the plan.

IMPORTANT General Ledger Liability Update (TA195) must be run only once per general ledger period to prevent over-booking the liability.

Posting to the General Ledger

Payroll liabilities flagged for payment in Accounts Payable cannot be paid until General Ledger Posting (PR198) updates Accounts Payable. General Ledger Posting (PR198) creates postings for AP, GL, and AC. Non-Lawson General Ledger users do not have to run PR198, the PRDISTRIB records can be captured from Payroll Close (PR197).

STOP Before running General Ledger Posting (PR198), run Payroll Close (PR197) first in Report mode to check GL entries, and then complete the close by running PR197 in Update mode.

Q Need More Details? Check out the following concepts:

- "What is Payroll Cycle Balancing?" on page 598
- "What is the Payroll Close General Ledger Date Used For?" on page 443
- "How is the General Ledger Updated With Payroll Transactions?" on page 444

STEPS To post to the General Ledger

- 1. Access General Ledger Posting (PR198).
- 2. Select a Processing Group or Process Level in the appropriate fields.
- 3. Consider the following fields.

| AP Default Process Level | If you are creating accounts payable invoices and do not want to use the Accounts Payable default process level, type the default process level that you want to use. |
|-----------------------------|---|
| | If you leave this field blank, the Accounts Payable process level defaults. If a default process level was not entered, you will not be able to run General Ledger Posting (PR198). |
| Undate Ontion | Coloct whether or not you want to undate the |
| | application with general ledger postings. |
| | application with general ledger postings. If you select Report Only, Payroll creates a report of general ledger postings, but does not create the actual postings to general ledger. |

- 4. Choose the Submit form action to submit the report.
- 5. Access Payroll Cycle Status (PR00.1).
- 6. Verify the completion of the posting.

IMPORTANT For General Ledger Posting to create GL Interface File records, you must select Yes in the Create GL Transactions field when you set up the company in Company (HR00.1). The report creates expense entries and company accrual entries with a posting date that matches the general ledger date on Payroll Close (PR197) and creates cash and employee accrual entries with a posting date that matches the payment date in Earnings and Deductions Calculation (PR140).

Follow Up

If you want to create details of the GL transactions for each payment and employee, set the Create Distributions fields on Company (HR00.1) and Process Level (HR01.1) to Y (Yes). If these fields are not set to Y, General Ledger Posting (PR198) deletes the detailed PRDISTRB records.

NOTE If PR198 is not run timed to the payroll cycle, the report will not balance to PR197 totals. If multiple payroll cycles are closed with one PR198, the result is a lack of a one to one relationship between PR197 totals and PR198 totals for balancing purposes.

NOTE If the General Ledger Posting finds any currency error payroll distributions, you must correct the errors on Payroll GL Dist -Currency Err (PR70.1).

Payroll Cycle: Troubleshooting

This chapter covers how to troubleshoot payroll cycle problems within the Lawson Payroll application.

STOP Before you continue with troubleshooting, you must be familiar with time record processing, Direct Deposit, Bank code, General Ledger transactions, and Payroll Distributions. For more information, see the *General Ledger User Guide*. For more information, see "Time Records: Entering" on page 295. For more information, see "Employee: Direct Deposit Distributions" on page 267. For more information, see "Setting Up Bank Codes" on page 185. For more information, see "Employee: Payroll Distributions" on page 261.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 457 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Causes Errors in the Payroll Cycle?" on page 452
- "How Do I Correct Errors in the Payroll Cycle?" on page 452
- "What Do I Do When a Time Record is in Error Status?" on page 453
- "How Do I Delete Processed Time Records?" on page 454
- "How Do I Recalculate Payments?" on page 455
- "How Do I Reprint Payments?" on page 456

What Causes Errors in the Payroll Cycle?

Errors in the payroll cycle can be a result of:

- · Entering time records incorrectly
- Missing or late changes
- Missing time records
- Entering incorrect time record dates
- Utilizing the wrong deduction cycles
- Starting payments with the wrong payment number
- Deleting print or tape files accidentally

Depending on the error encountered, you have a number of options available to correct the error most efficiently.

How Do I Correct Errors in the Payroll Cycle?

Before correcting an error in the payroll cycle, you must determine whether the error is related to recalculating or reprinting payments. The best method for correcting an error within the payroll cycle depends on what the error is, but the basic procedure for correcting any error consists of the following steps:

- Determine the best method to correct the error
- Reprocess the appropriate payroll cycle report
- · Continue with the payroll cycle

What Do I Do When a Time Record is in Error Status?

TIP To save application processing time when rerunning the Earnings and Deductions Calculation, set the Error Time Records flag and Print Records flag to Y (Yes) to view and process only the error time records in the print manager. When you change a processed time record, the application changes the status of the time record and any other time record associated with the employee to Error. You must then re-run the Earnings and Deductions Calculation to recalculate deductions and net pay before the payment can be printed.

If there are current status time records which the application cannot process, the time records are automatically placed in error status, requiring manual intervention before the payroll process can be completed. You can flag the application to bypass and delete error status time records, permitting processing to continue on the remainder of the time records. A report of time deleted time records is produced so the user can make necessary corrections and process the payments in a separate payroll run, or as manual payments.

Example

Dawn just completed processing of the Earnings and Deductions Calculation for the River Bend Restaurant and Grove Cafe processing group. She realizes that Julie Anderson's hours were keyed incorrectly as 40 regular hours instead of 32 regular and 8 vacation hours. Therefore, Dawn goes back to Julie's time record and makes the necessary changes. The time record for the regular hours, updated to Processed by the Earnings and Deductions Calculation, is automatically changed to Error status. Therefore, the Earnings and Deductions Calculation must be re-run to pick up the changes before the payments are printed.

How Do I Delete Processed Time Records?

If you delete a processed time record, the application resets the status flag on the Payroll Cycle Status for Earnings and Deductions Calculation to Error status for the appropriate process level. You can delete processed time records for the following:

- · An entire process level or department
- For a group of up to 13 individual employees
- For one individual employee at a time

If you delete a processed time record, the Earnings and Deductions Calculation must be re-run in order to reset the Payroll Cycle Status flag for the appropriate process level(s) before printing the payments.

Example

Dawn just completed processing of the Earnings and Deductions Calculation for the River Bend Restaurant and Grove Cafe and realizes that a payment was created for Rob Linel, who left Grove Cafe two weeks earlier.

Dawn deletes Rob's time records and changes his employee status to Terminated so he will not receive a time record in the future. When Dawn deletes Rob's processed time records, Payroll changes the flag of the Earnings and Deductions Calculation for the Grove Cafe process level to Error status. Dawn then changes the time record of another employee within the Grove Cafe process level to Error and reruns the Earnings and Deductions Calculation for Errors Only before continuing with the Payment Print. If you find an error in the calculation of an employee's pay, you can correct the employee's data and re-run the Earnings and Deductions Calculations as often as necessary.

When you reprocess the Earnings and Deductions Calculation, you can re-run the calculation for all time records meeting the population criteria specified or re-run for Error status time records only.

If you change a processed time record, the application changes the time record to Error status, and you must recalculate deductions and net pay. If you delete a time record, the application resets the flag on Earnings and Deductions Calculation to Error status. You must recalculate earnings and deductions.

If changes made to the employee data affect the Tip Credit or Overtime Calculation, reprocess Tip Credit and Overtime Calculation reports before reprocessing the Earnings and Deductions Calculations.

Example

While reviewing the results of the Earnings and Deductions Calculation for Two Rivers Headquarters, Jane notices the total number of hours entered for Patricia Wells (a non-exempt employee) is incorrect. Rather than 40 hours, Patricia actually worked 48 hours in this work period.

Jane changes the time record from 40 regular hours to 48 regular hours. Because overtime must be recalculated on the additional hours, Jane reruns the Overtime Calculation and then reruns the Earnings and Deductions Calculation. Both programs are re-run for error time records only, so only Patricia's time records are reprocessed.

For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393.

When printing payments, if payment forms get jammed in the printer or print files or tape files are mistakenly deleted, you can use the re-run options associated with the Payment Print to easily correct these problems.

If the printer jams, you can reprocess the Payment Print using report option 3, which voids the original payment numbers and re-creates the voided payment information on new payment forms.

If print files or the tape file is deleted, you can reprocess the Payment Print using report option 4, which re-creates the necessary payment file, receipt file, and tape file, or all of these options.

Each time you run the Payment Print, the application assigns a run serial number to the run. When rerunning the Payment print, you must enter the appropriate serial number so the application knows which batch of payments to reprocess.

Example

After verifying the results of the Earnings and Deductions Calculation, Tom processed the Payment Print to create the payment print file, the receipt print file, and the direct deposit tape file. Before he sent the payment print file to the appropriate printer to print the payments, he accidentally deleted the print file. To print the payments, Tom reprocessed the Payment Print using report option 4 to re-create the appropriate print file.

Procedures in this Chapter

The following procedures explain how to troubleshoot errors during payroll processing.

- "Choosing a Procedure When Re-running Payroll" on page 457
- "Deleting Processed Time Records" on page 459
- "Recalculating Deductions and Net Pay Before Running Payment Print (PR160)" on page 460
- "Recalculating Deductions and Net Pay After Running Payment Print (PR160)" on page 463
- "Recalculating Deductions and Net Pay After Printing Actual Payments" on page 464
- "Re-running Payments With Voids and Recreating the Direct Deposit Tape File" on page 465
- "Reprinting Payments and Recreating the Direct Deposit Tape File" on page 466

Choosing a Procedure When Re-running Payroll

You can re-run all or only error status time records when rerunning payroll.

Before rerunning payroll, you must determine whether the error is related to recalculating or printing payments. Use the table below to determine the most efficient way to correct the error.

STOP Before you continue processing the payroll cycle, all required programs up to and including Payment Print (PR160) must be completed successfully. For more information, see "Payroll Cycle: Editing Time Records" on page 371. For more information, see "Payroll Cycle: Pre-cycle Maintenance" on page 383. For more information, see "Payroll Cycle: Calculate Earnings" on page 407. For more information, see "Payroll Cycle: Create Payments" on page 427.

Need More Details? Check out the following concepts:

- "What Causes Errors in the Payroll Cycle?" on page 452
- "How Do I Correct Errors in the Payroll Cycle?" on page 452
- "What Do I Do When a Time Record is in Error Status?" on page 453
- "How Do I Delete Processed Time Records?" on page 454
- "How Do I Recalculate Payments?" on page 455
- "How Do I Reprint Payments?" on page 456
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301
- Use the following table to determine the procedure to follow when you must re-run payroll cycle programs:

| The error exists because | For the re-run procedure, see |
|--|---|
| you made changes to time records after you ran Earnings and Deductions Calculation (PR140) but before you ran Payment Print (PR160). | "Recalculating Deductions and Net Pay Before Running Payment Print (PR160)" on page 460. |
| you deleted time records after you ran Earnings and Deductions Calculation (PR140) but before you ran Payment Print (PR160). | "Recalculating Deductions and Net Pay Before Running Payment Print (PR160)" on page 460. |
| you made changes to time records after you ran both Earnings and Deductions Calculation (PR140) and Payment Print (PR160), but before you printed payment forms. | "Recalculating Deductions and Net Pay Before Running Payment Print (PR160)" on page 460. |
| you discovered that an incorrect starting payment number was used after you ran both Deductions Calculation (PR140) and Payment Print (PR160), but before you printed payment forms. | "Recalculating Deductions and Net Pay Before Running Payment Print (PR160)" on page 460. |
| you ran Earnings and Deductions Calculation (PR140) and Payment Print (PR160), printed payments, and found errors on six employee records. You fixed the errors, which changed the time records to Error status. | "Recalculating Deductions and Net Pay After Printing Actual Payments" on page 464. |
| you printed payments and the printer jammed and ruined forms at the end of the range. | "Re-running Payments With Voids and Recreating the Direct Deposit Tape File" on page 465. |
| you accidentally deleted a print file. | "Re-running Payments With Voids and Recreating the Direct Deposit Tape File" on page 465. |

Deleting Processed Time Records

Use Error Processing (PR45.1) to change the status of time records from Current or Processed to Error status. You can change time records to Error status for a specific process level or department, or for individual employees.

– or –

Use form action Delete to delete Error status time records as well as payments processed by Payment Print (PR160) that have not been closed by Payroll Close (PR197).

STOP Before you can delete time records, the time records must first be added to Error Status. For more information, see "Deleting Processed Time Records" on page 459.

Need More Details? Check out the following concepts:

- "What Do I Do When a Time Record is in Error Status?" on page
 453
- "How Do I Delete Processed Time Records?" on page 454
- "What is a Time Record?" on page 298
- "What are Time Record Statuses?" on page 299
- "What is the Time Record Date?" on page 301

STEPS To delete processed time records

- 1. Access Error Processing (PR45.1).
- 2. Choose the Add form action to change the time records to Error status.
- 3. Choose the Delete form action to delete the Error-status time records.

– or –

Use Time Record Entry (PR36.1) to delete individual time records of any status.

 Recalculate deductions and net pay. For more information, see "Recalculating Deductions and Net Pay Before Running Payment Print (PR160)" on page 460.

Related Reports and Inquiries

| То | Use |
|--|---|
| delete entire batches of time records | Batch Time Control (PR37.1) |
| | – or – |
| | Batch Time Record Update (PR137) |
| delete individual time records in batch status | any time record entry screen except Time Record Entry (PR36.1) |

Recalculating Deductions and Net Pay Before Running Payment Print (PR160)

Use the following procedure if you make changes to time records after you run Earnings and Deductions Calculation (PR140), but before you run Payment Print (PR160).

NOTE You can delete only Error-status time records using Error Processing (PR45.1).

TIP Rerunning the Earnings and Deductions Calculation might take longer than the initial run because time record history created by the initial run must be reversed before recalculating. When possible, use the option to run for error time records only. **STOP** Before recalculating Earnings and Deductions Calculation (PR140), programs flagged as required on Company (HR00.1), and Process Level (HR01.1) must have completed successfully.

Q Need More Details? Check out the following concepts:

- "How Do I Recalculate Payments?" on page 455
- "What Causes Errors in the Payroll Cycle?" on page 452
- "How Do I Correct Errors in the Payroll Cycle?" on page 452
- "What Do I Do When a Time Record is in Error Status?" on page 453

STEPS To recalculate deductions and net pay before running Payment Print (PR160)

- Access Earnings and Deductions Calculation (PR140). For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393.
- 2. Consider the following fields.

| Error Time Records | When selecting Yes, Payroll produces a report that lists only time records in Error Status when the Earnings and Deductions Calculation was re-run. |
|---------------------------|--|
| Print Error Records | When selecting Yes, Payroll produces a report listing only time records which were in Error Status when the Earnings and Deductions Calculation was re-run. |
| Rerun | Select Yes in the Rerun field to recalculate deductions and net pay after you make changes to Processed-status time records. |
| Bypass Employee Errors | Select Yes when you want Payroll to complete processing without manual intervention when error time records are present. |
| | A report prints which can be used to identify the deleted time records. |

| Delete Error Time Records | Select Yes when you want Payroll to complete processing without manual intervention when error time records are present. |
|------------------------------|--|
| | A report will print which can be used to identify the deleted time records. |

- 3. Re-run the report.
- 4. Verify errors were corrected.
- 5. Check the Payroll Cycle status through the Drill Around Feature in the Company Field, or access Payroll Cycle Status (PR00.1).
- 6. Continue the payroll cycle processing.

Related Reports and Inquiries

| То | Use |
|---|---------------------------------|
| View the status of the major payroll cycle programs | Payroll Cycle Status (PR00.1) |
| Change or delete individual time records | Time Entry Maintenance (PR36.1) |
| Create a list of all time records in Error status. | Time Record Edit (PR135) |

Recalculating Deductions and Net Pay After Running Payment Print (PR160)

You can use the following procedure if you make changes to time records after you run both Earnings and Deductions Calculation (PR140) and Payment Print (PR160), but before you print the actual payment forms.

STOP Before recalculating Earnings and Deductions Calculation (PR140), programs flagged as required on Company (HR00.1), and Process Level (HR01.1) must have completed successfully.

Q Need More Details? Check out the following concepts:

- "What Do I Do When a Time Record is in Error Status?" on page 453
- "How Do I Recalculate Payments?" on page 455
- "What Causes Errors in the Payroll Cycle?" on page 452
- "How Do I Correct Errors in the Payroll Cycle?" on page 452

STEPS To recalculate deductions and net pay after running Payment Print (PR160)

- 1. Access Earnings and Deductions Calculation (PR140).
- 2. Select No in the Error Time Records field.

By selecting No, Payroll recalculates earnings and deductions for all time records and deletes current payment records. For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393. For more information, see "Recalculating Deductions and Net Pay Before Running Payment Print (PR160)" on page 460.

- 3. In the Rerun field, select Yes. Selecting yes reruns the report to create new payment records.
- 4. Verify errors were corrected.
- 5. Check the Payroll Cycle status through the Drill Around Feature in the Company Field,or access Payroll Cycle Status (PR00.1).
- 6. Select Payment Print (PR160).
- 7. In the Report Option field, select 1 (Normal Run) to re-run the previous job.
- 8. Continue the payroll cycle processing.

NOTE By rerunning Earnings and Deductions Calculation (PR140), the previous Payment Print (PR160) job updates are deleted. However, the previous payment numbers are still available.

Recalculating Deductions and Net Pay After Printing Actual Payments

You must use the following procedure if you need to make changes to time records after you run both Earnings and Deductions Calculation (PR140) and Payment Print (PR160), and print the actual payment forms.

STOP Before recalculating Earnings and Deductions Calculation (PR140), programs flagged as required on Company (HR00.1), and Process Level (HR01.1) must have completed successfully.

Q Need More Details? Check out the following concepts:

- "What Do I Do When a Time Record is in Error Status?" on page 453
- "How Do I Recalculate Payments?" on page 455
- "What Causes Errors in the Payroll Cycle?" on page 452
- "How Do I Correct Errors in the Payroll Cycle?" on page 452

STEPS To recalculate deductions and net pay after printing actual payments

- 1. Access Earnings and Deductions Calculation (PR140).
- 2. Select Yes in the Error Time Records field.

By selecting Yes, Payroll recalculates earnings and deductions for only the time records in Error status. Original payments become temporary voids. For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393. For more information, see "Recalculating Deductions and Net Pay Before Running Payment Print (PR160)" on page 460.

- 3. Re-run the report with new payment numbers. Payroll voids the original payments.
- 4. Verify errors were corrected.
- 5. Check the Payroll Cycle status through the Drill Around Feature in the Company Field, or access Payroll Cycle Status (PR00.1).
- 6. Continue the payroll cycle processing.

NOTE If you use prenumbered check stock, you must manually void all previous checks using Bank Account Reconciliation (PR85.1). Void the checks after the payroll cycle is closed and payments are posted.

Re-running Payments With Voids and Recreating the Direct Deposit Tape File

You can use the following procedure if your printer jammed and ruined payment forms.

STOP Before recalculating Earnings and Deductions Calculation (PR140), programs flagged as required on Company (HR00.1), and Process Level (HR01.1) must have completed successfully.

Q Need More Details? Check out the following concepts:

• "How Do I Reprint Payments?" on page 456

STEPS To re-run payments with voids and recreate the direct deposit tape file

- 1. Access Payment Print (PR160).
- Select report option 3 (Rerun With Voids/Recreate Tape). For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393.
- 3. Type the run serial number from Payment Register (PR162) in the fields associated with report option 3.

– or –

Type the run serial number from the previous payment print output from Payment Print (PR160).

- 4. Type a void payment range or void receipt range and indicate if you want to recreate the direct deposit tape.
- 5. Type a new starting payment number for replacement payments or for replacement receipts.
- 6. Check the Payroll Cycle status through the Drill Around Feature in the Company Field, or access Payroll Cycle Status (PR00.1).
- 7. Continue the payroll cycle processing.

Reprinting Payments and Recreating the Direct Deposit Tape File

You can use the following procedure if you mistakenly delete the original print file created by Payment Print (PR160) or if you mistakenly delete the direct deposit tape.

STOP Before recalculating Earnings and Deductions Calculation (PR140), programs flagged as required on Company (HR00.1), and Process Level (HR01.1) must have completed successfully.

Q Need More Details? Check out the following concepts:

• "How Do I Reprint Payments?" on page 456

STEPS To reprint payments and recreate the direct deposit tape file

- 1. Access Payment Print (PR160).
- Re-run the report using option 4 (Reprint Payments/Recreate Tape) to create a print file identical to the original print file created by Payment Print (PR160). For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393.
- 3. Type the run serial number from Payment Register (PR162) in the fields associated with report option 4.

– or –

Type the run serial number from the previous payment print output from Payment Print (PR160).

- 4. Choose if you want to recreate the direct deposit tape.
- 5. Choose if you want to reprint the entire payment range using the original payment numbers.
- 6. Check the Payroll Cycle status through the Drill Around Feature in the Company Field, or access Payroll Cycle Status (PR00.1).
- 7. Continue the payroll cycle processing.

Manual Processes: Payments

This chapter describes how to process manual payments within the Lawson Payroll application.

STOP Before continuing with the processes in this chapter, you must set up bank account information. For more information, see "Setting Up Bank Codes" on page 185.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 470 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What are Manual Payments?" on page 468
- "Why Reserve Checks for Manual Payments?" on page 468
- "Why Verify Time Accrual Balances and Dates for Manual Payments?" on page 469
- "When Should the Manual Payment Payroll Cycle be Closed?" on page 469

What are Manual Payments?

NOTE You cannot produce Direct Deposit transactions from a manual payment. Manual payments result only in physical checks. Manual payments are employee payments made outside the normal payroll processing routine. Before choosing to complete the manual payment entry, you can calculate and review changes to the manual payment. You can also change or delete a previously entered manual payment that is not yet closed. You do not have to close the previous payroll cycle to complete the manual payment process.

Payroll calculates earnings and deductions for manual payments when a manual payment is calculated or added. Deductions are taken for the selected deduction cycle based on the effective and ending dates of the deductions in relation to the payment date. Also, you can enter deductions manually, or override existing deductions.

Why Reserve Checks for Manual Payments?

Prior to creating a manual payment, you must reserve payment numbers for each bank account you plan to use with manual payments. You will also reserve payment numbers for payment replacement. For more information, see "Creating a Replacement Payment" on page 489.

The process of reserving checks has three functions:

Reserved - Once reserved, payment numbers are not available for normal system payment use. Reserved payments are used for manual payments or payment replacements.

Unreserve - The unreserve function makes previously reserved payment numbers available again for system use.

Void - The void function is used to void payment numbers that were accidentally destroyed but not used. After you void a payment number, the payment number is taken out of circulation and is not available for use with manual or system payments.
Manual payments containing pay codes linked to a plan in the Time Accrual are processed through Time Accrual in the same manner as system payments.

Certain conditions must be met for Time Accrual changes to occur automatically. If the date on the manual payment is prior to the last period end date in time accrual, you must adjust the time accrual usage manually in the Time Accrual application. If the manual payment date is greater than or equal to the last period end date in time accrual, the time accrual usage automatically updates the employee's eligible balance the next time you close the time accrual cycle.

When you process a manual final payment that will affect time accrual balances for an employee, the manual payment Time Accrual flag must be set to L (Last) to ensure that run dates and balances are updated when you update time accrual.

To process manual payments for an employee in a time accrual cycle, a system payment must exist for the employee.

– or –

The last payment flag on the manual payment must be set to L (Last).

When Should the Manual Payment Payroll Cycle be Closed?

You do not have to close the payroll cycle immediately after you add a manual payment. However, Lawson recommends closing the payroll cycle immediately after adding a manual payment, or accumulating manual payments to close at a date prior to normal close. Closing manual payments outside of the normal close has several advantages, including:

- Balancing Payroll with greater ease
- Timing tax liabilities related to the manual payments with greater accuracy
- Allowing you to change employee status codes prior to the next normal pay cycle to prevent payment to terminated employees

Although not recommended by Lawson, you can choose to "hold" payments to close with the next payroll cycle. For more information, see "How Do I Prepare for Payroll Cycle Processing?" on page 362.

Procedures in this Chapter

The following procedures explain how to process manual payments.

- "Reserving Manual Payment Numbers" on page 472
- "Verifying Eligible Time Accrual Balances" on page 473
- "Creating Manual Payments" on page 473
- "Creating a Zero Gross Manual Payment" on page 480
- "Adjusting Time and Attendance" on page 480
- "Creating the Payroll Register" on page 483
- "Adjusting Time Accrual" on page 483
- "Closing the Payroll Cycle" on page 485

• "Updating Time Accrual" on page 485

Figure 38. Procedure Flow: Manual Payments



Reserving Manual Payment Numbers

Before you add a manual payment, you must first reserve payment numbers for use when processing manual payments. When reserving manual payment numbers on Manual Payment Reservation (PR81.1), include the number of alignment forms defined. Payroll voids payment numbers reserved for alignment when you run Manual Payment Print (PR180).

STOP Before you reserve manual payment numbers, you must first set up bank account information. For more information, see "Setting Up Bank Codes" on page 185.

Q Need More Details? Check out the following concepts:

• "Why Reserve Checks for Manual Payments?" on page 468

STEPS To reserve manual payment numbers

- 1. Access Manual Payment Reservation (PR81.1).
- 2. Choose the Company and Bank Code in the appropriate fields.
- 3. Type the payment number.

– or –

Type the range of payment numbers to reserve, void, or unreserve in the payment fields.

4. Choose the Reserve, Void, or Unreserve form action to affect the payment numbers.

IMPORTANT To void a reserved payment, you must first unreserve the payment, and then void the payment. Payment numbers voided in this manner will not show up on Bank Account Reconciliation (PR85.1), and are unavailable for use with a system or manual payment.

NOTE When you reserve payments, choose "reserve" twice to complete the reservation process.

Verifying Eligible Time Accrual Balances

Use Employee Plan Inquiry (TA60.1) to verify employee time accrual dates when you issue manual payments.

In addition to using TA60.1, you can use the Drill Around form action in Manual Payment (PR80.1) to view accrual balances and dates. For more information, see "Creating Manual Payments" on page 473.

Need More Details? Check out the following concepts:

 "Why Verify Time Accrual Balances and Dates for Manual Payments?" on page 469

STEPS To verify time accrual balances

- 1. Access Employee Plan Inquiry (TA60.1).
- 2. Select the Company, Employee, and Plan in the appropriate fields.
- 3. Choose the Inquire form action.
- 4. Verify that the Last Period End Date on the screen is greater than or equal to the Payment Date on Manual Payment (PR80.1). If not greater than or equal to, you must change the accrual on Plan Adjustments (TA70.1). For more information, see "Updating Time Accrual" on page 485.

Related Reports and Inquiries

| То | Use |
|---|--|
| Display the current time accrual and eligible balances for each employee in the selected time accrual plan | Plan Balance Inquiry (TA65.1) |
| Display employee totals by year for the selected employee and time accrual plan and the accrued and eligible hours, the hours lost and used, and the accrual and eligible balance for the year | Yearly Activity Inquiry (TA65.2) |
| Display all employee transactions for the selected employee and time accrual plan | Employee Transaction Inquiry (TA65.3) |
| List the transactions created when employees use their eligible hours | History Usage Report (TA265) |
| List time accrual transactions | Transaction History Report (TA290) |

Creating Manual Payments

You can create a manual payment to pay an employee outside the normal payroll processing routine.

TIP You can wait to adjust the eligible balance to reflect usage on the manual payment until after the manual payment is created and the payroll cycle is closed. For more information, see "Updating Time Accrual" on page 485. **STOP** Before creating a manual payment, you must reserve manual payment numbers. For more information, see "Reserving Manual Payment Numbers" on page 472.

Q Need More Details? Check out the following concepts:

- "What are Manual Payments?" on page 468
- "Why Reserve Checks for Manual Payments?" on page 468
- "Why Verify Time Accrual Balances and Dates for Manual Payments?" on page 469

Figure 39. Procedure flow: Creating manual payments



STEPS To create manual payments

- 1. Access Manual Payment (PR80.1).
- 2. Choose the employee you want to create the payment for in the Employee field.
- 3. Choose the Inquire form action.
- 4. On the Time Records tab, select an existing current time record (Status = C) and change the status to manual (Status = M)

– or –

add a time record in manual (Status = M) status. Consider the following fields.

| Pay Code | Select the pay code you want to assign to this time record. |
|-----------------------|--|
| Hours | Type the hours you want to assign to this time record. |
| Rate | Type the rate you want to assign to this time record. |
| Date | Type the date you want to assign to this time record. |
| SH (Shift) | Select the shift with which the pay is associated or leave the field blank and let the shift default form the employee record. |
| PG (Process Group) | Identifies a process group. All time records with a common value in this field are grouped for taxing purposes within a check for an employee. A number in this field indicates the deduction cycle the system uses for calculating deductions on the payment. |
| TF (Tax Frequency) | Select the option that indicates how you want to override normal taxation. |
| | NOTE For more information, see "Time Records: Entering" on page 295. For more information, see "Time Records: Moving" on page 351. |

- 5. Choose the Change form action to add the time record to the manual payment.
- 6. Select the bank code in the Bank Code field.
- 7. Select Reserved Checks in the Payment Number field and then select an available check (payment) number.
- 8. Define payment information on the Payment tab. Consider the following fields.

| Payment Date | Type the date for the payment. |
|-----------------|--------------------------------------|
| Deduction Cycle | Type a deduction cycle value of 1-9. |

NOTE You can select a current time record or create a new time record on the Time Records tab.

| Include Flex Dollars | Select the value determining whether the manual payment is to include flex dollars in gross wages. |
|-------------------------|---|
| Time Accrual Flag | Set the flag to L if this is the only payment to process in the cycle for the employee. |
| | For example, if the payment is a last and final payment for an employee, set the flag to L. Doing so enables processing the payment in the time accrual cycle. |
| Choose the One Time | e Deduction button to select current one time |

- deductions or add manual one time deductions to be included on the manual payment.10. If you want to calculate the payment before you add it, choose the
- 10. If you want to calculate the payment before you add it, choose the Calculate special action. This function does not use overriding deduction amounts or taxable wages entered.

IMPORTANT The Calculate special action lets you review the payment before you add it. Once you add the payment, you cannot make changes. You must delete the payment and re-add it.

11. Add the payment using one of the following options:

| If want to | Then |
|--|--|
| have the system calculate the earnings and deductions for the payment | Choose the Calculate/Add (A) special action. |
| override any of the deductions amounts and/or taxable wages that were calculated | Type the override amounts in the fields you want to override and choose the Override Calculation/Add Payment (S) special action. |
| manually enter deduction amounts and taxables | Type the override amounts and choose the No Calculate; Add (S) special action. |

NOTE If the manual payment pays time accrual time, you can verify dates and balances on Access Employee Plan Inquiry (TA60.1). For more information, see "Verifying Eligible Time Accrual Balances" on page 473. 9.

NOTE Arrears deductions are created from manual payments.

TIP To print a range of manual payments, use Manual Payment Print (PR180).

12. Delete the payment using one of the following options:

| If want to | Then |
|---|--|
| Delete the payment detail but not manual time records or manual one time deductions | Select the Payment Number and Delete form action (D) |
| Delete payment detail and manual time records or manual one time deductions | Select "Delete All & Payment Number" function (T) |

13. Choose the Print button to print the payment.



WARNING Manual payments can be printed more than one time. You must establish internal controls in your organization to avoid printing a payment more than once.

Options for Creating Manual Payments

| If you want to | Then |
|---|--|
| Inquire on a manual payment that has not been closed by Payroll Close (PR197) | Select Open Manual Payments in the Payment Number field, select an open payment, and choose the Inquire form action. |
| Delete a manual payment that has not been closed by Payroll Close (PR197) | Choose the Delete form action. |
| Print a range of manual payments | Use Manual Payment Print (PR180). |
| Process manual payments for overtime | After the time record is entered, run FLSA Overtime Calculation (PR132). PR132 creates an overtime time record which can be selected for manual payment. |

Related Reports and Inquiries

| То | Use |
|--|--|
| View the payments created | Payment Inquiry (PR50.2) |
| List earnings and deductions and an optional garnishment audit report for all payments that were not closed through Payroll Close (PR197) | Payroll Register (PR141)) |
| List payments issued and not yet closed in the current payroll cycle | Consolidated Payroll Register (PR142) |
| List payments on a payment register | Payment Register (PR162) |
| View detail of manual payments created for an employee | Detail Payment Listing (PR260) |
| List the manual payments created, changed, printed or deleted | Manual Payment Audit Report (PR281) |

Creating a Zero Gross Manual Payment

You can create a zero gross manual payment to reimburse an employee for an over-withheld deduction. Through a zero gross manual payment, you can also increase or decrease taxable wages, as appropriate when reimbursing a deduction originally affecting taxable wages. You can create zero gross manual payment through the Deductions tab on Manual Payment (PR80.1).

Examples of zero gross manual payments include:

- Reimbursements for over-withheld pre-tax deductions
- Reimbursements for over-withheld state or local taxes

STOP Before creating a manual payment, you must reserve manual payment numbers. For more information, see "Reserving Manual Payment Numbers" on page 472.

Q Need More Details? Check out the following concepts:

"What Kinds of Adjustments Can I Make?" on page 492

STEPS To create a zero gross manual payment

- 1. Access Manual Payment (PR80.1).
- 2. Select the Deductions tab. Consider the following fields.

| Deduction | Select the over-withheld deduction. |
|-----------|--|
| Amount | Type the amount as a negative amount. |
| Taxable | Type the adjustment amount to adjust taxable wages. |
| Deduction | Select the tax deductions to adjust if the adjusted deduction affects taxable wages. |
| Amount | Type a deduction amount to deduct from the manual payment for the corresponding deduction. |
| Taxable | Type the taxable wages. |

3. Choose the Print button to print the payment. For more information, see "Creating Manual Payments" on page 473.

Adjusting Time and Attendance

If you create manual payments in Manual Payment (PR80.1) use Employee Attendance History (TM70.1) to adjust attendance history.

NOTE The period end date is determined by the date applied to the adjustment along with the pay plan defined for the employee. Payroll Close (PR197), uses this payment date as the general ledger date for credit entries to cash and employee accruals. **Q** Need More Details? Check out the following concepts:

• "What Kinds of Adjustments Can I Make?" on page 492

STEPS To adjust time and attendance

- 1. Access Attendance History (TM70.1).
- 2. Choose a Company and Employee in the appropriate fields.
- 3. Choose the Inquire form action to inquire on the employee's attendance history.
- 4. Consider the following fields.

| Position To | Type the date at which point you want to begin your inquiry. |
|-------------|--|
| FC | Select the action you want to perform on this line. |
| | – or – |
| | Select Copy to copy this record. |
| Copy Nbr | Type the number of subsequent days into which this record should be copied. |
| | This is the additional number of days, not the total days. |
| Date | Type a date when entering attendance history. |
| | If you leave this field blank, the system date defaults. |
| Attend | Select an attendance code. |
| | If you leave this field blank, the attendance code from the previous line defaults when you choose the Add form action. If you are inquiring on existing attendance history, the attendance code displays. |
| Hours | Type the number of hours. |
| Points | Type the number of points. |
| | If you leave this field blank, the points associated with the attendance code default. |
| Осс | Select Yes or No to indicate whether this attendance history record is considered an occurrence. |
| Proc Lev | Select the process level associated with this attendance history record. |
| | If you leave this field blank, the home process level for the employee defaults. |

DeptSelect the department associated with this
attendance history record.If you leave this field blank, the employee's home
department defaults.

5. Choose the Change form action to add the changes.

Related Reports and Inquiries

| То | Use |
|--|---|
| Inquire on attendance history of a specific employee displayed in ascending date order by attendance codes | Employee Attendance Date Inquiry (TM50.1) |
| Inquire on the attendance history of a specific employee displayed in attendance code order by ascending date | Employee Attendance Code Inquiry (TM51.1) |
| Inquire on employee attendance history for all employees in a company, process level, or department displayed in ascending date order by attendance code, and employee number | Attendance Date Inquiry (TM52.1) |
| Inquire on employee attendance history for all employees in a company, process level, or department displayed in attendance code order by ascending date and employee number | Attendance Code Inquiry (TM53.1) |
| Inquire on employee attendance history for attendance codes in an attendance class displayed in ascending date order by employee number | Attendance Class Inquiry (TM54.1) |
| Inquire on attendance history for a specific employee by year and attendance code or attendance class | Employee Date Calendar (TM60.1) |
| Inquire on attendance history for a specific employee by year and attendance code or attendance class | Employee Days Calendar (TM61.1) |
| Inquire on all attendance history | Attendance History (TM70.1) |

Creating the Payroll Register

The Payroll Register (PR141) provides a hard copy of the payroll. Use this information for balancing and auditing payroll records.

Need More Details? Check out the following concepts:

"When Should the Manual Payment Payroll Cycle be Closed?" on page 469

STEPS To create the payroll register

- 1. Access Payroll Register (PR141).
- 2. Create the register. For more information, see "Creating the Payroll Register (U.S. and CA)" on page 439.
- electronic copy of Payroll Register (PR141), change the job to a 3 unique name each time you submit the job.

TIP To maintain an

3. Choose the Submit form action to submit the job.

IMPORTANT Print Payroll Register (PR141) before completing Payroll Close (PR197) to obtain a permanent record. The Payroll Register (PR141) cannot be recreated after Payroll Close (PR197) is complete.

Adjusting Time Accrual

Use Plan Adjustments (TA70).1 to adjust either accrual or eligible balances for employees in the selected plan. Payroll can display and edit adjustments until Time Accrual Close (TA199) is run. If the Period End Date is prior to the Last Period End Date on Employee Plan Inquiry (TA60.1), you might need to adjust the time accrual balances to reflect time usage on Manual Payment (PR80.1).

You can use Employee Plan Adjustments (TA70.2) in place of Plan Adjustments (TA70.1) to adjust time accrual balances.

When you apply manuals, adjustments, and voids, the time accrual cycle is affected in one of three ways:

If the manual, adjustment, or void has a period end date before the last period end date on Employee Plan (TA60.1), enter a manual time accrual adjustment on Plan Adjustments (TA70.1) and run Time Accrual Update (TA170) and Time Accrual Close (TA199).

If the manual, adjustment, or void has a period end date after the last period end date on Employee Plan (TA60.1) but before the temporary run date of Time Accrual Update (TA170), re-run TA170 to include the new transaction.

If the manual, adjustment, or void has a period end date after the last period end date on Employee Plan (TA60.1) and the payroll and time accrual cycles are closed, the next Time Accrual Update (TA170) picks up the transactions automatically. **Need More Details?** Check out the following concepts:

• "Why Verify Time Accrual Balances and Dates for Manual Payments?" on page 469

STEPS To adjust Time Accrual

- 1. Access Plan Adjustments (TA70.1).
- 2. Select the Company and Plan in the appropriate fields.
- 3. Consider the following fields.

NOTE To process the time accrual adjustment in the time accrual cycle, the date of the adjustment must be in the current cycle.

| Position To | Select the beginning employee number to display on inquiry. |
|-------------|---|
| FC | Select Add, Change, or Delete. |
| Employee | Select the employee. |
| Adjustment | Type the adjustment amount in hours. For negative amounts, type the negative sign after the amount. |
| Туре | Select Manual Accrual. |
| | – or – |
| | Select Manual Eligible to designate which balance to adjust. |
| Date | Type the date corresponding to the Period End Date on Manual Payment (PR80.1). |
| Description | Type a transaction description, such as the payment number or payment date. |

4. Choose the Add form action to add the changes.

Closing the Payroll Cycle

Closing Payroll completes a payroll cycle, allowing the start of a new cycle. Before updating the close, run the Payroll Close (PR197) in report mode to see where the payment, expenses, and accruals will post. The payroll cycle is closed after the report is run in update mode.

STOP Before closing the payroll cycle, complete the procedures previously described in this chapter. For more information, see "Procedures in this Chapter" on page 470.

Need More Details? Check out the following concepts:

"When Should the Manual Payment Payroll Cycle be Closed?" on page 469

STEPS To close payroll cycle

- 1. Access Payroll Close (PR197).
- 2. Close Payroll. For more information, see "Payroll Cycle: Close" on page 441.
- 3. Choose the Submit form action to submit the job.

Updating Time Accrual

The Time Accrual Update (TA170) and Time Accrual Close (TA199) must be run to process the manual transactions for time accrual.

When you update time accrual transactions, Payroll:

- Reads all pay records since the last period end date on Employee Plan Inquiry (TA60.1) for each participant
- Updates used hours from time records
- Calculates accrued hours based on plan parameters
- · Transfers accrued hours to eligible hours based on plan parameters
- · Creates lost transactions when total hours exceed limits

Time Accrual Close (TA199) closes the time accrual cycle, updates the actual balance fields in Employee Plan Inquiry (TA60.1), and generates a report showing the updated balances. The application closes the transactions of the current time accrual cycle and updates employee balances and history records.

Q Need More Details? Check out the following concepts:

 "Why Verify Time Accrual Balances and Dates for Manual Payments?" on page 469

STEPS To update time accrual

1. Access and run Time Accrual Update (TA170).

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NOTE If you set the flag to N on Plan Adjustments (TA70.1), the application picks up manual payments and system payments.

- Update time accrual. For more information, see "How Do I Process the Time Accrual Cycle Within the Payroll Cycle?" on page 413.
- 3. Choose the Submit form action to submit the update.
- 4. Access and run Time Accrual Close (TA199).
- 5. Run the report. For more information, see "Closing Time Accrual" on page 448.
- 6. Choose the Submit form action to submit the close.

IMPORTANT When you manually adjust Time accrual you must always update Plan Adjustments (TA70.1), Time Accrual Update (TA170), and Time Accrual Close (TA199).

Related Reports and Inquiries

| То | Use |
|--|-----------------------------|
| Create a report of the time accrual transactions listing hours used, hours accrued, manual transactions processed, hours lost, or all transactions processed by Time Accrual Update (TA170) for the current time accrual cycle | Time Accrual Report (TA175) |

IMPORTANT You must run General Ledger Liability Update (TA195) only once per general ledger period to prevent over-booking the liability.

Chapter 32

Manual Processes: Replacement Payments

This chapter covers how to process replacement payments within the Lawson Payroll application.

STOP Before issuing a replacement, you must reserve checks. For more information, see "Reserving Manual Payment Numbers" on page 472.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 489 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What is a Replacement Payment?" on page 488
- "Why Reserve Checks for Replacement Payments?" on page 488

What is a Replacement Payment?

Issue a replacement payment when an employee's payment is lost or destroyed, and the information on the original check is correct. When you replace a payment, you assign a new payment number to an existing payment previously closed through Payroll Close. You do not have to close Payroll after running a replacement payment, since all history associated with the original payment remains the same.

Replacements do not affect Time Accrual, Tips, or General Ledger history. If the history must be adjusted, you can void the payment and reissue a manual payment. For more information, see "Creating Manual Payments" on page 473.

Why Reserve Checks for Replacement Payments?

You must reserve payment numbers for each bank account reflected by the replacement prior to creating a replacement payment. The process of reserving checks has three functions:

Reserved - Once reserved, payment numbers are not available for normal system payment use. Reserved payments are used for manual payments or payment replacements.

Unreserve - The unreserve function serves to make previously reserved payment numbers available again for application use.

Void - The void function is used to void payment numbers which were accidentally destroyed but not used. After voiding a payment number, the payment number is taken out of circulation and is not available for use with manual or system payments.

Procedures in this Chapter

The following procedures explain how to process manual payments.

- "Reserving Replacement Payment Numbers" on page 489
- "Creating a Replacement Payment" on page 489

Reserving Replacement Payment Numbers

Before you replace a payment, you must first reserve a payment number for use when processing the replacement payment.

STOP Before you reserve manual replacement payment numbers, you must first set up bank account information. For more information, see "Setting Up Bank Codes" on page 185.

Need More Details? Check out the following concepts:

- "What is a Replacement Payment?" on page 488
- "Why Reserve Checks for Replacement Payments?" on page 488

STEPS To reserve replacement payment numbers

- 1. Access Manual Payment Reservation (PR81.1). For more information, see "Reserving Manual Payment Numbers" on page 472.
- 2. Choose the company and bank code.
- 3. Type the payment number.
 - or –

Type the range of payment numbers to reserve, void, or unreserve in the payment fields.

- **TIP** When reserving payments, choose "reserve" twice to complete the reservation process.
- 4. Choose the form action to reserve, void, or unreserve payment numbers.

IMPORTANT To void a payment that was reserved, you must first unreserve the payment, and then void the payment. Payment numbers voided this way will not appear on Bank Account Reconciliation (PR85.1), and are unavailable for use with either a system or manual payment.

Creating a Replacement Payment

When you replace a payment, the application assigns a new payment number to the existing payment previously closed by Payroll Close (PR197). Payment replacements automatically update employee history by replacing the number and, optionally, the date of the original payment received. Because history does not change, you do not need to run Payroll Close (PR197) to update history for a replacement payment.

STOP Before creating a replacement payment, reserve the replacement payment numbers in Manual Payment Reservation (PR81.1). For more information, see "Reserving Replacement Payment Numbers" on page 489.

Q Need More Details? Check out the following concepts:

- "What is a Replacement Payment?" on page 488
- "Why Reserve Checks for Replacement Payments?" on page 488

STEPS To create a replacement payment

1. Access Payment Replacement (PR86.1).

2. Complete the form. Consider the following fields.

Company Choose a company. Employee Select an employee. **Bank Code** Choose the bank account on which the funds were drawn for the original payment. Select the payment number you are replacing. Payment Number, Type Choose the Inquire form action to list and verify the detail on the original payment number. **New Payment** Select a reserved payment number to replace the Number original payment number. Date Enter the date of the payment. A replacement date replaces the original date in the payment file.

- 3. Choose the Replace form action to replace the original payment number.
- 4. Choose Print to open the Manual Payment Print (PR80.2) subform, and print the replacement payment.

Bank Reconciliation (PR155) and Payment Register (PR162) use the replacement date for reporting. In Bank Account Reconciliation (PR85.1), the replacement date becomes the void date of the original payment as well as the payment date of the replacement manual payment. This new date does not affect the date associated with the original payment history. Payroll history reports like Payment Detail Listing (PR260) print the original date. If the original payment history must be associated with a different date, you must void the original payment and issue a manual payment.

NOTE When you assign a new payment number, the original payment number is voided automatically on Bank Account Reconciliation (PR85.1). The new payment is created as a manual payment type for payment reconciliation purposes.

Manual Processes: Adjustments

This chapter covers how to create adjustments to Payroll history within the Lawson Payroll application.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 499 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Kinds of Adjustments Can I Make?" on page 492
- "What Kinds of Payroll History Modifications are not Performed Through Adjustments?" on page 494
- "What is an Offset or Wash Deduction, and When do I Need to use These Deductions on an Adjustment?" on page 495
- "What are Pension Payment Adjustments?" on page 496
- "When can I Adjust History?" on page 496
- "How are Adjustments Processed through Time Accrual?" on page 496
- "How Do Manual Adjustment Dates Affect the General Ledger?" on page 498

What Kinds of Adjustments Can I Make?

You can create Payroll adjustments with either a zero net pay result, or with a negative effect on net pay. Adjustments cannot be created to affect net pay in a positive manner.

You can adjust the following:

- Pay codes
- Deductions
- Wages from taxable to excess wages or excess to taxable wages for unemployment insurance in the United States, or employment insurance in Canada
- Miscellaneous payment information
- Time Accrual
- Time and Attendance
- · General Ledger entries, including deleting General Ledger entries
- Payments made to an employee by a third-party.

After the adjustment is created, you must update it to history by closing the payroll cycle using the Payroll close in Update mode. You can wait to update the adjustment to history by running the Payroll close with the next payroll cycle or, as recommended by Lawson, close the adjustment immediately by running Payroll close in Update mode. For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393.

For each adjustment, Payroll creates a unique payment record as a payment type J (Adjustment).

Examples

You can create an adjustment between non-tax deductions when an employee has Nurse union Dues withheld but should have had Tech union Dues withheld. In this example, the dollar amounts are the same for both codes.

For this example, enter positive dollars for the Nurse union dues code, and negative dollars for the Tech union dues code. Enter positive hours for the sick pay code, and negative hours for the regular pay code.

You can create adjustments between tax deductions, and wages associated with tax deductions when an employee moves from Minnesota to Illinois, but tax deductions associated with the employee are not changed before Payroll is run. Taxes and associated wages must be "moved" from Minnesota to Illinois.

For this example, enter positive dollars for the Illinois withholding tax deduction code, and negative dollars for the Minnesota withholding tax deduction code. Enter positive taxable wages for the Illinois withholding tax deduction code, and negative taxable wages for the Minnesota withholding tax deduction code. Then, you enter gross wages for the Illinois withholding tax deduction code, and negative gross wages for the Minnesota withholding tax deduction code.

You can create adjustments to move wages between taxable and excess wages when an employee moves from Minnesota to Illinois but unemployment tax deductions associated with the employee were not changed before Payroll was run. In this case, you must adjust taxable and excess wages for both states.

For this example, enter positive dollars for the Illinois unemployment tax deduction code and negative dollars for the Minnesota unemployment tax deduction code. Enter positive taxable wages in the Illinois withholding tax deduction code. Enter Negative taxable wages for the Minnesota withholding tax deduction code. Positive excess wages are entered for the Illinois withholding tax deduction code, and negative excess wages for the Minnesota withholding tax deduction code. Positive gross wages are entered for the Illinois withholding tax deduction code. Positive gross wages are entered for the Minnesota withholding tax deduction code, and negative gross wages for the Minnesota withholding tax deduction code, and negative gross wages for the Minnesota withholding tax deduction code, and negative gross wages for the Minnesota withholding tax deduction code, and negative gross wages for the Minnesota withholding tax deduction code.

You can create adjustments to move earnings between report entities if an employee moves from Legal Entity #1 to Legal Entity #2, and the employee record was not changed before Payroll was run. Taxes and associated wages must be "moved" from Entity #1 to Entity #2. Adjustments of this type will most likely involve employer and employee taxes and all taxable wages. For this example, enter positive dollars for Tax Entity #2 deduction codes, and negative dollars for Tax Entity #1 deduction codes. Enter positive taxable wages for Tax Entity #1 deduction codes. Positive excess wages are entered for Tax Entity #2 deduction codes. Positive gross wages are entered for Tax Entity #1 deduction codes. Positive gross wages are entered for Tax Entity #2 deduction codes, and negative #2 deduction codes. Positive gross wages are entered for Tax Entity #1 deduction codes. Positive gross wages are entered for Tax Entity #2 deduction codes. And negative gross wages are entered for Tax Entity #1 deduction codes.

You can create adjustments to record repayment by an employee of a partial overpayment. In this example, the employee reimburses the employer using a personal check for the net amount of the overpayment. Use this adjustment if an employee was paid for 40 hours of regular work, but worked only 35 hours. For this example, enter negative 5 hours for the regular pay code.

Supply a workers' compensation state or province if the original payment was associated with a different compensation state or province. Enter negative dollars for tax deductions.



CAUTION Adjustments do not calculate an end result. What is entered on the adjustment is the result of the adjustment. For this reason, you must be careful when creating adjustments. The only way for Payroll to be out of balance is through the use of adjustments.

What Kinds of Payroll History Modifications are not Performed Through Adjustments?

Payroll does not let you create an adjustment with a positive effect on net pay. Therefore, you must use a manual payment method to make the following types of modifications to payroll history:

- Refunds of deductions
- Creating an additional payment for an employee
- Recording a Payroll payment made through accounts payable

For more information, see "Creating Manual Payments" on page 473.

Do not use an adjustment for adjustments to Life Insurance Reportable Income. Instead, update the value of Life Insurance Reportable Income to the employee record by using a non-cash pay code and the Life Insurance Reportable Income update program as part of the normal payroll cycle. You have the option to create time records every pay period, monthly, or yearly.

Update taxable relocation, personal use of a company car, prizes and awards, and other non-cash types of payroll items to the employee record using a non-cash pay code instead of through adjustments.

Update cash awards to the employee record and paid to the employee using pay codes with an additional flat rate calculation type.

NOTE This method applies only to a full refund of the payment, not a partial refund. Void a repayment to an employer from an employee for the entire net amount of a payment not due to the employee, even if the payment has already been reconciled.

What is an Offset or Wash Deduction, and When do I Need to use These Deductions on an Adjustment?

When creating an adjustment where gross pay less other deductions leaves a positive balance, such as recording a third-party payment to an employee, you can use an offset, or wash deduction to net an adjustment to zero. Since the employer does not make this payment to the employee, the wash deduction reduces the net to zero and takes the place of what is normally the employee's net pay.

A wash or offset deduction code is created with the following parameters:

- Employee paid
- A flat amount calculation type
- A dollar amount of .01 with no deduction cycles checked

You must add the wash deduction code to the employee record. When you use the wash deduction code on the adjustment, the net of the adjustment becomes the dollar amount of the deduction on the adjustment. Leaving deduction cycles blank ensures the deduction is applied only when the deduction is manually entered on the adjustment.

Example

John Jones receives the following taxable payment of third-party sick pay from Atlas Insurance. John's gross pay is 1,000. The tax deductions withheld total 326.60. The remaining net balance is 673.50. You must use a wash deduction with an amount of 673.50 when adding the adjustment to Payroll, since John already received his payment from Atlas Insurance. If the wash deduction is not performed, the adjustment can not be added.

IMPORTANT Company paid deductions do not affect the gross-to-net equation.

What are Pension Payment Adjustments?

Pension payment adjustments are made to a payment received by a pension participant. The types of adjustments you can be perform on pension payments include:

- Positive adjustments to earnings without increasing net pay
- Distribution codes changes on closed payments
- Pension adjustments have a positive effect on net pay, and therefore, use an offset or wash deduction
- Funding Source History adjustments
- Dollar adjustments between earnings codes, taxable to non-taxable, update tax deductions
- Payment entry as an adjustment with no funding sources and no GL entries
- Process Level changes associated with a payment
- · Tax deduction corrections on pension payments
- · Non-tax deduction corrections on pension payments
- Distribution type changes on pension payments
- Pension payment reporting changes from 1099R to W2
- Pension payment adjustments between earning codes

When can I Adjust History?

Make adjustments to either payroll history or tips history at any time during the payroll year without affecting net pay. You can adjust history anytime you run the payroll close in update mode. Because of this, you can make adjustments to history as either:

- Part of the normal payroll cycle
- or –
- After the payroll cycle is closed
- or –
- At year end or quarter end

How are Adjustments Processed through Time Accrual?

Some adjustments might affect time accrual eligible or accrual balances. For example, when an employee is paid for Holiday time, but should have been paid for vacation time, a manual adjustment to time accrual might be necessary.

Because Time Accrual will not go back to adjust accrued and eligible balances for closed time accrual cycles, you might need to manually adjust accrued and eligible balances for the employees.

Payroll adjustments are processed automatically through time accrual only when the following four conditions are met:

- An accrual amount or accrual ratio formula is used by the plan
- An application payment exists for the employee in the payroll cycle
- The time accrual cycle is still open
- The date used on the adjustment is greater than the last period end date on the employee plan

Any processed payroll adjustment which does not meet the above conditions requires a manual Time Accrual adjustment to correct the employee's eligible balance in the plan. For more information, see "Creating Manual Payments" on page 473.

Interpreting Warning Messages

Users receive one of three application messages regarding Time Accrual when either voiding payments or entering payroll adjustments in Payroll:

| Message | Meaning |
|---|---|
| Change Complete, TA cycle open; re-run TA170 | The date of the void or adjustment is greater than the Last Period End Date on Employee Plan Inquiry (TA60.1), the time accrual cycle is still open and Time Accrual Update (TA170) was run. You need to re-run TA170. |
| Change Complete - Time Accrual Cycle Closed | The date of the void or adjustment is less than the Last Period End Date on Employee Plan Inquiry (TA60.1). You must manually adjust eligible balances in time accrual on Plan Adjustments (TA70.1) as a result of the void or adjustment made in Payroll. |
| Change Complete | The date of the void or adjustment is greater than the Last Period End Date on Employee Plan Inquiry (TA60.1), and the time accrual cycle has not been run for that time frame. Include the adjustment in the next run of TA170. |

How Do Manual Adjustment Dates Affect the General Ledger?

When you create an adjustment, the date entered on and applied to the adjustment is the date applied to the adjustment in the General Ledger. The application does not apply the general ledger date on the payroll close to the adjustment.

If the dollars for the adjustment are already posted to the general ledger, you can delete the distributions for the adjustment so the distributions are not double-posted to the general ledger. If an out-of-balance condition occurs due to a change made to the entries, Payroll posts the difference to the error suspense account, which was originally created when you setup your company. You can also change distributions before posting to the general ledger.

Procedures in this Chapter

The following procedures explain how to create adjustments.

- "Creating Miscellaneous Adjustments" on page 499
- "Creating Adjustments between Pay Codes" on page 503
- "Creating Adjustments between Non-Tax Deductions" on page 505
- "Creating Adjustments between Tax Deductions and Wages associated with Tax Deductions" on page 506
- "Creating Adjustments to move Wages between Taxable and Excess Wages" on page 507
- "Creating Adjustments to Move Earnings Between Report Entities" on page 510
- "Creating Adjustments to Record Repayment by an Employee of a Partial Overpayment" on page 513
- "Creating Adjustments to Record Payment by a Third-Party Payer" on page 516
- "Editing General Ledger Entries Created by an Adjustment" on page 519

Creating Miscellaneous Adjustments

Use Adjustment (PR82.1) to create adjustments other than those described in the remaining procedures in this chapter.

Need More Details? Check out the following concepts:

- "What Kinds of Adjustments Can I Make?" on page 492
- "What Kinds of Payroll History Modifications are not Performed Through Adjustments?" on page 494
- "What are Pension Payment Adjustments?" on page 496
- "When can I Adjust History?" on page 496
- "How are Adjustments Processed through Time Accrual?" on page 496
- "How Do Manual Adjustment Dates Affect the General Ledger?" on page 498

STEPS To create miscellaneous adjustments

- 1. Access Adjustment (PR82.1).
- 2. In the Date field, type a date for this adjustment.

IMPORTANT Use caution in supplying the date to apply to this adjustment to history. If no date is supplied, the system date is used on the adjustment. This date will have an impact on tax reporting.

3. In the Bank Code field, select a bank code to apply to this adjustment.

If no bank code is supplied, the bank code associated with the process level defaults.

4. Select the Earnings Tab. Consider the following fields.

| Рау | Enter the pay codes to adjust. |
|-----------------------|--|
| Hours | Enter the hours as a positive number to reflect additional hours associated with this pay code. |
| | Enter the hours as a negative number to reflect fewer hours associated with this pay code. |
| Amount | Enter the amount as a positive number to reflect additional dollars associated with this pay code. |
| | Enter the amount as a negative number to reflect fewer dollars associated with this pay code. |
| Proc Level | To change the report entity associated with this adjustment, change the process level. |
| | IMPORTANT A change in the Process level impacts tax reporting. |
| Dept | To change the department associated with this adjustment, change the department. |
| Business Nbr Grp | If the adjustment is for a Canadian employee, change the Business Number Code to change the business number code associated with this adjustment. |
| | IMPORTANT A change in the business number code impacts tax reporting. |
| Quebec Ent Nbr Grp | If the adjustment is for a Canadian employee, change the Quebec Enterprise Number group to change the Quebec Enterprise Number Group associated with this adjustment. |
| | IMPORTANT A change in the Quebec Enterprise Number Group impacts tax reporting. |
| St, Pr Work | Change the state or province on this adjustment to the state or province where the employee works. |

| St, PR WC | Change the Workers' Compensation state or |
|-----------|---|
| | province on this adjustment to the state or |
| | province associated with this adjustment. |

5. To enter additional information, select the Additional Information tab. Consider the following field.

_

| Job Code | Change the job code to a job code associated with this adjustment. |
|----------|--|
| Position | Change the position code to a position code associated with this adjustment. |

6. To enter account information, select the Account Information tab. Consider the following fields.

Expense Account Change the expense account to an expense account associated with this adjustment.

IMPORTANT If the dollars for the adjustment are already posted to the general ledger, you can delete the distributions for the adjustment so they are not double-posted to the general ledger. If an out-of balance condition occurs due to changes made to the entries, Payroll posts the difference to the error suspense account. Distributions can also be changed before posting to the general ledger.

| Activity | Change the activity to an activity associated with |
|----------|--|
| | this adjustment. |

- 7. Select the User Analysis tab to change the user analysis associated with this adjustment.
- 8. Select the Deduction Tab. Consider the following fields.

| Ded | Supply the deduction codes to adjust. |
|--|---|
| Proc Level Bus Grp QC Grp | If this adjustment is for tax deductions and related wages, you can associate a different Process Level, Business Number Code or Quebec Enterprise Number Group, State, or Province. |
| St Pr | These fields are repeated on both the Earnings and Deductions tabs because certain adjustments require you to complete only one of the two tabs. |
| Amount | Enter the amount as a positive number to reflect an increase in the deduction amount for this deduction code. |
| | Enter the amount as a negative number to reflect a reduction in the deduction amount for this deduction code. |
| Taxable | Enter the taxable amount as a positive number to reflect an increase in the taxable wages associated with this deduction code. |
| | Enter the taxable amount as a negative number to reflect a reduction in taxable wages associated with this deduction code. |
| Gross Wages | For U.S., gross wages are defined as total wages associated with this deduction before any tax-sheltered deductions are applied. |
| | For Canada, gross wages are defined as gross earnings plus taxable benefits associated with this deduction. |
| | Enter the gross wages as a positive number to reflect an increase in gross wages for this deduction code. |
| | Enter the gross wages as a negative number to reflect a reduction in gross wages for this deduction code. |
| Select the Funding Sources Tab. Consider the following fields. | |
| Funding Source | Supply the funding source code to adjust. |

9.

| | Amount | Supply the amount of the funding source to adjust. |
|-----|-----------------------|---|
| | | Enter the amount as a positive number to reflect an increase in the amount of the pension payments for this fund. |
| | | Enter the amount as a negative number to reflect a reduction in the amount of the pension payments for this fund. |
| 10. | Select the Additional | Information Tab. Consider the following fields. |
| | Dist Type | Choose a distribution type to change the distribution type associated with this adjustment. |
| | Dist Code | Choose a distribution code to change the distribution code associated with this adjustment. |
| | Dist Code2 | Choose a 2nd distribution code to change the 2nd distribution code associated with this adjustment. |
| | Pct Total Dist | Change the percent to change the percent of the total distribution code associated with this adjustment. |

- 11. Choose the Add form action to add the form.
- 12. Update the adjustment to payroll history through Payroll Close (PR197).

Lawson recommends you run Payroll Register (PR141) before you close adjustments and include these totals in the payroll ledger you use for balancing. If you wait to close the adjustment until you process the next payroll cycle, the adjustment will be included with the payroll register of that payroll and might complicate balancing. For more information, see "Creating the Payroll Register (U.S. and CA)" on page 439.

Creating Adjustments between Pay Codes

Use Adjustment (PR82.1) to create adjustments between pay codes. You can use this type of adjustment when an employee is paid regular pay but should be paid sick pay.

Q Need More Details? Check out the following concepts:

- "What Kinds of Adjustments Can I Make?" on page 492
- "What Kinds of Payroll History Modifications are not Performed Through Adjustments?" on page 494
- "When can I Adjust History?" on page 496
- "How are Adjustments Processed through Time Accrual?" on page 496
- "How Do Manual Adjustment Dates Affect the General Ledger?"
 on page 498

STEPS To create adjusments between pay codes

- 1. Access Adjustment (PR82.1).
- 2. Type a date in the Date field.

IMPORTANT Use caution when you supply the date to apply this adjustment to history. If you do not supply a date, the application uses the system date on the adjustment. This date has an impact on tax reporting.

3. Select the Earnings tab. Use only this tab to create adjustments between pay codes. Consider the following fields.

| Рау | Supply the pay codes to adjust. |
|--------|--|
| Hours | Enter hours as a positive number to reflect additional hours associated with this pay code. |
| | Enter a negative number to reflect fewer hours associated with this pay code. |
| Amount | Enter the amount as a positive number to reflect additional dollars associated with this pay code. |
| | Enter the amount as a negative number to reflect fewer dollars associated with this pay code. |

4. Type or choose information in the other fields on PR82.1 to change with the hours and dollars associated with the selected pay code.

Related Reports and Inquiries

| То | Use |
|--|--------------------------------|
| Summarize wages by pay class for an individual, range, or group of employees | Employee Wage Report (PR270) |
| Access YTD Quarterly taxable wages and withholding totals per employee by tax authority and category. | Quarterly Report (PR290) |
| Produce a list of payments | Payment Detail Listing (PR260) |
Creating Adjustments between Non-Tax Deductions

Use Adjustment (PR82.1) to create adjustments between miscellaneous non-tax deductions. For more information, see "What Kinds of Adjustments Can I Make?" on page 492.

STOP Before creating adjustments between non-tax deductions, the deductions must already be associated with the employee. For more information, see "Employee: Deductions" on page 235.

Need More Details? Check out the following concepts:

- "What Kinds of Adjustments Can I Make?" on page 492
- "What Kinds of Payroll History Modifications are not Performed Through Adjustments?" on page 494
- "When can I Adjust History?" on page 496
- "How are Adjustments Processed through Time Accrual?" on page 496
- "How Do Manual Adjustment Dates Affect the General Ledger?" on page 498

STEPS To create adjustments between non-tax deductions

- 1. Access Adjustment (PR82.1).
- 2. Type a date in the Date field.

IMPORTANT Use caution when you supply the date to apply this adjustment to history. If you do not supply a date, the application uses the system date on the adjustment. This date has an impact on tax reporting.

3. Select the Deductions tab. Consider the following fields.

| Ded | Enter the Deduction codes to adjust. |
|--------|---|
| Amount | Enter the amount as a positive number to reflect an increase in the deduction amount associated with this deduction code. |
| | Enter the number as a negative to reflect a reduction in the deduction amount associated with this deduction code. |

4. Type or choose information in the other fields on PR82.1 to change with the hours and dollars associated with the selected pay code.

NOTE When creating adjustments between miscellaneous deductions, choose only the deductions tab.

Related Reports and Inquiries

| То | Use |
|---|--------------------------------------|
| Summarize deductions and associated taxable wages by deduction code or deduction class for an individual, range or group of employees | Employee Deduction Report (PR276) |

Creating Adjustments between Tax Deductions and Wages associated with Tax Deductions

Use Adjustment (PR82.1) to create adjustments between tax deductions and wages associated with tax deductions such as when an employee moves to another state. For more information, see "What Kinds of Adjustments Can I Make?" on page 492.

STOP Before creating adjustments between tax deductions and wages associated with tax deductions, the deductions must already be associated with the employee. For more information, see "Employee: Deductions" on page 235.

Need More Details? Check out the following concepts:

- "What Kinds of Adjustments Can I Make?" on page 492
- "What Kinds of Payroll History Modifications are not Performed Through Adjustments?" on page 494
- "When can I Adjust History?" on page 496
- "How are Adjustments Processed through Time Accrual?" on page 496
- "How Do Manual Adjustment Dates Affect the General Ledger?"
 on page 498

STEPS To create adjustments between tax deductions and wages associated with tax deductions

- 1. Access Adjustment (PR82.1).
- 2. Type a date in the Date field.

IMPORTANT Use caution when you supply the date to apply this adjustment to history. If you do not supply a date, the application uses the system date on the adjustment. This date has an impact on tax reporting.

NOTE Use only the deductions tab when creating adjustments between tax deductions and wages associated with tax deductions.

3. Select the Deductions tab. Consider the following fields:

| Ded | Enter the deduction codes to adjust. |
|-----------------------|--|
| Bus Code or QC Grp | Enter the Business Number Code or Quebec Enterprise Number Group associated with the deduction amount and related wages being adjusted. |
| Amount | Enter the amount as a positive number to reflect an increase in the deduction amount associated with this deduction code. |
| | Enter the amount as a negative number to reflect a reduction in the deduction amount associated with this deduction code. |
| Taxable | Enter the taxable amount as a positive number to reflect an increase in the taxable wages associated with this deduction code. |
| | Enter a negative number to reflect a reduction in taxable wages associated with this deduction code. |
| Gross Wages | Enter the gross wages. |
| | For more information, see "Creating Miscellaneous Adjustments" on page 499. |

4. Type or choose information in the other fields on PR82.1 to change with the hours and dollars associated with the selected pay code.

Related Reports and Inquiries

| То | Use |
|--|--------------------------------------|
| Summarize deductions and associated taxable wages by deduction code or deduction class for an individual, range, or group of employees | Employee Deduction Report (PR276) |
| Access YTD Quarterly taxable wages and withholding totals per employee by tax authority and category | Quarterly Report (PR290) |
| Produce a list of payments | Payment Detail Listing (PR260) |

Creating Adjustments to move Wages between Taxable and Excess Wages

Use Adjustment (PR82.1) to create adjustments to move wages between taxable and excess wages such as when an employee moves to another

state. For more information, see "What Kinds of Adjustments Can I Make?" on page 492.

STOP Before creating adjustments to move wages between taxable and excess wages, the deductions must already be associated with the employee. For more information, see "Employee: Deductions" on page 235.

Q Need More Details? Check out the following concepts:

- "What Kinds of Adjustments Can I Make?" on page 492
- "What Kinds of Payroll History Modifications are not Performed Through Adjustments?" on page 494
- "When can I Adjust History?" on page 496
- "How are Adjustments Processed through Time Accrual?" on page 496
- "How Do Manual Adjustment Dates Affect the General Ledger?"
 on page 498

STEPS To create adjustments to move wages between taxable and excess wages

- 1. Access Adjustment (PR82.1).
- 2. Type a date in the Date field.

IMPORTANT Use caution when you supply the date to apply this adjustment to history. If you do not supply a date, the application uses the system date on the adjustment. This date has an impact on tax reporting.

3. Select the Deductions tab. Consider the following fields.

NOTE U.S. state unemployment taxable wages, or Canadian CPP/QPP taxable wages may differ between the "to" and "from" Tax Entities because of a change in Tax Authority. Taxable earnings associated with tax deductions which have no ceiling, or where a change in Tax Authority is not an issue will be adjusted as the same taxable wage amounts for both the positive and negative adjustments for the same deduction codes. Override the process level (or for Canada Business Number Code or Quebec Business number) on the positive adjustment to the "to" Tax Entity and ensure the "old" Tax Entity process level is reflected on the negative adjustment.

| Ded | Supply the deduction codes to adjust. |
|----------------------|---|
| Bus Grp or QC Grp | Enter the Business Number Group or Quebec Enterprise Number Group associated with the deduction amount and related wages being adjusted. |

NOTE Use only the Deductions tab when creating adjustments to move wages between taxable and excess wages.

| Amount | Enter the amount as a positive number to reflect an increase in the unemployment deduction, or Employment Insurance (E.I.) deduction for Canada, associated with this deduction code. |
|-------------|---|
| Taxable | If taxable wages are affected, enter the amount as a positive number to reflect an increase in the taxable wages associated with this unemployment (Employment Insurance or E.I.) deduction code. Enter a negative number to reflect a reduction in taxable wages associated with this unemployment (Employment Insurance or E.I.) deduction code. |
| Excess | If excess wages are affected, enter the amount as a positive number to reflect an increase in the excess wages associated with this unemployment (Employment insurance or E.I.) deduction code. Enter a negative number to reflect a reduction in excess wages associated with this unemployment (Employment Insurance or E.I.) deduction code. |
| Gross Wages | Enter the gross wages. |
| | For more information, see "Creating Miscellaneous Adjustments" on page 499. |

4. Type or choose information in the other fields on PR82.1 to change with the hours and dollars associated with the selected pay code.

Related Reports and Inquiries

| То | Use |
|--|--|
| Summarize total wages, taxable wages and excess wages within the work state or province | Unemployment Continuation Form (PR291) |
| Summarize by Tax Authority and Tax Category for YTD and QTD Gross, Taxable, and Excess wages and tax withheld | Balancing Report (PR294) |
| Access YTD Quarterly taxable wages and withholding totals per employee by tax authority and category | Quarterly Report (PR290) |
| Produce a list of payments | Payment Detail Listing (PR260) |

Creating Adjustments to Move Earnings Between Report Entities

Use Adjustment (PR82.1) to create adjustments to move earnings between report entities. For more information, see "What Kinds of Adjustments Can I Make?" on page 492.

STOP Before creating adjustments to move earnings between report entities, all deductions to adjust must already be associated with the employee. For more information, see "Employee: Deductions" on page 235.

Q Need More Details? Check out the following concepts:

- "What Kinds of Adjustments Can I Make?" on page 492
- "What Kinds of Payroll History Modifications are not Performed Through Adjustments?" on page 494
- "When can I Adjust History?" on page 496
- "How are Adjustments Processed through Time Accrual?" on page 496
- "How Do Manual Adjustment Dates Affect the General Ledger?" on page 498

STEPS To create adjustments to move earnings between report entities

- 1. Access Adjustment (PR82.1).
- 2. Type a date in the Date field.

IMPORTANT Use caution when you supply the date to apply this adjustment to history. If you do not supply a date, the application uses the system date on the adjustment. This date has an impact on tax reporting.

NOTE Use only the deductions tab when you create adjustments to move earnings between report entities.

3. Select the Deductions tab. Consider the following fields.:

NOTE U.S. state unemployment taxable wages, or Canadian CPP/QPP taxable wages may differ between the "to" and "from" Tax Entities because of a change in Tax Authority. Taxable earnings associated with tax deductions which have no ceiling, or where a change in Tax Authority is not an issue will be adjusted as the **same** taxable wage amounts for both the positive and negative adjustments for the **same** deduction codes. Override the process level (or for Canada Business Number Code or Quebec Business number) on the positive adjustment to the "to" Tax Entity and ensure the "old" Tax Entity process level is reflected on the negative adjustment.

| Ded | Supply the deduction codes to adjust. This type of adjustment might include employee and employer withholding tax deductions, including unemployment deductions in the United States, or E.I. (Employment Insurance) in Canada. |
|-----------------------|--|
| Bus Code or QC Grp | Enter the Business Number Code or Quebec Enterprise Number Group Associated with the deduction amount and related wages being adjusted. |
| Amount | Enter the amount as a positive number to reflect an increase in the deduction amount associated with this deduction code. |
| | Enter a negative number to reflect a reduction in the deduction amount associated with this deduction code. |
| | NOTE The same withholding amounts are reflected as positive and negative for the same deduction codes. Override the Process Level (or for Canada, Business Number Code or Quebec Business Number) on the positive adjustment to the "to" Tax Entity and ensure the "old" Tax Entity Process Level is reflected on the negative adjustment. |
| Taxable | Enter the taxable wages. |

For more information, see "Creating Miscellaneous Adjustments" on page 499.

| Excess | If excess wages are affected, enter the amount as a positive number to reflect an increase in the excess wages associated with this unemployment (Employment Insurance or E.I.) deduction code. |
|---------------|--|
| | Enter the amount as a negative number to reflect a reduction in excess wages associated with this unemployment (Employment Insurance or E.I.) deduction code. |
| Gross Wages | Enter the gross wages. |
| | NOTE The same gross wage amounts are reflected as positive and negative for the same deduction codes on adjustments. Override the process level (or for Canada, Business Number Code or Quebec Business Number) on the positive adjustment to the "to" Tax Entity and ensure the "old" Tax Entity process level is reflected on the negative adjustment. |
| | For more information, see "Creating Miscellaneous Adjustments" on page 499. |
| Process Level | Choose other related information to be "moved" with the hours and dollars associated with the deduction code. |
| | If you want to change the report entity where the wages and taxes being adjusted should be reported, change the process level. |

4. Type or choose information in the other fields on PR82.1 to change with the hours and dollars associated with the selected pay code.

Related Reports and Inquiries

| То | Use |
|--|--|
| Summarize total wages, taxable wages and excess wages within the work state or province | Unemployment Continuation Form (PR291) |
| Access a summary by Tax Authority and Tax Category for YTD and QTD Gross, Taxable, and Excess wages and tax withheld | Balancing Report (PR294) |
| Access YTD Quarterly taxable wages and withholding totals per employee by tax authority and category | Quarterly Report (PR290) |
| Summarize deductions and associated taxable wages by deduction code or deduction class for an individual, range, or group of employees | Employee Deduction Report (PR276) |
| Produce a list of payments | Payment Detail Listing (PR260) |
| | |

Creating Adjustments to Record Repayment by an Employee of a Partial Overpayment

Use Adjustment (PR82.1) to create adjustments to record repayment by an employee of a partial overpayment. You can use this form to adjust pay if an employee was paid for 40 hours of regular work, but worked only 35 hours. For more information, see "What Kinds of Adjustments Can I Make?" on page 492.

Need More Details? Check out the following concepts:

- "What Kinds of Adjustments Can I Make?" on page 492
- "What Kinds of Payroll History Modifications are not Performed Through Adjustments?" on page 494
- "When can I Adjust History?" on page 496
- "How are Adjustments Processed through Time Accrual?" on page 496
- "How Do Manual Adjustment Dates Affect the General Ledger?"
 on page 498

STEPS To create adjustments to record repayment by an employee of a partial overpayment

- 1. Access Adjustment (PR82.1).
- 2. Type a date in the Date field.

IMPORTANT Use caution when you supply the date to apply this adjustment to history. If you do not supply a date, the application uses the system date on the adjustment. This date has an impact on tax reporting.

3. Select the Earnings tab. Consider the following critical fields.

| Рау | Choose a pay code to adjust. |
|--------|---|
| Hours | Enter the hours as a negative number to reflect fewer hours associated with this pay code. |
| Amount | Enter the amount as a negative number to reflect fewer dollars associated with this pay code. |

| Remaining fields | Select or enter related information in the remaining fields to delete with the hours and dollars associated with the pay code. |
|--|---|
| Select the Deductions tab. Consider the following critical fields: | |
| Ded | Supply the deduction codes to adjust. |
| | This type of adjustment might include employee and employer withholding tax deduction, including unemployment (Employment Insurance or E.I.) deductions. |
| Bus Code or QC Grp | Enter the Business Number Code or Quebec Enterprise Number Group associated with the deduction amount and related wages being adjusted. |
| Amount | Enter the amount as a negative number to reflect a reduction in the deduction amount associated with this deduction code. |
| Taxable | Enter the amount as a negative number to reflect a decrease in the taxable wages associated with this deduction code. |
| Excess | If excess wages are affected, enter the amount as a negative number to reflect a decrease in excess wages associated with this deduction code. |
| Gross Wages | Enter the gross wages as a negative number to reflect a reduction in gross wages associated with this deduction code. |
| | For more information, see "Creating Miscellaneous Adjustments" on page 499. |
| Remaining fields | Select or type other related information to delete with the hours and dollars associated with the deduction code. |

4.

Related Reports and Inquiries

| То | Use |
|--|--|
| Summarize total wages, taxable wages and excess wages within the work state or province | Unemployment Continuation Form (PR291) |
| Access a summary by Tax Authority and Tax Category for YTD and QTD Gross, Taxable, and Excess wages and tax withheld | Balancing Report (PR294) |
| Access YTD Quarterly taxable wages and withholding totals per employee by tax authority and category | Quarterly Report (PR290) |
| Summarize deductions and associated taxable wages by deduction code or deduction class for an individual, range, or group of employees | Employee Deduction Report (PR276) |
| Access summary level pay class or pay summary group data for an individual or range of employees for a date range | Employee Wage Report (PR270) |
| Summarize data deduction code by employee payment, breaking out adjustments separately | Deduction Report (PR275) |
| Produce a list of payments | Payment Detail Listing (PR260) |

Creating Adjustments to Record Payment by a Third-Party Payer

Use Adjustment (PR82.1) to create adjustments to record payment by a third-party payer. You can use this form if an employee receives third-party sick pay which the employer must update to the employee record. A wash deduction is required for this procedure.

Q Need More Details? Check out the following concepts:

- "What Kinds of Adjustments Can I Make?" on page 492
- "What Kinds of Payroll History Modifications are not Performed Through Adjustments?" on page 494
- "What is an Offset or Wash Deduction, and When do I Need to use These Deductions on an Adjustment?" on page 495
- "When can I Adjust History?" on page 496
- "How are Adjustments Processed through Time Accrual?" on page 496
- "How Do Manual Adjustment Dates Affect the General Ledger?" on page 498

STEPS To create adjustments to record payment by a third-party payer

- 1. Access Adjustment (PR82.1).
- 2. Type the date in the Date field.

IMPORTANT Use caution when you supply the date to apply this adjustment to history. If you do not supply a date, the application uses the system date on the adjustment. This date has an impact on tax reporting.

3. Select the Earnings tab. Consider the following critical fields.

Pay Select a pay code to adjust.

| Amount | Enter the amount as a positive number to reflect gross dollars to associate with this pay code. |
|--|--|
| | To record payment by a third-party payer, positive dollars are entered for a pay code that represents third-party sick pay. |
| Select the Deductions tab. Consider the following critical fields. | |
| Ded | Select the deduction code to adjust. |
| | The above adjustment might include employee and employer withholding tax deductions, including unemployment (Employment Insurance or E.I.) deductions. |
| | The third-party payer supplies the employer with detail of what was withheld from the employee's payment. |
| | IMPORTANT A wash or offset deduction must also be added in the amount of the net payment to the employee. No wages are associated with the wash or offset deduction. |
| Bus Code or QC Grp | Enter the Business Number Code or Quebec Enterprise Number Group associated with the deduction amount and related wages to adjust. |
| Amount | Enter the amount as a positive number to reflect the deduction taken from the employee to associate with this deduction code. |
| | For example, positive dollars are entered for the Federal tax deduction. |
| Taxable | Enter the amount as a positive number to reflect an increase in the taxable wages associated with this deduction code. |
| Excess | If excess wages are affected, enter the amount as a positive number to reflect an increase in excess wages associated with this deduction code. |
| Gross Wages | Enter the amount as a positive number to reflect an increase in gross wages associated with this deduction code. |
| | For more information, see "Creating Miscellaneous Adjustments" on page 499. |

4.

Related Reports and Inquiries

| То | Use |
|--|--|
| Summarize total wages, taxable wages and excess wages within the work state or province | Unemployment Continuation Form (PR291) |
| Access a summary by Tax Authority and Tax Category for YTD and QTD Gross, Taxable, and Excess wages and tax withheld | Balancing Report (PR294) |
| Access YTD Quarterly taxable wages and withholding totals per employee by tax authority and category | Quarterly Report (PR290) |
| Summarize deductions and associated taxable wages by deduction code or deduction class for an individual, range, or group of employees | Employee Deduction Report (PR276) |
| Access summary level pay class or pay summary group data for an individual or range of employees for a date range | Employee Wage Report (PR270) |
| Summarize data deduction code by employee payment, breaking out adjustments separately | Deduction Report (PR275) |
| Produce a list of payments | Payment Detail Listing (PR260) |

Editing General Ledger Entries Created by an Adjustment

You can add, change, partially, or completely delete Payroll general ledger entries if you add an adjustment before closing the adjustment through Payroll Close (PR197).

For example, if you are creating an adjustment for a payment paid out of Accounts Payable, you might need to delete some General Ledger entries from the adjustment you created. Entries are deleted when the General Ledger is updated by the Accounts Payable entry. **Need More Details?** Check out the following concepts:

- "What Kinds of Adjustments Can I Make?" on page 492
- "What Kinds of Payroll History Modifications are not Performed Through Adjustments?" on page 494
- "When can I Adjust History?" on page 496
- "How are Adjustments Processed through Time Accrual?" on page 496
- "How Do Manual Adjustment Dates Affect the General Ledger?"
 on page 498

STEPS To edit GL entries created by an adjustment

- 1. Access Adjustment Distributions (PR82.2).
- 2. Choose the Company and Employee in the appropriate fields.
- 3. Select the Inquire form action to select the adjustment to edit the distributions.
- 4. Choose OK to display the adjustment distribution entries.
- 5. Select the Change form action, and select the Change line action on the appropriate line.
- 6. Edit the adjustment. Consider the following fields.

| FC | Select the action you want to perform on this line. |
|-----------------|--|
| | To add distribution information to an existing adjustment, inquire on the adjustment then select form action Change and line action Add and enter the distribution information. |
| Ехр Со | For distributions created by Adjustment (PR82.1), the company to which the adjustment is posted displays but can be changed. |
| | When adding distribution information for an existing adjustment, select the company to which the adjustment is to post. |
| Accounting Unit | For distributions created by Adjustment (PR82.1), the accounting unit to which the adjustment is posted displays but can be changed. |
| | When adding distribution information for an existing adjustment, select the accounting unit to which the adjustment is to post. |
| Acct | For adjustments created by Adjustment (PR82.1), the account to which the adjustment is posted displays but can be changed. |
| | When adding distribution information to an existing adjustment, select the account number to which the adjustment is to post. |

| Sub Acct | For distributions created by Adjustment (PR82.1), the distribution subaccount number to which the adjustment is posted displays but can be changed. |
|----------|---|
| | When adding distribution information for an existing subaccount number, select the subaccount number to which the adjustment is to post. |
| Amount | For adjustments created by Adjustment (PR82.1), the adjustment amount displays but can be changed. |
| | When adding distribution information for an existing adjustment, type the adjustment amount. |
| Activity | For distributions created by Adjustment (PR82.1), the activity which the adjustment is posted displays but can be changed. |
| | When adding distribution information for an existing adjustment, select the activity to which the adjustment is to post. |
| Acct Cat | For distributions created by Adjustment (PR82.1), the account category to which the adjustment is posted displays but can be changed. |
| | When adding distribution information for an existing adjustment, select the account category to which the adjustment is to post. |
| Тр | For distributions created by Adjustment (PR82.1), the adjustment type displays but can be changed. |
| | For adjustment distributions that are manually added, select the value that indicates if the distribution is a Cash, Expense, or Accrual type entry. |
| Ded | For deduction adjustment distributions created by Adjustment (PR82.1), the deduction displays but can be changed. |
| | When adding deduction distribution information for an existing adjustment, select the deduction associated with the adjustment. |

| Рау | For adjustment distributions created by Adjustment (PR82.1), the pay code associated with the adjustment displays but can be changed. |
|-----|---|
| | When adding distribution information for an existing adjustment, select the pay code |

associated with the adjustment.

- 7. Choose OK to save the data.
- 8. Choose the Additional Information detail tab to override default information for the adjustment distributions. Consider the following fields.

| Hours | Type the hours associated with the distribution. |
|---------------|--|
| Job Code | Select the job code associated with the distribution. |
| Process Level | Select the process level associated with the distribution. |
| Department | Select the department associated with the distribution. |
| Position | Select the position associated with the distribution. |

IMPORTANT If the dollars for the adjustment have already been posted to the general ledger, you can delete the distributions for the adjustment so they are not double-posted to the general ledger. If an out-of balance condition occurs due to changes made to the entries, Payroll posts the difference to the error suspense account. Distributions can also be changed before posting to the general ledger.

9. Update the Adjustment to payroll history through Payroll Close (PR197). Lawson recommends running Payroll Register (PR141) before closing adjustments and including these totals in the payroll ledger used for balancing. If you wait to close the adjustment until you process the next payroll cycle, the adjustment is included with the payroll register of that payroll and might complicate balancing. For more information, see "Creating the Payroll Register" on page 483.

Related Reports and Inquiries

| То | Use |
|--|--|
| Report all earnings and deductions affected by the adjustment process | Payroll Register (PR141) |
| | – or – |
| | Consolidated Payroll Register (PR142) |
| List all adjustments issued or all adjustments not closed by Payroll Close (PR197) | Payment Register (PR162) |
| Produce a list of payments | Payment Detail Listing (PR260) |

Manual Processes: Voids

This chapter covers how to process voids within the Lawson Payroll.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 528 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Happens when I Void a Payment?" on page 526
- "When should I void a Payment?" on page 526
- "When will a Void affect Time Accrual?" on page 527

What Happens when I Void a Payment?

When you void a payment, the Payroll creates reversing payment entries and general ledger distribution entries. To eliminate balancing and reporting problems when voiding payments, make sure the reconciliation date you apply to the void is in the proper payroll quarter.

If you do not enter a reconciliation date when you void a payment, the reconciliation date defaults to the Payroll date. The reconciliation date determines the month, quarter, and year in which the reversing entries are reported in employee history. The Payroll updates payroll history files based on the reconciliation date and uses this date when it creates reversing general ledger entries for a voided payment or partial voided payment.

When should I void a Payment?

You can void incorrect payments created and closed within the Payroll when you process the bank reconciliation within or independent of bank reconciliation processing.

To close the void record and post the information, Lawson recommends you run a payroll register and close payroll after voiding a payment. Completion of these processes facilitates balancing payroll information by keeping exceptions, such as void payments, separate from your regular payments.

If you wait to update the void with the payroll close when the next payroll cycle processes, the payroll register of the new payroll run includes the voids, complicating payroll balancing.

When will a Void affect Time Accrual?

Occasionally, you need to void a payment that affects Time Accrual usage. Voids are processed automatically through time accrual by increasing the eligible balance only when the following three conditions are met:

- A system payment exists for the employee in the payroll cycle
- The time accrual cycle is still open
- The date used to void the payment is greater than the last period end date on the employee plan

Any void not meeting these conditions requires a manual adjustment to time accrual to reset the eligible balance.

Example

In February of this year, the payroll department discovered an incorrect paycheck from January of the same year for Harold Sanchez. This paycheck erroneously paid Harold for 40 hours of vacation, and must be voided. Since the payroll and time accrual cycles for January are closed, you must make an adjustment in Time Accrual application to add back the 40 hours to Harold's vacation balance.

If you void a payment, the Payroll reverses usage and adjusts eligible balances in Time Accrual. For Time Accrual to process a voided payment, a system payment must be in the current payroll cycle.

Procedures in this Chapter

The following procedures explain how to void payments, direct deposits, and partial payments in the Payroll.

- "Voiding a Reserved Manual Payment Number" on page 528
- "Verifying Time Accrual Dates When Voiding a Payment" on page 529
- "Voiding a Payment" on page 531
- "Voiding a Direct Deposit Receipt" on page 534
- "Voiding a Partial Payment" on page 535
- "Adjusting Attendance History" on page 535

Voiding a Reserved Manual Payment Number

You can void a reserved manual payment when the corresponding paper check is accidentally destroyed.

STOP Before you add a manual payment, you must first reserve payment numbers for use when processing manual payments. When reserving manual payment numbers on Manual Payment Reservation (PR81.1), include the number of alignment forms defined. The Payroll voids payment numbers reserved for alignment when you run Manual Payment Print (PR180). For more information, see "Reconciling Payments Manually" on page 559.

Need More Details? Check out the following concepts:

"Why Reserve Checks for Manual Payments?" on page 468

STEPS To void a reserved manual payment number

- 1. Access Manual Payment Reservation (PR81.1). For more information, see "Reserving Manual Payment Numbers" on page 472.
- 2. Choose the Company and Bank Code.
- 3. Type the payment number.

– or –

Type the range of payment numbers to reserve, void, or unreserve in the payment fields.

- 4. Choose the Unreserve form action to void a payment that was reserved.
- 5. Choose the Void form action to void the payment.

IMPORTANT Payment numbers voided in this manner will not show up on Bank Account Reconciliation (PR85.1), and are unavailable for use with a system or manual payment.

Verifying Time Accrual Dates When Voiding a Payment

Some payments affect Time Accrual usage. This procedure covers how to determine whether or not an adjustment to Time Accrual is necessary when voiding a payment.

You can use Employee Plan Adjustments (TA70.2) in place of Plan Adjustments (TA70.1) to adjust time accrual balances.

When you apply manuals, adjustments, and voids, the Time Accrual cycle is affected in one of three ways.

Enter a manual Time Accrual adjustment on Plan Adjustments (TA70.1) and run Time Accrual Update (TA170), and Time Accrual Close (TA199), if the manual, adjustment, or void has a Period End Date before the Last Period End Date on Employee Plan (TA60.1).

Re-run TA170 to include the new transaction if the manual, adjustment, or void has a Period End Date after the Last Period End Date on Employee Plan (TA60.1) but before the "temporary run date" of Time Accrual Update (TA170).

When the next Time Accrual Update (TA170) is run, it will pick up the transactions automatically if the manual, adjustment, or void has a Period End Date after the Last Period End Date on Employee Plan (TA60.1) and the Payroll and Time Accrual cycles are closed, For more information, see "Verifying Eligible Time Accrual Balances" on page 473.

Q Need More Details? Check out the following concepts:

"When will a Void affect Time Accrual?" on page 527

STEPS To verify &productTA; dates when voiding a payment

1. Access Employee Plan Inquiry (TA60.1). For more information, see "Verifying Eligible Time Accrual Balances" on page 473.

NOTE You can wait to adjust the accrual until after the payment is voided and the payroll cycle is closed.

2. Compare the Time Accrual dates to the void date..

| lf | Then |
|--|--|
| The void has a reconciliation date before the Last Period End Date on Employee Plan Inquiry (TA60.1) | perform a manual time accrual adjustment on Plan Adjustments (TA70.1). For more information, see "Updating Time Accrual" on page 485. |
| | run Time Accrual Update (TA170) . For more information, see "Updating Time Accrual" on page 485. |
| | run Time Accrual Close (TA199). |
| The void has a Period End Date after the Last Period End Date on Employee Plan Inquiry (TA60.1) but before the "temporary run date" of Time Accrual Update (TA170) | re-run Time Accrual Update (TA170) to include this transaction. |
| The void has a reconciliation date after the Last Period End Date on Employee Plan Inquiry (TA60.1) and the Payroll and Time Accrual cycles are closed | do nothing. The next time the employee has a system payment and you run Time Accrual Update (TA170), TA170 picks up the transactions automatically unless Time Accrual Close (TA199) has been run and the cycle closed |

IMPORTANT When Time Accrual is manually adjusted, you must always update Plan Adjustments (TA70.1), Time Accrual Update (TA170), and Time Accrual Close (TA199).

Interpreting Warning Messages

Users receive one of three application messages regarding Time Accrual when either voiding payments or entering payroll adjustments in the Payroll:

| Message | Meaning |
|---|---|
| Change Complete, TA cycle open; re-run TA170 | The date of the void or adjustment is greater than the Last Period End Date on Employee Plan Inquiry (TA60.1), the time accrual cycle is still open and Time Accrual Update (TA170) was run. You need to re-run TA170. |
| Change Complete - Time Accrual Cycle Closed | The date of the void or adjustment is less than the Last Period End Date on Employee Plan Inquiry (TA60.1). You must manually adjust eligible balances in time accrual on Plan Adjustments (TA70.1) as a result of the void or adjustment made in Payroll. |
| Change Complete | The date of the void or adjustment is greater than the Last Period End Date on Employee Plan Inquiry (TA60.1), and the time accrual cycle has not been run for that time frame. Include the adjustment in the next run of TA170. |

Options for Inquiring on Balances

The following reports can be used in place of Access Employee Plan Inquiry (TA 60.1) to access time accrual information:

- Plan Balance Inquiry (TA65.1)
- Yearly Activity Inquiry (TA 65.2)
- Employee Transaction Inquiry (TA65.3)

Voiding a Payment

This procedure voids a payment that was previously created in the Payroll. Once a void is entered using this program, payroll history will be updated the next time Payroll Close (PR197) is run.

If the time accrual cycle has been closed for the date of the adjustment, an adjustment is necessary in time accrual on Plan Adjustments (TA71.1).

Q Need More Details? Check out the following concepts:

- "What Happens when I Void a Payment?" on page 526
- "When should I void a Payment?" on page 526
- "When will a Void affect Time Accrual?" on page 527

STEPS

To void payments

- 1. Access Bank Account Reconciliation (PR85.1). For more information, see "Reconciling Payments Manually" on page 559.
- 2. Select the Void line action next to the payment you want to void.
- 3. Choose Change to change the form.

– or –

For more information, see "Options for Voiding Payments" on page 532.

4. Run Payroll Register (PR141) to create a register to use when you balance payroll.

IMPORTANT After you run PR197 to update the void in history, you cannot reopen the payment.

 To update history files for voided payments, Payroll Close (PR197). If you do not run PR197 to close voided payments, the voided payments are updated when you run PR197 for the next payroll cycle. For more information, see "Creating the Payroll Register" on page 483.

Options for Voiding Payments

The following options are available for voiding payments.

NOTE The date in the Reconciliation Date field determines the payroll quarter in which the void appears.

| lf you | Then |
|--|--|
| Voided a payment in error and did not run the Payroll Close (PR197), | select the Open line action next to the payment voided in error to reopen the payment. |
| | Choose Change to change the form. |
| | After you run Payroll Close (PR197) to update a void in history, you cannot reopen the payment. |
| Selected Yes in the Create Distributions field on the Payroll form tab on Company (HR00.1) or on the Options form tab on Process Level (HR01.1). | do nothing. The Payroll creates general ledger distributions based on distribution history. |
| Selected No in the Create Distributions field on the Company (HR00.1) or Process Level (HR01.1) record, or if payroll history is purged | do nothing. The Payroll creates reversing general ledger distributions based on the current distribution information for the employee. |
| | If the employee records exist on Payroll Distribution (PR23.1), the Payroll creates pay and deduction override distributions. |
| Ran PR85.1, and want to audit account balances | access Bank Account Totals (PR85.2), a subform of Bank Account Reconciliation (PR85.1), by selecting the Totals special action. PR85.2 displays payment totals for the account and parameters defined. You can select other account payment totals to view, or you can display totals for a specific date range, payment type, or both. |

Related Reports and Inquiries

| То | Use |
|--|---------------------------------------|
| List distribution entries for the current payroll cycle | Distribution Edit (PR150) |
| List earnings and deductions and an optional garnishment audit report for all payments that were not closed through Payroll Close (PR197) | Payroll Register (PR141) |
| List payments issued in the current payroll cycle | Consolidated Payroll Register (PR142) |

Voiding a Direct Deposit Receipt

This procedure voids direct deposit payroll receipts. In the United States, Direct Deposit is sometimes referred to as an Automatic Clearning House (ACH) deposit. In the United Kingdom, Direct Deposit is sometimes referred to as a Bankers Automated Clearing Services (BACS) deposit. The Payroll reconciles direct deposit receipts when you close a payroll cycle.

Need More Details? Check out the following concepts:

- "What Happens when I Void a Payment?" on page 526
- "When should I void a Payment?" on page 526
- "When will a Void affect Time Accrual?" on page 527

STEPS To void direct deposit receipts

- 1. Access Bank Account Reconciliation (PR85.1). For more information, see "Reconciling Payments Manually" on page 559.
- 2. Select the Open line action next to the Direct Deposit receipt you want to void.
- 3. Choose the Change form action to open the receipt.
- 4. Select the Void line action next to the Direct Deposit receipt to void.
- 5. Choose the Change form action to void the receipt.
- 6. Run Payroll Register (PR141) to create a register to use when you balance payroll.
- To update history files for voided payments, run Payroll Close (PR197). If you do not run PR197 to close voided payments, the voided payments are updated when you run PR197 for the next payroll cycle. For more information, see "Creating the Payroll Register" on page 483.

NOTE The Payroll reconciles Direct Deposit receipts when you close a payroll cycle.

Voiding a Partial Payment

Partial payments consist of payments which are part direct deposit and part paper check. A partial payment void is complete when either the direct deposit or check portion of the payment is voided.

Need More Details? Check out the following concepts:

- "What Happens when I Void a Payment?" on page 526
- "When should I void a Payment?" on page 526
- "When will a Void affect Time Accrual?" on page 527

STEPS To void a partial payment

- 1. Access Bank Account Reconciliation (PR85.1). For more information, see "Reconciling Payments Manually" on page 559.
- 2. Select P in the Type field.
- 3. Select the Change form action and the Void line action next to the payment you want to void.
- 4. Select Yes or No on the Void ACH Portion of the Partial Payment field of Void Partial ACH (PR85.3).

IMPORTANT If you Select Yes on the Void ACH Portion, select the offsetting general ledger account for the cash account. If the payment is only the ACH portion, select the offsetting general ledger account for the cash account in Void Partial ACH (PR85.4).

- 5. Run Payroll Register (PR141) to create a register to use in balancing payroll.
- To update history files for voided payments, run Payroll Close (PR197). If you do not run PR197 to close voided payments, the voided payments are updated when you run PR197 for the next payroll cycle. For more information, see "Creating the Payroll Register" on page 483.

Adjusting Attendance History

Whether the Payroll creates attendance history or you enter it manually, you must manually adjust for voids and adjustments. The Payroll does not automatically delete attendance history when you void a payment in Bank Account Reconciliation (PR85.1). If you create manual payments in Manual Payment (PR80.1) or make adjustments to payroll in Adjustment (PR82.1) that affect attendance history, use Attendance History (TM70.1) to adjust attendance history.

Q Need More Details? Check out the following concepts:

• "What Happens when I Void a Payment?" on page 526

STEPS To adjust attendance history

- 1. Access Attendance History (TM70.1). For more information, see "Adjusting Time and Attendance" on page 480.
- 2. Delete attendance history created by a voided payment.

– or –

Create negative attendance history as an offset.

3. Choose the Change form action to add the changes.

Related Reports and Inquiries

| То | Use |
|---|---|
| Inquire on attendance history of a specific employee and display data in ascending date order by attendance codes | Employee Attendance Date Inquiry (TM50.1) |
| Inquire on the attendance history of a specific employee and display data in attendance code order by ascending date | Employee Attendance Code Inquiry (TM51.1) |
| Inquire on employee attendance history for all employees in a company, process level, or department and display data in ascending date order by attendance code, and employee number | Attendance Date Inquiry (TM52.1) |
| Inquire on employee attendance history for all employees in a company, process level, or department and display data in attendance code order by ascending date and employee number | Attendance Code Inquiry (TM53.1) |
| Inquire on employee attendance history for attendance codes in an attendance class display data in ascending date order by employee number | Attendance Class Inquiry (TM54.1) |

| То | Use |
|---|---------------------------------|
| Inquire on attendance history for a specific employee by year and attendance code or attendance class | Employee Date Calendar (TM60.1) |
| Select the Total form action to open the Annual Totals subform that displays hour and point totals for the year and attendance code or class entered. | |
| Inquire on attendance history for a specific employee by year and attendance code or attendance class | Employee Days Calendar (TM61.1) |
| Select the Total form action to access the Annual Totals subform that displays hour and point totals for the year and attendance code or class entered. | |
| Inquire on all attendance history. The Type field indicates whether the attendance record was created manually or updated by the Payroll | Attendance History (TM70.1) |

Manual Processes: Payment Modeling

This chapter covers how to model payments within the Lawson Payroll application.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 542 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What is Payment Modeling?" on page 540
- "When Do I Use Payment Modeling?" on page 541

What is Payment Modeling?

You can use the payment modeling process to perform calculations and create models of employee taxes and other deductions. Examples of these calculations include determining how a change in taxes or other deductions affect an employee's net pay and performing a gross-to-net calculation.

Four payment models are discussed in this chapter. They include:

- Creating a gross-to-net payment model for an existing employee
- · Creating a gross-to-net payment model for a hypothetical employee
- Creating a gross-up (net-to-gross) payment model for an existing employee
- Creating a gross-up (net-to-gross) payment model for a hypothetical employee

Gross-up payment modeling is commonly used to calculate an award or bonus as the take-home amount, rather than paying the employee the after-tax amount.

Gross-to-net payment modeling is used to calculate net pay after changes in deductions or gross pay.
Payments can be modeled to perform a gross-up (net-to-gross) calculation or a gross-to-net payment calculation. You can perform these calculations for an existing employee or choose to model a payment without specifying an employee.

When you inquire on a specific employee, values defined on the employee record default in the appropriate fields. You can enter a deduction cycle and a payment date to retrieve actual deduction information. You can override any field on the form to process "What If" scenarios for an employee.

If you do not select an employee, you must enter the desired deduction amounts or percentages by deduction type, and select the applicable taxes to include.

The taxation options for payment modeling include the option to change:

- Number of exemptions
- Marital status
- The state for which taxes are paid
- County and city tax authorities

IMPORTANT Payment modeling does not automatically update payroll data files. After you perform payment modeling, you can transfer the information to a manual payment.

Procedures in this Chapter

The following procedure explains how to create a payment model.

- "Creating a Gross-to-Net Payment Model for an Existing Employee" on page 542
- "Creating a Gross-to-Net Payment Model for a Hypothetical Employee" on page 544
- "Creating a Gross-Up Payment Model for an Existing Employee" on page 545
- "Creating a Gross-Up Payment Model for a Hypothetical Employee" on page 548
- "Calculating a Gross Wage Amount from a Net Pay Amount" on page 549

Creating a Gross-to-Net Payment Model for an Existing Employee

Change an existing employee's pay rates, taxes, and benefits to create a payment model. You select the gross amount and apply deductions, which Payroll calculates to a lower net amount.

Q Need More Details? Check out the following concepts:

- "What is Payment Modeling?" on page 540
- "When Do I Use Payment Modeling?" on page 541

STEPS To create a gross-to-net payment model for an existing employee

- 1. Access Payment Modeling (PR89.1).
- 2. Select the Company and Employee in the appropriate fields.
- 3. Choose inquire to display the current default values for the employee. The default values are defined through Employee (HR11.1).
- 4. Select the employee tab. Consider the following fields to modify the default values for the payment model calculation.

| Employee | Select an employee. | |
|--------------|--|--|
| Payment Date | Type the date in the field. All taxes and deductions are based on this date. If the date is left blank, Payroll date defaults. | |
| Hours | Type the number of hours. | |
| Gross Amount | Type the gross amount. | |
| | – or – | |
| | Let Payroll calculate the gross amount in the field. | |
| Тах | Select the value for how you want taxes calculated. | |

TIP In some cases you might choose not to inquire and display the current default values for a specific employee. If many of the default values must be changed, you can type in the new values rather than overriding all of the displayed default values.

| Net Amount | Leave blank. Payroll will calculate the net based on the gross and deductions. | |
|--------------------------|---|--|
| Pay Frequency | Select the pay frequency. | |
| | – or – | |
| | Leave the field blank for the frequency to default from Employee (HR11.1). | |
| Salary Class | Select the salary class. | |
| | – or – | |
| | Leave the field blank for the salary class to default from Employee (HR11.1). | |
| Pay Rate | If the employee is hourly, enter the number of hours and leave the Pay Rate field blank to allow Payroll to compute the pay rate. | |
| | – or – | |
| | Type the pay rate and leave the hours field blank to allow Payroll to compute the hours. | |
| Schedule, Grade, Step | These will default for an existing employee. | |

- **NOTE** :If an employee is taxed in multiple states, Payroll uses the resident state when calculating a payment model.
- 5. On the Taxes form tab, define the tax parameters.

– or –

Let Payroll default to the current employee's tax elections. (exemptions, marital status, tax state) Use the Override field to indicate whether the change is a replacement, addition, or exemption, and whether the value is an amount or a percentage. The Amount or Percent field holds the value.

6. On the Deductions form tab, define the deductions.

– or –

Let Payroll default by selecting a deduction cycle. If you do not define a deduction cycle, you can select deductions by typing X in the appropriate fields. For non-tax deductions, enter A (Amount) or P (Percent), and enter the dollar amount of the deduction.

7. Choose the Calculate form action to perform the calculations and display the result on the Result form tab.

Options for Modeling Gross-to-Net Payments for Existing Employees

Additional options for modeling gross-to-net payments for existing employees include:

| lf | Then |
|--------------------------|---|
| The employee is salaried | type a value in the Gross Amount field. The value bases the payment model on a predetermined gross amount of wages. |
| | If you do not type a value in the Gross Amount field, Payroll calculates a gross amount on the basis of the specified pay frequency. |
| The employee is hourly | leave the Gross Amount field blank and type the number of hours in the Hours field. |
| | Payroll multiplies the hours by the pay rate and displays the calculated value in the Gross amount field. |

Related Reports and Inquiries

| То | Use |
|---|--------------------------------|
| Audit deduction changes and produce a list of log file records of changes made to Employee Deductions (PR14) | Deduction Audit Report (PR280) |

Creating a Gross-to-Net Payment Model for a Hypothetical Employee

Create a payment model for a hypothetical employee. For a Gross-to-Net payment model, you will select a gross amount and apply deductions. Payroll calculates the gross amount to a lower net amount.

Need More Details? Check out the following concepts:

- "What is Payment Modeling?" on page 540
- "When Do I Use Payment Modeling?" on page 541

STEPS To create a gross-to-net payment model for a hypothetical employee

- 1. Access Payment Modeling (PR89.1).
- 2. Select the company in the Company field.
- 3. Select the Employee tab. Consider the following fields.

Employee Leave the employee field blank when modeling for a hypothetical employee.

| Payment Date | Type the date. All taxes and deductions are based on this date. If the date is left blank, Payroll date defaults. |
|--------------------------|--|
| Hours | Type the number of hours. |
| Gross Amount | Type the gross amount. |
| Тах | Select the value for how you want taxes calculated. |
| Net Amount | Leave this field blank. Payroll calculates the net based on the gross and deductions. |
| Pay Frequency | Select the frequency of pay. |
| Pay Rate | If the second second is the second se |
| | hours and leave the Pay Rate field blank to allow Payroll to compute the pay rate. |
| | hours and leave the Pay Rate field blank to allow Payroll to compute the pay rate. – or – |
| | If the employee is nourly, enter the number of hours and leave the Pay Rate field blank to allow Payroll to compute the pay rate. – or – Type the pay rate and leave the hours field blank to allow Payroll to compute the hours. |
| Schedule, Grade, Step | If the employee is nourly, enter the number of hours and leave the Pay Rate field blank to allow Payroll to compute the pay rate. – or – Type the pay rate and leave the hours field blank to allow Payroll to compute the hours. Select a schedule, grade and step to determine a pay rate. |

- **NOTE** If an employee is taxed in multiple states, Payroll uses the resident state in the calculation.
- 4. On the Taxes form tab, define the federal and state tax requirements.
- 5. On the Deductions form tab, define the deductions. Select deductions by typing X in the appropriate fields. For non-tax deductions, enter A (Amount) or P (Percent), and enter the dollar amount of the deduction.
- 6. Choose the Calculate form action to perform the calculations and display the result on the Result form tab.

Creating a Gross-Up Payment Model for an Existing Employee

Create a payment model by changing pay rates, taxes and benefits. Payroll performs net-to-gross calculations based on the value defined in the Net Amount field on Payment Modeling (PR89.1).

Q Need More Details? Check out the following concepts:

- "What is Payment Modeling?" on page 540
- "When Do I Use Payment Modeling?" on page 541

STEPS To create a gross-up payment model for an existing employee

- 1. Access Payment Modeling (PR89.1).
- 2. Select the Company and Employee in the appropriate fields.

TIP In some cases you might choose not to inquire and display the current default values for a specific employee. If many of the default values must be changed, you can type in the new values rather than override all of the displayed default values. 3. Choose the Inquire form action to display the current default values for the employee. The default values are defined through Employee (HR11.1).

– or –

Choose not to Inquire if you prefer to enter specific variables on the following steps.

4. Choose the employee tab. Consider the following fields when changing the default values for the payment model calculation.

| Employee | Select an employee. |
|--------------------------|---|
| Payment Date | Type the date in the field. All taxes and deductions are based on this date. If the date is left blank, the system date defaults. |
| Hours | Type the number of hours. |
| Gross Amount | Leave blank. |
| Тах | Select the value for how you want taxes calculated. |
| Net Amount | Type the net amount to calculate a higher gross amount. |
| Pay Frequency | Select the frequency of pay. |
| | – or – |
| | Leave the field blank for the frequency to default from Employee (HR11.1). |
| Salary Class | Select the salary class. |
| | – or – |
| | Leave the field blank for the salary class to default from Employee (HR11.1). |
| Pay Rate | If the employee is hourly, enter the number of hours and leave the Pay Rate field blank to allow Payroll to compute the pay rate. |
| | – or – |
| | Type the pay rate and leave the hours field blank to allow Payroll to compute the hours. |
| Schedule, Grade, Step | These will default for an existing employee. |

5. On the Taxes form tab, define the tax parameters.

– or –

Let Payroll default to the employee's tax elections (exemptions, marital status, tax state, etc.) Override the federal tax calculation with an entry in the Override, and Amount or Percent fields. On the taxes form tab, define the tax parameters.

6. On the Deductions form tab, define the deductions.

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NOTE If an employee is

taxed in multiple states, Payroll uses the resident

state in the calculation.

Let Payroll default by selecting a deduction cycle. If you do not define a deduction cycle, you can select deductions by typing X in the appropriate fields. For non-tax deductions, enter A (Amount) or P (Percent), and enter the dollar amount of the deduction.

7. Choose the Calculate form action to perform the calculations and display the result on the Result form tab.

Creating a Gross-Up Payment Model for a Hypothetical Employee

Payroll will calculate the gross pay for a hypothetical employee based on the net pay designated in payment modeling.

Need More Details? Check out the following concepts:

- "What is Payment Modeling?" on page 540
- "When Do I Use Payment Modeling?" on page 541

STEPS To create a gross-up payment for a hypothetical employee

- 1. Access Payment Modeling (PR89.1).
- 2. Select the company in the Company field.
- 3. Choose the employee tab. Consider the following fields.

| Employee | Leave the employee field blank when modeling for a hypothetical employee. |
|--------------------------|---|
| Payment Date | Type the date. All taxes and deductions are based on this date. If the date is left blank, Payroll date defaults. |
| Hours | Type the number of hours. |
| Gross Amount | Leave this field blank. |
| Тах | Select the value for how you want taxes calculated. |
| Net Amount | Type the net amount to calculate a higher gross amount. |
| Pay Frequency | Select the frequency of pay. |
| Pay Rate | If the employee is hourly, enter the number of hours and leave the Pay Rate field blank to allow Payroll to compute the pay rate. |
| | – or – |
| | Type the pay rate and leave the hours field blank to allow Payroll to compute the hours. |
| Schedule, Grade, Step | Select a schedule, grade and step to determine a pay rate. |
| On the Taxes form tak | define the federal and state tax requirements |

NOTE If an employee is taxed in multiple states, Payroll uses the resident state in the calculation.

- 4. On the Taxes form tab, define the federal and state tax requirements.
- On the Deductions form tab, define the deductions. Select deductions by typing X in the appropriate fields. For non-tax deductions, enter A (Amount) or P (Percent), and enter the dollar amount of the deduction.
- 6. Choose the Calculate form action to perform the calculations and display the result on the Result form tab.

Calculating a Gross Wage Amount from a Net Pay Amount

Use the Gross Up Calculation (PR189) to calculate a gross wage amount from a net pay amount. PA189 creates a time record and a payment with deductions.

NOTE This program is only available for US employees.

Processing Considerations

- If you select a percent pre-tax deduction within a deduction cycle, an amount will not be calculated because there is no wage amount available.
- Pre-tax deductions are processed before the interface to BSI for the Gross Up calculation.
- One Time deductions are not processed by the Gross Up Calculation.
- You can process gross up payments as a unique payroll cycle, or as a part of a regular payroll cycle.

NOTE You cannot process gross up payments in Manual Payment (PR80).

The following process flow shows gross up payments processed as a unique payroll cycle.





The following process flow shows gross up paymnents processed as part of a regular payroll cycle.

NOTE If you process gross up payments during a regular payroll cycle, you must define a job name that is different from PR160 job for regular payments. You must also define unique names for Tape, Receipt, and Checkon the File Name form tab in PR160.





NOTE Gross up payments will display separately in PR140 and PR141.

STEPS To calculate a gross wage amount from a net pay amount

- 1. Access Gross Up Calculation (PR189).
- 2. Choose the Main form tab. Consider the following fields.

| Payment Date | Type the payment date. The payment date prints on payments when Payment Print (PR160) is run. This date determines what deductions to process. |
|-------------------------|---|
| Deduction Cycle | Select a deduction cycle. The deduction cycle determines which deductions are taken for the payroll cycle. |
| Report Only | Select Yes to produce an edit report without creating actual payment records. |
| | If you select No, the report creates payment records in addition to the edit report. You must create payment records before you can run Payment Print (PR160). |
| Garn Report Sequence | Select the value indicating the order to list garnishments. |
| | This report is used to verify the calculation of the garnishments processed in this payroll cycle. |
| Override Bank Code | If you select a bank code, your selection overrides the bank and cash accounts associated with the Employee's process level. |
| | NOTE Must be a US bank code. |
| | To complete a bank code override, you must also select the override bank code in Payment Print (PR160). |

No Dir Dep, All If you select yes, the payroll produces only system Payments is system checks for employees regardless of whether or not the employees are setup for direct deposit on the employee master.

- 3. Choose the Selection form tab to run the report for an entire company, a process level, department, user level, employee group or individual employees. Other selection criteria include pay frequency, include/exclude and status codes.
- 4. Choose the Time Record form tab to define information for the time record that PR189 creates.
- 5. Choose the Add form action to add the job.
- 6. Choose the Submit form action to Submit the form.

IMPORTANT You cannot delete a Gross Up payment/time record after it is printed. You must void and close the payment.

Related Reports and Inquiries

| То | Use |
|-------------------------------|--------------------------|
| List gross up records created | Time Record Edit (PR135) |

Manual Processes: Bank Reconciliation

This chapter covers how to reconcile bank information within the Lawson Payroll application.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 557 The following concepts provide background and conceptual information for the procedures within this chapter.

- "Should I Reconcile Payments Automatically or Manually?" on page
 556
- "What Happens When a Payment is Reconciled?" on page 556

Should I Reconcile Payments Automatically or Manually?

In Payroll, you can reconcile payments either automatically or manually.

Automatic reconciliation involves the use of an electronic file provided by your bank to compare the checks that have been cleared by the bank to the checks entered in Payroll.

Manual reconciliation lets you reconcile individual payments or a range of payments. You can also void partial payments through the manual reconciliation process.

Direct Deposit payments are automatically assigned a reconciled status when you close the payroll cycle.

What Happens When a Payment is Reconciled?

During automatic reconciliation, Payroll compares payment files and the bank files. Payment information is automatically updated with the reconciliation date, type, and the status of the payment. If there is a discrepancy, the payment is not reconciled. A listing will show the discrepancy.

Manual reconciliation lets you manually compare the payment files to the bank statement. You can manually update the reconciliation date, type, and status of the payment.

Procedures in this Chapter

The following procedures explain how to reconcile payments.

- "Verifying the Bank Tape File" on page 557
- "Reconciling Payments Automatically" on page 558
- "Reconciling Payments Manually" on page 559
- "Running the Bank Reconciliation Report" on page 562

Verifying the Bank Tape File

When you run Bank Reconciliation Tape Processing (PR165) Payroll reads information from an electronic bank file and compares it to the Employee Payment file. Before reconciling payments automatically, you must verify that the tape file is in the proper format.

Q Need More Details? Check out the following concepts:

- "Should I Reconcile Payments Automatically or Manually?" on page 556
- "What Happens When a Payment is Reconciled?" on page 556

STOP Before you can verify the bank tape file, you must receive the bank tape file from the bank.

STEPS To verify the bank tape file

For Bank Reconciliation Tape Processing (PR165) to read a tape file received from the bank, you can verify the data in one of two ways.

- 1. Access the bank tape file.
- 2. Verify that the data adheres to the following file layout.

| Field Name | Туре | Size |
|--------------|---------|------------|
| BNK-ACCT-NBR | Alpha | 17 |
| SERIAL-NBR | Numeric | 10 |
| FILL | Alpha | 1 |
| DATE-PAID | Numeric | 6 (mmddyy) |
| AMOUNT | Numeric | 12 |

– or –

- 3. Access the *workdef* environment form to view the file layout and choose Enter, or Select the appropriate:
 - a. Product Line
 - b. System Code (PR)

- c. Program Code (PR165)
- d. File Name (TAPE)

After completing these fields, the pre-defined layout will appear, and you can verify that the bank tape layout is correct.

4. For either tape file verification option, if the bank's tape file is not in the correct format, re-format the data to meet the necessary layout.

– or –

Modify the file layout in Payroll to meet the bank's format.

IMPORTANT Lawson recommends that you do not modify the file layout.

5. Once you have verified the format of the tape file, name the tape file as TPR165 and place the file in the following path:

For UNIX clients:

\$LAWDIR/productline/work/TPR165/

– or –

For NT clients:

%LAWDIR%/productline/work/TPR165/

LAWDIRIproductline/work/TPR165/

Reconciling Payments Automatically

The automatic reconciliation process updates Bank Account Reconciliation (PR85.1) with the reconciliation date, type, and status, and produces a report listing reconciled and unreconciled payments. You perform the update when you run Bank Reconciliation Tape Processing (PR165), which compares the Employee Payment file in Payroll to the bank tape file.

You can reconcile payments and void payments after closing the payments through Payroll Close (PR197).

STOP Before reconciling payments automatically, verify the format of the bank tape file. For more information, see "Verifying the Bank Tape File" on page 557.

Q Need More Details? Check out the following concepts:

- "Should I Reconcile Payments Automatically or Manually?" on page 556
- "What Happens When a Payment is Reconciled?" on page 556

STEPS To reconcile payments automatically

- 1. Access Bank Reconciliation Tape Processing (PR165).
- 2. With the Add form action, type the job name in the job field.

– or –

With the Inquire form action, select a defined job. The jobs displayed are for the active user.

- 3. Type the description of the job in the Description field.
- 4. Choose the Submit form action to submit the job.

Related Reports and Inquiries

| То | Use | |
|--|-----------------------------|--|
| Print a current reconciliation listing | Bank Reconciliation (PR155) | |

Reconciling Payments Manually

Use the manual reconciliation process to manually reconcile and void payments previously closed through Payroll Close (PR197). You can reconcile individual payments or all payments within a specified payment range. Use Bank Reconciliation (PR85.1) to add interest, withdrawal, or deposit transactions.

Q Need More Details? Check out the following concepts:

- "Should I Reconcile Payments Automatically or Manually?" on page 556
- "What Happens When a Payment is Reconciled?" on page 556

STEPS To reconcile payments manually

- 1. Access Bank Account Reconciliation (PR85.1).
- 2. Complete the form. Consider the following fields.

| Account | Select the bank account on which the payment you want to void or reconcile is drawn. |
|---------|--|
| Date | Type a date to display payments by a specific date. |

TIP The job description helps you identify a batch job by providing additional information about the job name.

| Туре | Select a payment type to display a specific type of payment. |
|------------------------|---|
| | When you leave this field blank, all payment types display. |
| Payment | Type a payment number to define a range of payments to reconcile. |
| Reconciliation Date | This field is required when reconciling a range of payments. |
| Position To | Select the check number you wish to view. |
| FC | Select R (Reconcile) to reconcile individual payments. Other choices include Change, Delete, Open, or Void. |
| | NOTE To void a payment, select the line action Void next to the appropriate payment. You can type a date for the void, or allow Payroll date to default. Payroll updates payroll history files and reversing general ledger entries based on the void date. |
| Payment Number | On inquiry, the payment number displays. |
| | Type a payment number to add an interest, withdrawal, or adjustment type record. |
| Pmt Suf | Type a suffix number to further identify an interest, withdrawal, or adjustment type record. |
| Amount | Type the cleared amount if a payment clears for an amount different than originally issued. |
| Pmt Date | The payment date displays. A date is required when adding an interest, withdrawal, or adjustment type record. |
| Recon Date | When reconciling an individual payment, type a reconciliation date for the payment. |
| | A reconciliation date displays for payments reconciled when you run Bank Reconciliation Tape Processing (PR165). |

- 3. Select the Totals form action to display bank account totals for a selected date range and transaction type.
- 4. Select the Reconcile form action to reconcile a range of payments.

NOTE If you do not run Payroll Close (PR197) to specifically close voided payments, the voided payments are updated when you run PR 197 for the next payroll close. Run Payroll Close (PR197) in the report mode to produce a listing of distribution transactions and update history files for voided payments. If data from the report mode is correct, run the PR197 in Update mode. For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393.

IMPORTANT If you enter No in the Create Distributions field on the Company (HR00.1) or Process Level (HR01.1) record, or if payroll history is purged, Payroll creates general ledger distributions based on current distribution information.

Related Reports and Inquiries

| То | Use |
|---|-----------------------------|
| Print a current reconciliation listing | Bank Reconciliation (PR155) |
| List all payments issued for a specific | Payment Register (PR162) |

date range

Running the Bank Reconciliation Report

Run the Bank Reconciliation (PR155) to perform a periodic reconciliation. Included in the report are the payment number, payment date, date cleared, employee name and number, issued amount, and the cleared, voided or open amount. The report provides totals by payment type.

Payments voided on Manual Payment Reservation (PR81.1) appear on this report.

Q Need More Details? Check out the following concepts:

• "What Happens When a Payment is Reconciled?" on page 556

STEPS To run the bank reconciliation report

- 1. Access Bank Reconciliation (PR155).
- 2. With the Add form action, type the name of the job.

– or –

With the Inquire form action, select a previously defined job.

- 3. Type a description of the job in the Job Description field.
- 4. Choose the Report Selection. Select from the following options.

ChooseToReportprint a current reconciliation listing.
– or –
list open, reconciled, and voided
payments for a specific date range.Updateupdate reconciled payments and
remove the payments from the
report.Historycreate a report of all bank account
activity for a specific date range.
– or –

access payments already updated.

Related Reports and Inquiries

| То | Use |
|---|---------------------------|
| List all payments issued for a specific date range. | Payment Register (PR162)) |

NOTE The report includes all payments reconciled since the last run of Bank Reconciliation (PR155) using the Update option.

Manual Processes: Purge Data

This chapter covers how to purge data within the Lawson Payroll.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 566 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What is a Data Purge?" on page 564
- "What is Included in Payroll History?" on page 564

What is a Data Purge?

A data purge is the process of permanently removing data from the Lawson Payroll.

Some examples of when you might want to purge data are:

- After you complete your installation and testing to remove any "garbage" data
- After you create a backup of historical data

For example, the company wants to have immediate access (through drill around, queries, running reports, and so on) to the current year's data plus two previous years of data. You archive the data for the years previous to the years you want to access and then purge this data from the production database.



CAUTION Purging employee records permanently removes the employee from the Lawson Payroll. If you mistakenly purge an employee, you can re-enter the employee, but you CANNOT retrieve history on the employee. Purged payroll history must be reloaded using conversion program Payroll History Load CSV (PR560) or UK Payroll History Load CSV (UK56).

What is Included in Payroll History?

Controls in the Payroll prevent payroll history for a given year from being purged until July of the following year. While you can purge payments, comments, and distributions at anytime, Lawson recommends that you retain at least one year of history online. When you purge payroll history the following items that meet the defined parameters are purged:

- Pay records and related deduction
- Employee direct deposit distribution
- Payroll distribution records

If you are an Time Accrual application user, please note that this option deletes pay records which may affect time accrual plans that have a waiting period before plan entry.

When you purge history, you can purge the records in any of the Human Resources applications. However, if you purge an employee, you must purge all records tied to the employee before you can completely purge the employee.

Procedures in this Chapter

| "Purging Payroll History" on page 566 | Purge payroll history based on chosen parameters. |
|--|---|
| "Purging Employee Deduction History" on page 568 | Purge employee deduction history from Payroll. |
| "Purging Tip Pay Records" on page 571 | Purge tip pay records for prior years. |
| "Purging Time and Attendance Records" on page 571 | Purge Time and Attendance records for an entire company or for employee individual history. |
| "Purging Time Accrual History" on page 573 | Purge time accrual history, transactions, and employees from time accrual plans. |
| "Purging Transactions and Employees from Time Accrual Plans" on page 574 | Purge transactions and employees from time accrual plans. |
| "Purging TaxLocator Records" on page 576 | Purge tax locator records. |
| "Purging Employee Records" on page 577 | Purge employee history and pay history. |

The following procedures explain how to purge data in the Payroll.

Purging Payroll History

Use History Purge (PR300) to selectively purge payroll history based on the report parameters you choose. You can purge comments during the current year; however, Lawson recommends that you maintain at least three months distribution history to allow the Payroll to automatically create reversing general ledger entries for voided payments.

STOP You cannot purge payroll history until six months into the following payroll year. You can purge payroll distributions at anytime. However, if you have purged payroll distributions, General Ledger distributions created by a void will use the normal defaulting rather than reversing the original entries.

Need More Details? Check out the following concepts:

- "What is a Data Purge?" on page 564
- "What is Included in Payroll History?" on page 564

STEPS To purge payroll history

1. Access History Purge (PR300).

2. Complete the form. Consider the following fields.

| Job Name | With the Add form action, type the name of the job. |
|-----------------|--|
| | With the Inquire form action, you can select a previously defined job. The jobs displayed are for the active user. |
| Job Description | Type a description of the job. |
| _ | The job description helps you identify a batch job by providing additional information about the job name. |
| Company | Select the company for which you want to purge records. |
| Payroll History | To purge payroll history and create a flat file of purged records, select C (Delete/No Copy). |
| Cut-off Year | Type a cut-off year to purge all payroll history up to and including the year you enter. |
| History Files | Select the value that determining if the Payroll purges information in the history files. |
| Employee Group | Select an employee group to purge only history for a specific employee group. |
| | For example, you may want to purge history for terminated employees only. |
| Payments, ACH | Select the value determining if the Payroll purges payment and direct deposit records. |
| | You can purge all reconciled and voided payments regardless of date. |
| Bank Account | Select a bank account number. |
| Payment | Type a payment number to define the beginning of a range of reconciled and voided payments to purge. |

NOTE Perform edits to limit purging of transactions to records with a date of at least 12 months previous to the Payroll date.

NOTE You can purge time accrual history through a specified date by using History Purge (PR300), which will consolidate all the time accrual information into one line per employee and create an "historical" transaction which is a summary of all the purged detail.

| ACH Receipts | Type a direct deposit receipt number to define the beginning range of reconciled and voided direct deposit receipts to purge. |
|------------------------|---|
| Comments | To delete employee comments, select D (Delete/No Copy). |
| | To delete employee comments and create a flat file of the purged records, select C (Delete/Copy). |
| Cut-off Date | Type a cut-off date to purge employee comments dated on or before the entered date. |
| Distributions | To purge payroll distribution records, select D (Delete/No Copy). |
| | To purge payroll distribution records and create a flat file of purged records, select C (Delete/Copy). |
| Cut-off Date | Type a cut-off date to purge all distribution records dated on or before the date entered. |
| Reconciled Payments | Select the value determining if only distribution records associated with reconciled payments are purged. |
| | To purge payment history, the reconciled payment must be updated using Bank Reconciliation (PR155). |
| Clearing Entries | Select the value determining if only distribution records associated with clearing entries are purged. |

3. Choose the Submit form action to submit the purge.

IMPORTANT Lawson recommends saving the payroll history to a separate media such as tape, before purging. To purge payment history, you must update the payment using Bank Reconciliation (PR155).

Purging Employee Deduction History

You can delete employee deduction history records from the history log file when you run the Deduction Audit Report (PR280) with U (Update and Report) in the Update field.

Q Need More Details? Check out the following concepts:

- "What is a Data Purge?" on page 564
- "What is Included in Payroll History?" on page 564

STEPS To purge employee deduction history

- 1. Access Deduction Audit Report (PR280).
- 2. Complete the form. Consider the following fields.

| Job Name | With the Add form action, type the name of the job. |
|----------------------|--|
| | With the Inquire form action, you can select a previously defined job. The jobs displayed are for the active user. |
| Job Description | Type a description of the job. |
| | The job description helps you identify a batch job by providing additional information about the job name. |
| Company | Select the company for which you want to run a deduction audit report. |
| Date | Type a date to define the beginning of a date range. |
| | If you define a date range, the report includes only deduction log records within the defined date range. |
| Employee | Select or type an employee number to define the beginning of a range of employees to be included in the report. |
| Employee Sequence | Select an employee sequence to override the default print order defined for the company. |

Update Select R (Report) to produce a report of log file records of changes made to employee deduction records since the report was last run with U (Update and Report). If you select R (Report), log file records of the deduction changes are not deleted. – or – Select U (Update and Report) to produce a report of log file records of changes made to employee deduction records since the report was last run with U (Update and Report). If you select U (Update and Report), the application remembers the last date and time of change. If you select U (Update and Report), the system deletes log file records of the changes.

3. Choose the Submit form action to submit the purge.

Purging Tip Pay Records

You cannot purge tip records for the current and prior payroll year.

Q Need More Details? Check out the following concepts:

- "What is a Data Purge?" on page 564
- "What is Included in Payroll History?" on page 564

STEPS To purge tip pay records

- 1. Access Tips Purge (TP105).
- 2. Complete the form. Consider the following fields.

| Job Name | With the Add form action, type the name of the job. |
|-----------------|--|
| | With the Inquire form action, you can select a previously defined job. The jobs displayed are for the active user. |
| Job Description | Type a description of the job. |
| | The job description helps you identify a batch job by providing additional information about the job name. |
| Company | Select the company from which you want to purge tip allocation records. |
| | The Payroll does not let you purge records from the current or prior payroll year. |
| Begin Date | Type the beginning date of the date range for which you want to purge tip records. |
| End Date | Type the ending date of the date range for which you want to purge tip records. |

3. Choose the Submit form action to submit the purge.

Purging Time and Attendance Records

Use Attendance History Purge to delete attendance history for the company as a whole or for an employee's individual history.

Q Need More Details? Check out the following concepts:

- "What is a Data Purge?" on page 564
- "What is Included in Payroll History?" on page 564

STEPS To purge time and attendance records

- 1. AccessAttendance History Purge (TM300).
- 2. Complete the form. Consider the following fields.

| Job Name | With the Add form action, type the name of the job. |
|-----------------|--|
| | With the Inquire form action, you can select a previously defined job. The jobs displayed are for the active user. |
| Job Description | Type a description of the job. |
| | The job description helps you identify a batch job by providing additional information about the job name. |
| Company | Select a company. |
| Employee | To purge attendance history for specific employees, select up to five employees. |
| | If you leave this field blank, the system purges attendance history for all employees. |
| Thru Date | To purge attendance history through a specific date, type the date through which you want attendance history purged. |
| Attendance Code | To purge only attendance history associated with a specific attendance code, select a code. |
| | If you leave this field blank, all attendance codes are affected. |
| Create CSV | Select the value if you want to create a comma-separated value (csv) file with purged information. |
| | The information can be reloaded with Attendance History Conversion (TM570). |

Update Select the value that indicating whether or not you want to perform the update. If you select Yes, the update is performed. – or – If you select No, the Payroll creates a report that

IMPORTANT Lawson recommends selecting Report Only in the Update field to view the changes before selecting Update.

listing pending changes.

3. Choose the Submit form action to submit the purge.

Purging Time Accrual History

In the Time Accrual application, you can purge time accrual history as well as purge transactions and employees from plans through a specified date. Time Accrual Purge (TA300) creates an "historical" transaction which is a summary of all the detail purged.

When you purge the employee Time Accrual transaction records, the Payroll combines all employee records into one record per employee for each plan. The application performs edits to limit purging of transaction to the records with a date of at least 12 months previous to the system date.

Q Need More Details? Check out the following concepts:

- "What is a Data Purge?" on page 564
- "What is Included in Payroll History?" on page 564

STEPS To purge time accrual history

- 1. Access Time Accrual Purge (TA300).
- 2. Complete the form. Consider the following fields.

| Job Name | With the Add form action, type the name of the job. |
|-----------------|--|
| | With the Inquire form action, you can select a previously defined job. The jobs displayed are for the active user. |
| Job Description | Type a description of the job. |
| | The job description helps you identify a batch job by providing additional information about the job name. |
| Company | Select a company. |

Thru DateType the date through which time accrual
transaction history records are to be purged.

3. Choose the Submit form action to submit the purge.

Related Reports and Inquiries

| То | Use |
|--|---------------------------------------|
| View the transactions created through Time Accrual Purge (TA300) | Employee Transaction Inquiry (TA65.3) |
| as a type B transaction. | |

Purging Transactions and Employees from Time Accrual Plans

Run Employee Plan Purge (TA310) to end employee enrollment in time accrual plans and to delete the employee transactions. You can purge an employee's plan transactions as well as his or her enrollment in the plan. Employee Plan Purge (TA310) deletes the employee's plan master established in Employee Plan (TA60.1).

Q Need More Details? Check out the following concepts:

- "What is a Data Purge?" on page 564
- "What is Included in Payroll History?" on page 564

STEPS To purge transactions and employees from Time Accrual plans

- 1. Access Employee Plan Purge (TA310).
- 2. Complete the form. Consider the following fields.

| Job Name | With the Add form action, type the name of the job. |
|-----------------|--|
| | With the Inquire form action, you can select a previously defined job. The jobs displayed are for the active user. |
| Job Description | Type a description of the job. |
| | The job description helps you identify a batch job by providing additional information about the job name. |
| Company | Select a company. |
| Plan | Select the time accrual plan from which you want employee transactions purged. |

NOTE This form is typically used when testing a new time accrual plan.

| Report Option | Select the value that indicates whether All Employees (1), or only Specified Employees (2) are to be purged. |
|---------------------------|--|
| | If you select All Employees (1), all employee transactions are deleted from the plans that you select. |
| | If you select Specified Employees (2), the Payroll deletes transactions for employees selected in the Employee fields. |
| Employees | You can select up to 20 employees to purge from the selected time accrual plan. |
| | If you select 2 (Specified Employees) in the Report Option field, select at least one employee. |
| Employee Plan End Date | Enter a value for the employee plan end date. |
| Update | Select Report Only to produce a report of the employee information that will be purged when you run the report using the Update option. |
| | NOTE Lawson recommends first running the report with the Report Only option, to review the information that will be purged. |
| | Review the information and adjust the parameters to purge only the information you want purged. |
| | After you review the report run in Report Only, Re-run Employee Plan Purge (TA310) with Update selected in the Update field. |
| | When you select Update, the Payroll purges the employee and associated transactions from the selected plan, and lists the information that was purged. |
| Employee Sequence | Select the employee sequence in which you want the report to print. |
| | If you leave this field blank, employees list in the order defined in Company (HR00.1) for the selected company. |
| | |



WARNING Lawson recommends first running the report with Report Only in the Update field in order to review the information you want purged. Once you run the report with Update in the Update field, you can no longer access the purged information.

Purging TaxLocator Records

You can use TaxLocator Deduction Purge (PR313) to purge inactive taxlocator records. The inactive records you purge start from the beginning of the selected year through prior years.

Q Need More Details? Check out the following concepts:

- "What is a Data Purge?" on page 564
- "What is Included in Payroll History?" on page 564

STEPS To purge taxlocator records

- 1. Access TaxLocator Deduction Purge (PR313).
- 2. Complete the form. Consider the following fields.

| Job Name | With the Add form action, type the name of the job. |
|----------------------|--|
| | With the Inquire form action, you can select a previously defined job. The jobs displayed are for the active user. |
| Job Description | Type a description of the job. |
| | The job description helps you identify a batch job by providing additional information about the job name. |
| Company | Select the company for which you want to run the report. |
| Process Level | Select a process level to include only employees in the selected process level in the listing. |
| Location | Choose a location. |
| Year | Contains the fiscal year for the data stored on this record. |
| | The year entered in this field determines the ending year for purging records. Records dated with this year and prior years are deleted. |
| Employee Sequence | Select an employee sequence to override the default print order defined for the company. |

3. Choose the Submit form action to submit the purge.
Purging Employee Records

This procedure covers how to delete both pay history and employee history. To purge employee records you must purge all of the following:

- Employee pay history
- Time Accrual history
- Open manual payments
- Adjustments
- One-time deductions
- Log history
- •

After completing these steps, you must enter a termination date on the employee record of each employee you want to purge.

– or –

To purge an employee, you must purge all of the employee's data including:

- Employee history
- Payroll history
- Benefit history
- · Tip pay records
- Time Accrual history
- Time and Attendance history
- Absence Management
- COBRA and retiree invoices
- Employee and employee comments



CAUTION Purging employee records permanently removes the employee from the Lawson Payroll. If you mistakenly purge an employee, you can re-enter the employee, but you CANNOT retrieve history on the employee.

Q Need More Details? Check out the following concepts:

- "What is a Data Purge?" on page 564
- "What is Included in Payroll History?" on page 564

STEPS To purge employee records

- 1. On Bank Account Reconciliation (PR85.1), reconcile open payments by bank account and payment range for employees to be purged. For more information, see "Reconciling Payments Manually" on page 559.
- On Bank Reconciliation (PR155), send all reconciled payments to history. For more information, see "Running the Bank Reconciliation Report" on page 562.
- 3. Run History Purge (PR300) to purge payroll history. For more information, see "Purging Payroll History" on page 566.
- 4. Run Benefit Purge (BN430) to purge employee benefit enrollment history. For more information, see the *Benefits Administration Users Guide*.
- Run Employee Plan Purge (TA310) to purge employees from time accrual plans. To skip directly to the procedures, see "Purging Time Accrual History" on page 573 For more information, see "Purging Transactions and Employees from Time Accrual Plans" on page 574.
- On Time Entry (PR35.1), delete individual time records for employees to be purged. For more information, see "Entering Time Records for One Employee by Batch" on page 306.

– or –

On Batch Time Control (PR37.1), delete any batch status time records or time record batches for employees to be purged. For more information, see "Deleting Batches" on page 337.

- On Time Record Selection (PR38.1), bring future status time records to current for employees to be purge. For more information, see "Selecting Time Records from Future to Current Status" on page 355.
- On Time Record Entry (PR36.1), delete current, error, or processed time records individually. For more information, see "Selecting One Time Record" on page 359.

– or –

On Error Processing (PR45.1), delete current, error, or processed time records by process level. For more information, see "Deleting Processed Time Records" on page 459.

- 9. On One-Time Deduction (PR39.1), delete all future or current status one-time deductions for employees to be purged. For more information, see "Maintaining One-Time Deductions" on page 289.
- On Manual Payment (PR80.1), delete open manual payments for employees to be purged. For more information, see "Creating Manual Payments" on page 473.
- 11. Run Payment Detail Listing (PR260) to identify open adjustments for employees to be purged.
- 12. On Adjustment (PR82.1), delete open adjustments for employees to be purged. For more information, see "Manual Processes: Adjustments" on page 491.
- 13. Run Employee History Purge (PA125), to delete all personnel action history for employees to be purged. For more information, see the *Personnel Administration User Guide*.
- 14. Run Employee Audit Purge (HR125) to delete all log history for employees to be purged. For more information, see the *Human Resources User Guide*.
- 15. Type a date in the Termination Date field of Employee (HR11.1) for all employees to be purged. For more information, see the *Human Resources User Guide*.
- 16. Run Employee Purge (PA115) to purge employee records. For more information, see the *Personnel Administration User Guide*.

Related Reports and Inquiries

| То | Use |
|--|--------------------------|
| Verify that employees have been purged | Employee (HR11.1) |
| List employees | Employee Listing (HR211) |

TIP Use Mass Action (PA52.3) to set up a mass action to enter a termination on the records of all employees to be purged. For more information, see the *Personnel Administration User Guide*.

Manual Processes: Tips

This chapter covers manual Tips processes within the Lawson Payroll application.

STOP Before continuing with the procedures in this chapter, you must set up tips information for your employees. For more information, see "Setting Up Tips" on page 197.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 584 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Happens When a Payroll Cycle is in Progress?" on page 582
- "What Kind of Tip Adjustments Can I Make?" on page 582
- "How do I Close a Tip Manual Payment or Adjustment?" on page 583

What Happens When a Payroll Cycle is in Progress?

When a payroll cycle is in progress and the tip calculation has already been processed, you might receive a message that an adjustment or manual payment is not allowed because a cycle is in progress for the tipped employee.

You then have two options:

Wait to enter the adjustment until the current payroll cycle is closed.

– or –

• Change the time record to error status, enter an adjustment, and reprocess the tip calculation and the remainder of the payroll cycle.

What Kind of Tip Adjustments Can I Make?

Adjustments update tip history when you run the tip calculation or payroll close.

You can adjust tip pay for an individual employee.

– or –

You can adjust tip pay for multiple employees in an allocation level.

You can make the necessary adjustment through Payroll, which in turn updates the Tips application if adjustments to taxable wages are required.

Adjusting tip history through the Tips application does not update payroll history.

How do I Close a Tip Manual Payment or Adjustment?

There are two ways to close a manual payment or adjustment. You can immediately close the manual payment or adjustment and run the tip calculation for only manual payments and adjustments. Lawson recommends this option.

– or –

You can immediately run a payroll close to close the manual payments and adjustments. This option bypasses running a tip calculation, so no edits or calculations are performed. The payroll close creates tip pay records but does not include tip credit.

If you perform a closing option immediately after creating a manual payment or adjustment, either closes the manual payment or adjustment outside of the normal payroll cycle.

If you wait to close the manual payment or adjustment until you process the next payroll cycle, the adjustment is included with the payroll register of that payroll and might complicate balancing.

Procedures in this Chapter

The following procedures explain how to process tips manual payments and adjustments.

- "Creating Tip Manual Payments" on page 584
- "Adjusting Tip Pay Records for an Individual Employee" on page 584
- "Adjusting Tip Pay Records for Multiple Employees" on page 586
- "Closing a Manual Payment or Adjustment Using Tip Calculation" on page 587

Creating Tip Manual Payments

Manual payments update Tip history when you run Tip Calculation (TP135) or Payroll Close (PR197).

You must enter manual payment hours and tip information for the application to properly calculate tip credit.

STOP Before creating tip manual payments, you must define pay codes. For more information, see "Defining Pay Codes" on page 58.

Q Need More Details? Check out the following concepts:

- "What Happens When a Payroll Cycle is in Progress?" on page 582
- "How do I Close a Tip Manual Payment or Adjustment?" on page 583

STEPS To create a tip manual payment

- 1. Access Manual Payment (PR80.1).
- 2. Choose the Company and Bank Code in the appropriate fields.
- 3. Complete the manual payment. For more information, see "Creating Manual Payments" on page 473.
- 4. Access Tip Calculation (TP135).
- 5. Close the manual payment. For more information, see "Closing a Manual Payment or Adjustment Using Tip Calculation" on page 587.

Adjusting Tip Pay Records for an Individual Employee

You can create tip adjustments by adding tip pay records for individual employees. You cannot use Employee Tip Pay (TP30.1) to maintain tip pay records created in Payroll. Adjusting tip history with this form does not update payroll history.

NOTE For proper calculation of tip credit, you must enter hours and tips for manual payments.

 $\textcircled{\sc line tails}$ Check out the following concepts:

- "What Kind of Tip Adjustments Can I Make?" on page 582
- "How do I Close a Tip Manual Payment or Adjustment?" on page
 583

STEPS To adjust tip pay records for an individual employee

- 1. Access Employee Tip Pay (TP30.1).
- 2. Choose the Company and Employee.
- 3. Complete the form. Consider the following fields.

| Position To | Type the date to begin an inquiry with a specific date. | | | | |
|--------------|---|--|--|--|--|
| FC | Select Add, Change, or Delete. | | | | |
| Proc Level | Select a process level to adjust tip pay records associated with a process level allocation level. | | | | |
| Dept | Select a department to adjust tip pay records associated with a department allocation level. | | | | |
| Sh | Select a shift to adjust tip pay records associated with a shift allocation level. | | | | |
| Date | On an inquiry, the record date of the transaction displays. When you add or adjust tips information, the system date defaults if you do not enter a date. | | | | |
| Hours Worked | On an inquiry, the hours associated with the recorded tips transaction display. Adjustments you make to the hours worked do not affect payroll records. | | | | |
| Tips | On an inquiry, the tips recorded for the selected employee display. Adjustments you make to employee tips records do not affect payroll records. | | | | |
| Рау | On an inquiry, the pay summary group associated with the tips amount displays. When entering or adjusting tips, select the appropriate pay summary group indicating if tips are direct or indirect. | | | | |

4. Choose the Add form action to add the form.

NOTE If you wait to close the adjustment until you process the next payroll cycle, the adjustment is included with the payroll register of that payroll and might complicate balancing. For more information, see "Creating the Payroll Register" on page 483. Update the Adjustment to payroll history through Payroll Close (PR197). Lawson recommends running Payroll Register (PR141) before closing adjustments and including these totals in the payroll ledger used for balancing.

Related Reports and Inquiries

| То | Use |
|--|-------------------------|
| Update adjustments | Tip Calculation (TP135) |
| List employee tip income by allocation level and tip pay history entered through Payroll, Tips application, or both | Tip Pay Report (TP130) |

Adjusting Tip Pay Records for Multiple Employees

You can create tip adjustments by allocation level for multiple employees.

STOP You cannot use Allocation Level Tip Pay (TP30.2) to maintain tip pay records created in Payroll. This form does not update the payroll information. If adjustments to taxable wages are needed, make the necessary adjustment through Payroll, which will update the Tips application.

Q Need More Details? Check out the following concepts:

- "What Kind of Tip Adjustments Can I Make?" on page 582
- "How do I Close a Tip Manual Payment or Adjustment?" on page
 583

STEPS To adjust tip pay records for multiple employees

- 1. Access Allocation Level Tip Pay (TP30.2).
- 2. Enter the company in the Company field.
- 3. Choose to Inquire on the Process Level, Department, or Shift in the appropriate fields.
- 4. Complete the form. Consider the following fields.

| Position To | Type the date to begin your inquiry at a specific date. | | | |
|-------------|--|--|--|--|
| FC | Select Add, Change or Delete. | | | |
| Employee | On the inquiry, employees with tips associated with the selected allocation level display. | | | |
| | To add tip records, select the employee whose tips you want to add to this allocation. | | | |

| Date | On the inquiry, the default record date of the transaction displays. | | | |
|--------------|--|--|--|--|
| Hours Worked | On the inquiry, the hours associated with the recorded tips transaction displays. | | | |
| | Adjustments you make to the hours worked do not affect payroll records. | | | |
| Tips | On the inquiry, the tips transactions associated with the selected allocation level display. | | | |
| | Type an amount to adjust the amount displayed or to add tips. | | | |
| Рау | On the inquiry, the pay summary group associated with the tips amount displays. | | | |
| | Select a pay summary group indicating whether tips are direct or indirect when entering or adjusting tips. | | | |

- 5. Choose the Add form action to add the form.
- Update the Adjustment to payroll history through Payroll Close (PR197). Lawson recommends running Payroll Register (PR141) before closing adjustments and including these totals in the payroll ledger used for balancing.

Related Reports and Inquiries

| oll | То | Use |
|-----|--|------------------------|
| | List employee tip income by allocation level and tip pay history entered through Payroll, Tips application, or both | Tip Pay Report (TP130) |

Closing a Manual Payment or Adjustment Using Tip Calculation

Run Tip Calculation (TP135) to verify that the higher minimum wage (federal or state) is met and to calculate and track tips credited as wages to meet the minimum wage.

When you select Yes in the Manual and Adj. Only field, Payroll verifies the minimum wage is met and, if a shortage exists, creates a time record for the shortage. If no other payments exist for the employee, Payroll uses the manual payment information to create the record. You can then process the time record in the next pay cycle, or delete the time record, recalculate the manual payment with the proper amount, and re-run Tip Calculation (TP135). The tip credit is calculated and stored on the tip pay records you created.

The tip credit is stored for audit and reporting purposes and is included in the regular rate of pay for the overtime calculation.

NOTE If you wait to close the adjustment until you process the next payroll cycle, the adjustment is included with the payroll register of that payroll and might complicate balancing. For more information, see "Creating the Payroll Register" on page 483. Hours worked for tipped employees in tipped jobs are calculated and stored for use in the hours worked method of tip shortfall allocation calculation.

Tip Calculation (TP135) determines which direct or indirect pay code to use if there is no tip time record. The application determines the pay code based on the time record job code and the set up of Direct Tipped Jobs (TP01.1).

IMPORTANT Lawson does not recommend using Payroll Close (PR197) to close a manual payment or adjustment. When you use PR197, the close is completed without creation of edits or calculations.

Q Need More Details? Check out the following concepts:

- "What Happens When a Payroll Cycle is in Progress?" on page 582
- "How do I Close a Tip Manual Payment or Adjustment?" on page 583

STEPS To close a manual payment or adjustment using tip calculation

- 1. Access Tip Calculation (TP135).
- 2. Run the report. For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393.
- 3. Choose the Submit form action to submit the calculation.

TIP When you run Tip Calculation (TP135), the application processes the open records along with the system payments.

Manual Processes: Time and Attendance

This chapter describes manual processes for Time and Attendance within the Lawson Payroll application.

STOP Before entering attendance history, you must define attendance codes. For more information, see "Defining Attendance Codes" on page 73.

Concepts in this Chapter

TIP "Procedures in this Chapter" on page 591

The following concept provides background and conceptual information for the procedures within this chapter.

• "Where do I Enter Time and Attendance?" on page 590

Where do I Enter Time and Attendance?

You can enter attendance information manually through Time and Attendance, or enter employee attendance information along with or on time record entries in Payroll. If you use attendance codes when entering time records in Payroll, running the payroll close updates attendance history in Time and Attendance.

Procedures in this Chapter

The following procedures explain how to manually process time and attendance.

- "Entering Employee Attendance History Manually Through Time and Attendance" on page 591
- "Entering Employee Attendance History Manually Through Payroll" on page 592
- "Adjusting Time and Attendance History" on page 594

Entering Employee Attendance History Manually Through Time and Attendance

Time and Attendance allows you to manually enter and maintain employee attendance history.

STOP Before entering attendance history, you must define attendance codes. For more information, see "Defining Attendance Codes" on page 73.

Need More Details? Check out the following concepts:

• "Where do I Enter Time and Attendance?" on page 590

STEPS To enter employee attendance history manually through Time and Attendance

- 1. Access Attendance History (TM70.1).
- 2. Choose a Company and Employee in the appropriate fields.
- 3. Choose the Inquire form action to Inquire on the employee's attendance history.
- 4. Enter the employee's attendance history. For more information, see "Adjusting Time and Attendance" on page 480.
- 5. Choose the Change form action to add the changes.

Related Reports and Inquiries

| То | Use |
|---|---|
| Inquire on attendance history of a specific employee and display data in ascending date order by attendance codes | Employee Attendance Date Inquiry (TM50.1) |
| Inquire on the attendance history of a specific employee and display data in attendance code order by ascending date | Employee Attendance Code Inquiry (TM51.1) |
| Inquire on employee attendance history for all employees in a company, process level, or department and display data in ascending date order by attendance code, and employee number | Attendance Date Inquiry (TM52.1) |
| Inquire on employee attendance history for all employees in a company, process level, or department and display data by attendance code order, ascending date, and employee number | Attendance Code Inquiry (TM53.1) |
| Inquire on employee attendance history for attendance codes in an attendance class and display data in ascending date order by employee number | Attendance Class Inquiry (TM54.1) |
| Inquire on attendance history for a specific employee by year and attendance code or attendance class | Employee Date Calendar (TM60.1) |
| Inquire on attendance history for a specific employee by year and attendance code or attendance class | Employee Days Calendar (TM61.1) |
| Inquire on all attendance history | Attendance History (TM70.1) |
| Convert time and attendance data to Lawson | Attendance History Conversion (TM570) |

Entering Employee Attendance History Manually Through Payroll

Use Standard Time Record (PR30.1) to define standard time records for an individual employee or an employee group. You can add attendance codes to standard time records.

When employees work the same number of hours each pay period, such as salaried employees, standard time records eliminate entering time for every pay cycle by automatically creating time records for eligible employees.

STOP For an employee record to be eligible for a standard time record, the employee record must have an Auto Time Record field value of Standard, Time Group, or Yes. When you run Automatic Time Records (PR134), Payroll creates time records and calculates wages for eligible employees. For more information, see "Creating Automatic Time Records" on page 332.

Q Need More Details? Check out the following concepts:

• "Where do I Enter Time and Attendance?" on page 590

STEPS To enter employee attendance history manually through Payroll

- 1. Access Standard Time Record (PR30.1). For more information, see "Assigning Standard Time Records" on page 278.
- 2. Complete the form to update attendance history inTime and Attendance. Consider the following fields.

| Pay Code | Select a pay code. | | | |
|--|--|--|--|--|
| | For Time and Attendance users, a pay code tied to an attendance code defaults when you select an attendance code. | | | |
| Job Code | Select a job code. If you leave this field blank, the job code defaults from the employee record. | | | |
| Amount | Type the rate of pay or leave the field blank. | | | |
| | For hourly employees, the amount is considered an hourly rate and is multiplied by the hours entered on the time record. For salaried employees, the amount entered overrides normal salary amounts for pay codes with calculation type of Normal Rate and is not multiplied by the hours entered. | | | |
| TRD Comments | Choose the TRD Comments button to open the Comments subform. Use the subform to type comments about the time record and indicate whether the comments are allowed to print on reports. | | | |
| Work, General Ledger, and More form tabs | Choose these tabs to change defaults for entry or reporting. | | | |

3. Choose the Add form action to add the record.

TIP If you leave the Amount field blank, the pay rate defaults from the pay code, alternate rates, job code, pending actions, log file, or the employee record.

| То | Use | | | |
|---|--|--|--|--|
| Create time records that update | Speed Entry Setup (PR33.1) | | | |
| Attendance history in Time and | – or – | | | |
| | Detail Time Entry (PR35.2) | | | |
| | — or — | | | |
| | Activity Time Entry (PR35.6) | | | |
| | – or – | | | |
| | Automatic Time Records (PR134) | | | |
| Create time records for employees associated with a step and grade schedule or a grade range schedule | Step and Grade, Grade Range Time Entry (PR35.4) | | | |
| Create time records associated with attendance codes defined in Time and Attendance, which uses these records for tracking hours and occurrences | Attendance Time Entry (PR35.5) | | | |
| Add or maintain attendance codes and occurrences for future or current time records | Time Entry Maintenance (PR36.1) | | | |
| Create batch status time records from the Time Record Interface file and include attendance codes and occurrences on the report if they are included in the Time Record Interface file | Time Record Interface (PR130) | | | |

Adjusting Time and Attendance History

Whether Payroll creates attendance history or you enter it manually, you must manually enter voids and adjustments. Payroll does not automatically delete attendance history when you void a payment in Bank Account Reconciliation (PR85.1).

If you create manual payments in Manual Payment (PR80.1) or make adjustments to Payroll in Adjustment (PR82.1) that affect attendance history, use Attendance History (TM70.1) to adjust attendance history. Use TM70.1 to delete attendance history created by a voided payment or to create negative attendance history as an offset. **Q** Need More Details? Check out the following concepts:

• "What Kinds of Adjustments Can I Make?" on page 492

STEPS To adjust time and attendance history

- 1. Access Attendance History (TM70.1).
- 2. Delete attendance history created by a voided payment.

– or –

Create negative attendance history as an offset. For more information, see "Creating a Zero Gross Manual Payment" on page 480.

3. Choose the Change form action to add the adjustments.

Related Reports and Inquiries

| То | Use |
|---|--|
| Inquire on attendance history of a specific employee and display data in ascending date order by attendance codes | Employee Attendance Date Inquiry (TM50.1) |
| Inquire on the attendance history of a specific employee and display data in attendance code order by ascending date | Employee Attendance Code Inquiry (TM51.1) |
| Inquire on employee attendance history for all employees in a company, process level, or department and display data in ascending date order by attendance code, and employee number | Attendance Date Inquiry (TM52.1) |
| Inquire on employee attendance history for all employees in a company, process level, or department and display data by attendance code order, ascending date and employee number | Attendance Code Inquiry (TM53.1) |
| Inquire on employee attendance history for attendance codes in an attendance class and display data in ascending date order by employee number | Attendance Class Inquiry (TM54.1) |
| Inquire on attendance history for a specific employee by year and attendance code or attendance class | Employee Date Calendar (TM60.1) |
| Inquire on attendance history for a specific employee by year and attendance code or attendance class | Employee Days Calendar (TM61.1) |
| Inquire on all attendance history | Attendance History (TM70.1) |

Reports: Balancing Payroll

This chapter describes how to balance payroll within the Lawson Payroll application.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 600 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What is Payroll Cycle Balancing?" on page 598
- "How do I Close a Payroll Year?" on page 599

What is Payroll Cycle Balancing?

Balancing payroll is an on-going process from cycle to cycle within Payroll. When you balance on a cycle to cycle basis, balancing month-end, quarter-end, and year-end in preparation for regulatory reporting is cleaner and easier to perform.

Routine, cyclical payroll balancing involves maintaining a detailed record of all transactions processed through payroll. These transactions include normal cyclical payments and extra payments such as voids, manual adjustments, and manual payments. These extra payments can be closed either when normal cyclical payments are closed, or closed independent of normal cyclical payments.

IMPORTANT Lawson recommends that you close voids, manual adjustments, and manual payments independently from the normal cyclical close. When you close these transactions independently, you will not overlook these extra payments, and will have greater ease in documenting these transactions.

When you prepare to balance a payroll cycle, you must remember two concepts. First, performing adjustments through Adjustment is the only cause of an out of balance transaction in Payroll. If you find out of balance transactions when balancing, you can research transactions made through Adjustment.

IMPORTANT Because the possibility of creating out of balance transactions exists with Adjustment, you must create an adjustment for an employee record with caution and a thorough understanding of the adjustment process. For more information, see "Manual Processes: Adjustments" on page 491.

NOTE The Payroll Register is a record of your transactions. Refer to this record when balancing a payroll cycle. Second, the Payroll Register reflects voids, adjustments, and manual payments as well as normal application payments.

IMPORTANT Lawson recommends running the Payroll Register after you perform all prerequisite procedures for payroll close, and prior to running Payroll Close. Save a copy of the Payroll Register either electronically, or as a permanent payroll record on paper. For more information, see "Creating the Payroll Register (U.S. and CA)" on page 439.

How do I Close a Payroll Year?

Payroll is date-sensitive, operating on a calendar year basis. Closing the calendar year, also known as the payroll year, involves running Payroll Year End Close. No special procedure is required for month-end or quarter-end closing.

When you close a payroll year, the application:

- Changes the year in the Payroll Year field on Company to the new year so Year to Date data and Quarter to Date drill around data are for the new year
- Updates pay plans and creates work periods and pay periods for the new year
- Deletes all withholding deductions in arrears created by the application during the previous year

Once the payroll year is closed, you can still go back and adjust employee payroll history to balance for the previous year end. To access the prior payroll year once it is closed:

- · Change the payroll year on the Pay tab on Company back to the prior year
- Process and close any adjustments or voids
- Close the adjustments or voids with Payroll Close in Update mode
- Change the payroll year on the Pay tab on Company back to the current year.

IMPORTANT Change the payroll year back to the current year before you begin processing any current year entries. If you do not change back to the current year, current year entries are performed in the prior year.

NOTE You must review these deductions prior to closing the payroll year.

Procedures in this Chapter

The following procedures explain how to balance payroll.

- "Preparing for Payroll Cycle Balancing" on page 600
- "Balancing a Payroll Cycle" on page 602
- "Performing Periodic, Month-End, Quarter-End, or Year-End Balancing" on page 605
- "Closing a Payroll Year" on page 608

Preparing for Payroll Cycle Balancing

As you process the payroll cycle, use the Earnings and Deductions Calculation (PR140), Payroll Register (PR141), Payroll Close (PR197), and General Ledger Posting (PR198) to verify totals and prepare for month-end, quarter-end, and year-end balancing.

Q Need More Details? Check out the following concepts:

• "What is Payroll Cycle Balancing?" on page 598

STEPS To prepare for payroll cycle balancing

- 1. Access Earnings and Deductions Calculation (PR140).
- 2. Run the report. For more information, see "Calculating Tip Credit Records (U.S. and CA)" on page 393.
- 3. Access Payroll Register (PR141).
- Run a detailed register of earnings and deductions for all payments. Payroll Register (PR141) includes all payments that have not been closed by Payroll Close (PR197). For more information, see "Creating the Payroll Register (U.S. and CA)" on page 439.
- 5. Access Payroll Close (PR197).
- Run the report in Report mode to receive and verify the report of GL transactions. If transactions in Report mode are correct, you will later run the report in Update mode after completing balancing for the payroll period. For more information, see "Balancing a Payroll Cycle" on page 602.
- 7. Create an Excel or Lotus spreadsheet of all Payroll Register (PR141) totals to use in month-end, quarter-end, and year-end balancing using PR141 as your source document.

Enter totals from PR141 into the spreadsheet. Below is an example of how to format the spreadsheet and what data to track from each PR141 prepared during the payroll cycle. Since Lawson recommends closing voids, manual adjustments, and manual payments separately from the normal cyclical closings, you must maintain a record for all transactions, including those closed outside of the payroll cycle on this spreadsheet.

TIP Running Payroll Close (PR197) in both Report mode and Update mode provides a report. However, running PR197 in Report mode before Update mode allows you to verify the transactions.

| Payment Date | Gross | Fed. Txbl. | Med. Txbl. | Fed. W/H | SS W/H | Med. W/H | MN St. W/H | Net Pay |
|---|-------|---------------|---------------|-------------|--------|-------------|---------------|---------|
| Ex. 02/09/01 | | | | | | | | |
| Ex. 02/23/01 | | | | | | | | |
| | | | | | | | | |
| Special Runs (list below by date) | | | | | | | | |
| Ex 03/12/01 | | | | | | | | |
| Ex. 03/20/01 | | | | | | | | |
| | | | | | | | | |
| 1st Quarter Totals | | - | - | - | - | - | - | - |
| | | | | | | | | |
| Ex. 03/02/01 | | | | | | | | |
| Ex. 03/16/01 | | | | | | | | |
| Ex. 03/30/01 | | | | | | | | |
| | | | | | | | | |
| Special Runs (list below by date) | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 2nd Quarter Totals | | - | - | - | - | - | - | - |
| | | | | | | | | |

Table 6. Example: Spreadsheet of all Payroll Register totals

T

8. Check PR141 totals on the spreadsheet to verify that all payroll transactions balance. Consider the following information when verifying PR141 totals.

| For | Verify |
|-----------------|--|
| U.S. and Canada | Total of all earnings equal Gross Pay. |
| U.S. and Canada | Gross Wages less employee deductions equal Net Pay. |

Grand Total All Quarters

| For | Verify |
|--------|--|
| U.S. | Gross Pay less Pre-Tax Deductions equals FICA taxable. |
| U.S. | Gross Pay less Pre-Tax Deductions and 401(k) equals Federal Taxable and State Taxable Wages. |
| | NOTE Taxability of deductions and 401(k) can differ between Federal and individual states. These can also differ from state to state. |
| U.S. | FICA Withholding equals 6.2% (Social Security) and 1.45% (Medicare) of FICA Taxable Wages. |
| Canada | Gross Taxable Income equals gross earnings plus taxable benefits less RRSP. |
| Canada | Net Taxable Income equals Gross Taxable Income less allowable exemptions. |
| Canada | Gross Taxable Income equals CPP/QPP Taxable Income. |
| Canada | CPP/QPP Withholding equals the rate issued to you by Revenue Canada multiplied by Pension Earnings. |
| Canada | EI (Employee Insurance) Employee Withholding equals the rate issued to you by Revenue Canada multiplied by Insurable Earnings. |
| Canada | EI Company Withholding equals the rate issued to you by Revenue Canada multiplied by Insurable Earnings. |

Balancing a Payroll Cycle

All open payment records, including ACH, system, manual, adjustments, and voids are listed on the Payroll Register (PR141).

You create a log or spreadsheet of payroll totals using the Payroll Register (PR141) as the source document for balancing periodic, month-end, quarter-end, or year-end. Balance these items to ensure that all payroll activity is consistent within the reports.

Q Need More Details? Check out the following concepts:

• "What is Payroll Cycle Balancing?" on page 598

STEPS To balance a payroll cycle

- 1. With the Earnings and Deductions Calculation (PR140) and Payroll Close (PR197), verify that:
 - a. Payroll Pay Totals from PR140 equal Distribution Pay Expense Totals from PR197
 - Payroll Deduction Totals from PR140 equal Distribution Deduction Expense and Accruals Totals from PR197
 - c. Payroll Net from PR140 equals Distribution Cash Totals from PR197
- 2. On the Payroll Register (PR141), verify the following company totals:
 - a. Total Earnings equal Gross Pay
 - b. Gross Pay less Pretax Deductions equal FICA Taxable Wages
 - c. Gross Pay less Pretax Deductions and 401(K) equal Federal and State Taxable Wages
 - d. Gross Wages less Deductions equal Net Pay

- e. FICA Withholding equals 6.2% (Social Security) and 1.45% (Medicare) of FICA Taxable Wages
- 3. Access Payroll Close (PR197).
- 4. Run the report in Update mode.
- 5. Verify that the Payroll Close (PR197) totals equal the Payroll Register (PR141). This ensures that no other transactions were entered after the PR197 and PR141 were processed.
- 6. Compare output reports from various stages of the payroll cycle.

Beginning with the Earnings and Deductions Calculation (PR140), balance the payroll cycle by comparing:

- PR140 totals to PR141 totals
- PR141 totals to PR197 Report mode totals
- PR197 Report mode totals to PR197 Update mode totals
- PR197 Update Mode totals to General Ledger Posting (PR198) totals.

As you process the payroll cycle, use the output from the reports identified above to balance the payroll cycle. The objective is to document and summarize all activity that was closed with the payroll cycle.

IMPORTANT When you compare PR197 Update Mode totals to PR198 totals you might find different totals if you do not run the PR198 with each payroll cycle. Because PR198 updates the General Ledger, and can be run to coincide with the General Ledger calendar instead of the payroll calendar, totals from multiple PR197 runs might be reflected in PR198 totals.

Table 7. Example: Comparing output reports for balancing a payroll cycle

| PR140 | PR141 | PR197 REPORT MODE | PR197 UPDATE MODE | PR198 |
|----------------------|-------------------|--|---|---|
| Hours | Hours | Only if Hours are posted to GL | Only if Hours are posted to GL | Only if Hours are posted to GL |
| Total Gross Wages | Total Gross Wages | Accrued Payroll Clearing Account(s) | Accrued Payroll Clearing Account(s) | Accrued Payroll Clearing Account(s) |
| Net Pay | Net Pay | Cash Account(s) | Cash Account(s) | Cash Account(s) |

Related Reports and Inquiries

То Use List payment number and type, total hours, gross wages, total (PR142) deductions, and net pay for each

open payment

Consolidated Payroll Register

Performing Periodic, Month-End, Quarter-End, or Year-End Balancing

Use the spreadsheet you created to log Payroll Register (PR141) payroll totals from each run to perform pay period, periodic, month end, quarter end, or year end balancing.

IMPORTANT Balance month to date and guarter to date reports each period. If you find a discrepancy, you will be able to identify the discrepancy in that pay period. If you run guarter-to-date reports only once a guarter and find an error, the error will be more difficult to identify than when you balance reports each period.

STOP Before performing periodic, month-end, quarter-end, or year-end balancing, create a log of Payroll Register (PR141) transactions for each run. For more information, see "Balancing a Payroll Cycle" on page 602.

Q Need More Details? Check out the following concepts:

"What is Payroll Cycle Balancing?" on page 598

To perform periodic, month-end, quarter-end, or year-end STEPS balancing

1. For pay period, periodic, month-end, or quarter-end balancing, validate totals you tracked on your spreadsheet of Payroll Register (PR141) transactions against the details from the reports listed below.

Table 8. Example: Validate Payroll Register (PR141) against balancing reports

| Balance your Monthly or Quarterly totals from PR141 against the figures in the following reports. | | | | |
|---|----------|------------------------------------|--|--|
| Report Title | Report # | Dates | Description | Use To |
| Payment Detail Listing | PR260 | User Specified Date Range | A detail listing of payments for a specific quarter. | This report can be used to verify Gross Wages and New Wages for a time period with totals from PR141. |

| Employee Wage Report | PR270 | User Specified Date Range | A Summary of wages for each employee for a date range. | Use to edit specific summary level types of pay data for a range of employees, in a date range by process level or department. |
|--------------------------------------|-------|------------------------------------|---|---|
| Deduction Report | PR275 | User Specified Date Range | A report of deduction amounts, by payment for a specific quarter. | Use to troubleshoot errors This report can be run for employee totals or deduction totals. |
| Employee Deduction Report | PR276 | User Specified Date Range | A report of deduction amounts and totals for a specific quarter. | Used to troubleshoot errors in deductions taken. |
| Quarterly Report | PR290 | Qtr | A report of taxable wages and taxes withheld for a quarter. | Verify Taxable Wages totals from this report with Taxable Wage Totals from PR260. Quarterly and Year-to-Date Gross Wages from this report are Total Wages. |
| Unemployment Continuation Form | PR291 | Qtr | A quarterly unemployment report of Social Security taxable wages, total wages, total taxable wages, excess wages, and weeks worked. | Verify Excess Wages with PR294. Verify Taxable Wages and tax withholdings from this report against output from PR297. |
| Balancing Report | PR294 | Qtr | A report of wages and deductions by tax authority and class. | Verify Excess Wages with PR291. |
| W-2 Forms | PR297 | Year | A report of year-to-date totals associated with W-2 reporting (summary or detail). | Verify Taxable Wages and tax withholdings from this report against PR290 totals for all four quarters. You can run this report at any time of the year for balancing. |

2. For year-end balancing, validate totals you tracked on your spreadsheet of Payroll Register (PR141) transactions against the details from the reports listed below.

Table 9. Example: Balance Payroll Register (PR141) with grand totals

| Balance your Grand Total All Quarters totals from PR141 against the figures in the following reports. | | | | |
|---|----------|------------------------------|--|--|
| Report Title | Report # | Dates | Description | Use To |
| Payment Detail Listing | PR260 | User Specified Date Range | Detail Payment listing for year dates. | Verify Gross Wages and Net wages for a time period with totals from PR141. |
| Year To Date Payment Report | PR265 | Thru Date | Year-to-Date totals through a specific date. | Produce a report of Month-to-Date, Quarter-to-Date, and Year-to-Date open and closed payments. |
| Employee Wage Report | PR270 | User Specified Date Range | Summary of wages for each employee for the year. | Edit specific summary level types of pay data for a range of employees, in a date range by process level or department. |
| Deduction Report | PR275 | User Specified Date Range | A report of deduction amounts by payment, for a specific year. | Troubleshoot errors in deductions taken. Can be run for employee totals or deduction totals. |
| Employee Deduction Report | PR276 | User Specified Date Range | A report of deduction amounts and totals for a specific year. | Troubleshoot errors in deductions taken. |
| W-2 Forms | PR297 | Year | A report of year to date totals associated with W2 reporting in detail or summary style. | Verify Taxable Wages and tax withholdings from this report against PR290 totals for all four quarters. This report can be run at any time of the year for balancing. |

Closing a Payroll Year

Perform Payroll Year End Close (PR999) annually to close transactions from the previous year and to prepare Payroll for new calendar year transactions.

STOP Before you run the first payroll cycle of the new calendar year, you must run Payroll Year End Close (PR999).

Q Need More Details? Check out the following concepts:

"How do I Close a Payroll Year?" on page 599

STEPS To Close a Payroll Year

- 1. Access Payroll Year End Close (PR999).
- 2. Run the report. For more information, see the *Payroll Year End Manual*.
- 3. If you detect errors in wage and tax information after you run Payroll Year End Close (PR999), you can make adjustments to the previous year on Adjustment (PR82.1). Make these adjustments by:
 - Changing the payroll year on Company (HR00.1) back to the previous year
 - Processing and closing adjustments or voids
 - Closing the adjustments or voids with Payroll Close (PR197) in Update mode
 - Changing the payroll year back to the current year on Company (HR00.1) so payroll transactions for the current year are made to the correct year.

Reports: Tips

This chapter covers how to process government tips reports within the Lawson Payroll application.

STOP Before you process tip reports, you must first define the company, process level and department, shift allocation level parameters or both on Company Allocation (TP00.1), Process Level Allocation (TP00.2), Department Allocation (TP00.3), or Shift Allocation Level (TP00.4). For more information, see "Setting Up Tips" on page 197.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 614 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What is the Hours Worked Method for Calculating Tip Shortfall?" on page 610
- "What is the Individual Gross Receipts Method?" on page 610
- "How do I Calculate Shortfall Allocation for Year End Reporting?" on page 611
- "How do I Calculate Tax Credit?" on page 611

What is the Hours Worked Method for Calculating Tip Shortfall?

With the Hours Worked Method of calculating tip shortfall, the application determines the shortfall by the ratio of hours worked by the tipped employee to the total hours worked by all tipped employees in the allocation level for the same time period.

The Hours Worked method uses the hours worked by tipped employees in tipped jobs tracked by Tip Calculation in the calculation of shortfall allocation.

What is the Individual Gross Receipts Method?

With the Individual Gross Receipts method of calculating tip shortfall, the application uses the ratio of gross receipts reported by a tipped employee to the total gross receipts for the allocation level.

The Individual Gross Receipts method gives you the option, at the company level, to require that the total gross receipts added for an allocation level for any given time period must balance with the individual gross receipts added for that time period and allocation level. To use this option, select Yes in the Control Totals field on Company Allocation. If you use this option, all allocation levels defined for the selected company are affected.

To use the Individual Gross Receipts method of shortfall allocation calculation, you need to add the individual gross receipts for employees and the total gross receipts for the allocation level.

In the Individual Gross Receipts method of calculating tip shortfall, the application uses the ratio of gross receipts reported by a tipped employee to the total gross receipts for the allocation level for the date range you specify.

How do I Calculate Shortfall Allocation for Year End Reporting?

When an establishment in which tipping is considered customary does not report the required minimum percent of its gross receipts as tip income received by its tipped employees, the establishment must calculate the shortfall amount and allocate that amount to those tipped employees who did not report the minimum required percent.

The Tips application offers two methods of calculating shortfall allocation:

- · Hours Worked method (used more often)
- Individual Gross Receipts method (more labor intensive)

You can define the method and percent you want to use in the calculation when you define allocation levels for the company.

To keep track of the shortfall allocation amount throughout the year, you can run the Shortfall Allocation Calculation at anytime to calculate the shortfall allocation for employee reporting tip income in the company, process level, and year selected.

How do I Calculate Tax Credit?

Employers are required to pay employee and employer Social Security and Medicare tax on tip income. However, a credit is available equal to the employer's Medicare and Social Security tax obligation for reported tips in excess of those treated as wages to satisfy the federal minimum wage.

Tax Credit Calculation calculates a tax credit based on the employer's portion of Social Security and Medicare Tax on tip income in excess of the amount used to meet the federal minimum wage requirement.

In the Tips application, use Tax Credit Calculation to calculate the tax credit. Tax Credit Calculation is not an update report, so you can run it as often as you like.

Minimum Wage Due Calculation

Tax Credit Calculation calculates the minimum wage due by multiplying the federal minimum wage by the employee's hours worked and verifies the minimum wage by comparing the federal minimum wage effective date with the payment date of the tip pay record. If no federal minimum wage is found, the application ends the report and prints an error message.

Tip Credit Calculation

Tax Credit Calculation calculates the tip credit by subtracting the wages (excluding tips) from the minimum wage due.

| lf | Then |
|---|---|
| The tip credit is zero | the employee information prints on the report. |
| The tip credit is negative (voids) | the application processes the records and prints the information on the report. |
| The tip pay record has only hours (an adjustment) | the employee information prints on the report, but no amount exists for the calculation. |
| The tip credit exceeds the actual tip amount | an error message prints on the report. You can report tip credit only up to the amount of actual tips reported. |
| The employee has multiple tip records and one of those records has a tip credit greater than tips reported due to a shortage | the application recalculates the shortage with the other tip records that have excess tips. |

Excess Tips Calculation

Tax Credit Calculation calculates excess tips by subtracting the tip credit from the reported tips.

Excess Tips Verification

Tax Credit Calculation compares excess tips with Social Security taxable wages for the payment, with the following results:

| lf | Then |
|--|--|
| Social Security taxable wages are greater than excess tips | the application uses the total of the excess tips in the calculation. The amount of excess tips prints separately for Social Security and Medicare. |
| Social Security taxable wages are less than excess tips | the application uses the amount of Social Security taxable wages as the excess tips in the calculation. The amount of excess tips prints separately for Social Security and Medicare. |
| No Social Security employee payment deduction records exist for the payment because the Social Security taxable wages limit has been met | excess tips are zero. |
| There is no limit for Medicare taxable wages | the application uses the total excess tips in the calculation. |
Tax Credit Calculation

Tax Credit Calculation calculates the tax credit by multiplying the excess tips by the Social Security and Medicare rates.

Procedures in this Chapter

The following procedures explain how to create government reports for tipped employees.

- "Adding Allocation Level Gross Receipts for the Hours Worked Method" on page 614
- "Adding Individual Employee Gross Receipts for the Individual Gross Receipts Method" on page 616
- "Recording Gross Receipts for Individual Employees" on page 618
- "Adding Allocation Level Gross Receipts for the Individual Gross Receipts Method" on page 618
- "Calculating Tip Shortfall Allocations" on page 620
- "Calculating Tip Tax Credit" on page 623

Adding Allocation Level Gross Receipts for the Hours Worked Method

With the Hours Worked method of calculating tip shortfall, the application determines the shortfall by the ratio of hours worked by a tipped employee to the total hours worked by all tipped employees in the allocation level for the same tip period.

The Hours Worked method uses the hours worked by tipped employees in tipped jobs tracked by Tip Calculation (TP135), in the calculation of shortfall allocation.

Use Hours Worked Allocation (TP10.1) to enter gross receipts records to use in the Hours Worked method of calculating shortfall allocations for specific allocation levels.

Through Hours Worked Allocation (TP10.1) you can record charged tips, charged receipts, and service charges of less than 10 percent paid as wages to employees. The application uses this optional information for year-end federal reporting.

STOP Before you process tip reports, you must define the company, process level, department, or shift allocation level parameters. For more information, see "Setting Up Tips" on page 197.

Need More Details? Check out the following concepts:

 "What is the Hours Worked Method for Calculating Tip Shortfall?" on page 610

STEPS To add allocation level gross receipts for the hours worked method

- 1. Access Hours Worked Allocation (TP10.1).
- 2. Select a Company, Process Level, Department, or Shift to create gross receipts records for the Hours Worked Method of calculating the shortfall allocation for the Company, Process Level, Department, or Shift allocation level.
- 3. Complete the form. Consider the following fields.

| Date | Type the date of the transaction. | |
|------------------|--|--|
| | If you do not type a date, the application date defaults. | |
| | With form action Inquire, this field is required. | |
| Gross Receipts | Type the gross receipts for the date entered. | |
| | If you did not enter a date, the application date defaults. | |
| Charged Tips | Type the amount of charged tips for the allocation level and date entered. | |
| Charged Receipts | Type the amount of charged allocable receipts for the allocation level and date entered. | |
| Service Charges | Type the total amount of service charges of less than 10 percent paid as wages to employees. | |

4. Choose the Add form action to add the form.

NOTE For year-end federal reporting, on Hours Worked Allocation (TP10.1), you can add charged tips, charged receipts, and service charges of less than 10 percent paid as wages to employees.

Related Reports and Inquiries

| То | Use |
|---|--|
| Report the gross receipts of allocation levels that use the Hours Worked method of calculating shortfall or to report any charged tips, charged receipts, and service charges of less than 10 percent paid as wages to employees added in Hours Worked Allocation (TP10.1) | Gross Receipts Edit by Hours Worked (TP115) |

Adding Individual Employee Gross Receipts for the Individual Gross Receipts Method

Use Gross Receipts by Allocation Level (TP20.1) to add individual gross receipts for multiple employees in an allocation level.

STOP If you selected Yes in the Control Totals field on Company Allocation (TP00.1), the gross receipts you add on Gross Receipts by Allocation Level (TP20.1) or Employee Gross Receipts (TP20.2) for all employees in the selected allocation level must equal the gross receipts added on Gross Receipts Allocation (TP20.3) for the selected allocation level or you cannot release the records. To release the gross receipts records, type a date in the Release Date field and select the Release function. For more information, see "Setting Up Tips" on page 197.

Q Need More Details? Check out the following concepts:

• "What is the Individual Gross Receipts Method?" on page 610

STEPS To add individual employee gross receipts for the individual gross receipts method

- 1. Access Gross Receipts by Allocation Level (TP20.1).
- 2. Select a Company, Process Level, Department, or Shift to record or display gross receipts for a Company, Process Level, Department, or Shift Allocation Level.
- 3. Complete the form. Consider the following fields:

| Release Date | Type the release date. | |
|--------------|--|--|
| | If you use the Individual Gross Receipts method of shortfall allocation calculation, the gross receipts entered from all employees in the allocation level must match the total gross receipts for the allocation level or you cannot release the records for processing. | |

| Position To-Date | To begin an inquiry with a specific date, type the date. | |
|--------------------------|--|--|
| Position To- Employee | To begin an inquiry with a specific employee, select an employee. | |
| FC | Select the action you want to perform on this line. | |
| Employee Name | Select the employee whose gross receipts you want to record. | |
| Gross Receipts | Enter the employee's gross receipts for this transaction. | |
| Date | Type the transaction date. If you do not type a date, the application date defaults. | |

4. Choose the Add form action to add the form.

Related Reports and Inquiries

| То | Use |
|---|--|
| Add gross receipts for an individual employee who reports tips in multiple allocation levels | Employee Gross Receipts (TP20.2) |
| Report the gross receipts of employees who reported tips in allocation levels that use the Individual Gross Receipts method of calculating shortfall allocation or to report any charged tips, charged receipts, and service charges of less than 10 percent paid as wages to employees added in Gross Receipts Allocation (TP20.3). | Gross Receipts Edit by Employee (TP120) |

Recording Gross Receipts for Individual Employees

Use Employee Gross Receipts Allocation (TP20.2) to record gross receipts for individual employees reporting in more than one allocation level.

Need More Details? Check out the following concepts:

"What is the Individual Gross Receipts Method?" on page 610

STEPS To record gross receipts for individual employees

- 1. Access Employee Gross Receipts (TP20.2).
- 2. Complete the form. Consider the following fields.

| Employee | Select the employee whose gross receipts you want to record or display.On inquiry, records for all allocation levels display for the selected employee. | |
|----------------|--|--|
| Position To | To begin an inquiry with a specific date, type the date. | |
| Process Level | If the gross receipts for the employee are associated with a process level allocation level, select a process level. | |
| Department | If the gross receipts for the employee are associated with a department allocation level, select a department. | |
| Shift | If the gross receipts for the employee are associated with a shift allocation level, select a shift. | |
| Gross Receipts | Type the employee's gross receipts for this transaction. | |
| Date | Type the transaction date. If you do not type a date, the system date defaults. | |

Adding Allocation Level Gross Receipts for the Individual Gross Receipts Method

On Gross Receipts Allocation (TP20.3), the application compares the gross receipts you add on this form for the selected allocation level, with the total of the individual gross receipts you add in Gross Receipts by Allocation Level (TP20.1) or Employee Gross Receipts Allocation (TP20.2) for the same date and allocation level, to determine if they are in balance.

Use Gross Receipts Allocation (TP20.3) to create gross receipts records to use in the Individual Gross Receipts method of calculating shortfall allocations for specific allocation levels.

– or –

Use this form to record charged tips, charged receipts, and service charges of less than 10% paid as wages to employees. The application uses this information for year-end federal reporting. This method requires daily TP20.1,2,3,4 records for gross receipts associated with a single, specific date. This daily record can be created using POS Gross Receipts Interface (TP125).

STOP Select Yes in the Control Totals field on Company Allocation (TP00.1) for total gross receipts added for an allocation level for any given time period. Balance these figures with the individual gross receipts added for that time period and allocation. If you use this option, all allocation levels defined for the selected company are affected. For more information, see "Setting Up Tips" on page 197.

Q Need More Details? Check out the following concepts:

"What is the Individual Gross Receipts Method?" on page 610

STEPS

PS To add allocation level gross receipts for the individual gross receipts method

- 1. Access Gross Receipts Allocation (TP20.3).
- 2. Select a Company, Process Level, Department, or Shift to record gross receipts for a Company, Process Level, Department, or Shift.
- 3. Complete the form. Consider the following fields.

| Date | Type the transaction date. If you do not type a date, the application date defaults. This field is required with form action Inquire. | |
|----------------|--|--|
| | If you use the Individual Gross Receipts method and select Yes in the Control Totals field in Company Allocation (TP00.1), the gross receipts you add on this form for the selected allocation level must equal the total of the gross receipts you add for all employees in the selected allocation level, or you cannot release records. | |
| | To release the gross receipts records, type a date in the Release Date field and select the Release function. | |
| Gross Receipts | Type the gross receipts for the allocation level and date entered. | |
| Charged Tips | Type the amount of charged tips for the allocation level and date entered. | |

NOTE For year-end federal reporting, on Gross Receipts Allocation (TP20.3) you can add charged tips, charged receipts, and service charges of less than 10 percent paid as wages to employees. **TIP** Information in the

Charged Tips, Charged Receipts, and Service Charges fields is not required for shortfall allocation calculation, but provides information for year-end federal reporting.

| Charged Receipts | Type the allocable charged receipts for the allocation level and date entered. |
|------------------|--|
| Service Charges | Type the service charges of less than 10 percent paid as wages to employees for the allocation level and date entered. |

4. Choose the Add form action to Add the form.

Related Reports and Inquiries

| То | Use |
|--|--|
| Report the gross receipts of employees who report tips in allocation levels that use the Individual Gross Receipts method of calculating shortfall allocation, or to report any charged tips, charged receipts, and service charges of less than 10 percent paid as wages to employees added on Gross Receipts Allocation (TP20.3). | Gross Receipts Edit by Employee (TP120) |

Calculating Tip Shortfall Allocations

Run Shortfall Allocation Calculation (TP100) to calculate the year-to-date shortfall allocation for employees reporting tip income in the company, process level, and year selected.

There are three basic ways to run Shortfall Allocation Calculation (TP100):

- Calculate year-to-date tip shortfall allocation and update the summary records
- Calculate tip shortfall allocation for a period of time defined in the report parameters
- Calculate the tip shortfall allocation at year-end

STOP Before you choose the company in the Company field on Shortfall Allocation Calculation (TP100), the company must be defined on Company Allocation (TP00.1) as an allocation level. For more information, see "Setting Up Tips" on page 197.

Need More Details? Check out the following concepts:

- "What is the Individual Gross Receipts Method?" on page 610
- "How do I Calculate Shortfall Allocation for Year End Reporting?" on page 611

STEPS To calculate year-to-date tip shortfall allocation and update the summary records

- 1. Access Shortfall Allocation Calculation (TP100).
- 2. Select a Company and Process Level to calculate the shortfall allocation.
- 3. Complete the form. Consider the following fields.

| Date | n the Beginning Date field: | |
|-----------------|--|--|
| | Type mm/dd/ <i>yy (yy</i> being the year for which you want to calculate year-to-date shortfall allocation) | |
| | – or – | |
| | Leave the field blank and mm/dd of the year you define in the End Date field defaults. | |
| | In the End Date field: | |
| | Type the date through which you want to calculate the year-to-date shortfall allocation. | |
| | If this date is greater than the last year-to-date calculation date, the application performs the calculation and updates the allocation and employee tips summary records. If not, the application performs the calculation but does not update the allocation and employee tips summary records. | |
| Report Option | The Report Option field defaults to a value of Y (Print Report). | |
| | If you do not want to print a report but want to calculate new year-to-date records for viewing on the inquiry forms, select N (Do Not Print Report). | |
| Report Sequence | Select the value determining the employee sequence of the report. | |
| | If you do not select an employee sequence option, the sequence defined in the Print Order field of Company (HR00.1) for the selected company defaults. | |

Update In the Update field, select N (Not YE Update).

Once you run Shortfall Allocation Calculation (TP100) using the Y (YE Update) option, you can no longer access the records used in the calculation for further calculation or TP100 reporting.

4. Choose the Submit form action to submit the report.

STEPS To calculate tip shortfall allocation for a period of time defined in the report parameters

- 1. Access Shortfall Allocation Calculation (TP100).
- 2. In the Beginning Date field, type the beginning date of the period for which you want to calculate the shortfall allocation. If you do not type a date in the Beginning Date field, mm/dd of the year defined in the End Date field defaults.
- 3. In the End Date field, type the date through which you want to calculate the shortfall allocation.
- 4. The Report Option field defaults to a value of Y (Print Report). If you do not want to print a report, but you want to calculate new year-to-date records in viewing on the inquiry forms, select N (Do Not Print Report).
- 5. In the Update field, select N (Not YE Update).
- 6. Choose the Submit form action to submit the report.

STEPS To calculate the tip shortfall allocation at year-end

- 1. Access Shortfall Allocation Calculation (TP100).
- 2. In the Beginning Date field, type mm/dd/*yy* (*yy* being the year for which you want to calculate year-end shortfall allocations)

– or –

Leave the field blank and mm/dd of the year defined in the End Date field will default.

- 3. In the End Date field, type the date the year-to-date should calculate through.
- 4. In the Report Option field, select Y (Print Report).
- 5. In the Update field, select Y (YE Update) to update the tips status flags to "close". Once the records are closed by running Shortfall Allocation Calculation (TP100) using the Y (YE Update) option, you can no longer access the records used in the calculation for that year.
- 6. Choose the Submit form action to submit the report.

NOTE If the date you type in the End Date field is greater than the last year-to-date calculation date, and the Beginning Date field value is something other than mm/dd, the application performs the calculation, updates the tips summary records, and produces a report reflecting the yearto-date calculation in addition to the report that reflects the period defined.

Related Reports and Inquiries

| То | Use |
|---|---|
| Inquire on year-to-date gross receipts for a specific allocation level and year | Gross Receipts Inquiry (TP40.1) |
| Inquire on year-to-date tip allocation amounts for employees in specific allocation levels | Tips Allocation Inquiry (TP40.2) |
| Inquire on year-to-date shortfall allocation for a specific employee | Employee Shortfall Allocation (TP40.3) |
| Inquire on the shortfall allocation status for the selected company | Allocation Processing Status (TP40.4) |
| Display year-to-date totals for allocated tips, tip shortfall, reported tips, gross receipts, and hours worked, from all allocation levels in which the selected employee reported tip income when the Totals form action is selected | Year to Date Totals (TP40.5) |
| Produce a report by home allocation level showing shortfall activity for each employee in each allocation level in which the employee reported tip income during the defined year after running TP100 with Yes in the Update field | Year End Shortfall Report (TP210) |
| Produce a report by allocation level that lists shortfall information for each employee in every allocation level in which the employee reported tip pay | Shortfall Allocation Report (TP220) |
| Produce a summary of gross receipts for the allocation level, charged receipts, charged tips, service charges, reported direct & indirect tip income, and allocation tip shortfall | Year End Allocation Summary Report (TP230) |
| Create a file containing information for filing magnetic media | Form 8027 Magnetic Media (TP231) |

Calculating Tip Tax Credit

Run Tax Credit Calculation (TP140) to calculate and report tips in excess of those deemed "wages" for meeting the federal minimum wage requirement, and to calculate the Social Security and Medicare tax on the excess tips amount.

Run Tax Credit Calculation (TP140) is not an update report so you can run the report as often as necessary.

Q Need More Details? Check out the following concepts:

"How do I Calculate Tax Credit?" on page 611

STEPS To calculate tip tax credit

- 1. Access Tax Credit Calculation (TP140).
- 2. Select the Company, Process Level, Department, Job Code, and Employee Group for which you want to perform a tax credit calculation.

| lf | Then |
|--|---|
| The employee is included in the company, process level, department, job code, or employee group | Tax Credit Calculation (TP140) selects the employee for the tax credit calculation. |
| – or – | |
| The employee has tip records | |
| You select a specific process level | only records associated with that process level are reported and included in the tax credit calculation. |
| You select a specific department | only records associated with that department and process level are reported and included in the tax credit calculation. |
| You select a specific job code | only records associated with that job code are reported and included in the tax credit calculation. |
| | The job code must be defined on Job Code (HR06.1) as a tipped job eligible to include in the tax credit calculation. The Tips field on HR06.1 must have a value of C. |

NOTE Voids, manual payments, and adjustments are included in the calculation of the tax credit.

The selected records for an employee are sorted by process level, work state, department, and job code.

1. Complete the form. Consider the following fields.

| Date | To include in the tax credit calculation, the time records with payment dates within a specific date range only, type the beginning date of the desired date range. |
|-------------------------|--|
| | To include in the tax credit calculation, the time records within a specific date range only, type the ending desired date range. |
| | If you define a date range, only records that fall within the date range and that meet the other defined criteria are reported and included in the tax credit calculation. |
| Social Security Rate | Type the Social Security rate to use in the tax credit calculation. |
| Medicare Rate | Type the Medicare rate to use in the tax credit calculation. |
| Pay Class | Select the pay class that represents the kinds of pay you want to include in the tax credit calculation. |
| | To include in the calculation only certain kinds of pay, define a pay class and associate the appropriate pay summary groups with that pay class. |
| | NOTE If you select a pay class, the application includes in the calculation the amounts from pay summary groups associated with the selected pay class (excluding tips) only. The application reads the pay summary group flags to determine whether amounts associated with the pay summary group are included, excluded, or subtracted from the pay class totals. If you do not select a pay class, the application totals all wages. |
| Report Sequence | Select the value that determines the sequence you want the report to print in. |

| Summary Option | Select the option that determines the kind of data included in the report. |
|----------------------|--|
| | Select D (Employee Detail) to include in the report all tax credit calculation data for employees meeting the report parameters. |
| | Select T (Employee Totals) to include in the report, the tax credit calculation totals only for employees meeting the report parameters. |
| | Select S (Sort Level Totals) to include in the report, the sort level totals only for the report parameters. Sort levels are determined by the value in the Report Sequence field. |
| Employee Sequence | Select the value that determines the employee sequence in which the data prints on the report. |
| | If you do not define an employee sequence, the report prints in the order defined in the Print Order field in Company (HR00.1) for the selected company. |

2. Choose the Submit form action to submit the report.

Follow up

The tax credit report produced by Tax Credit Calculation (TP140) offers the following sort options:

- Process Level, Department, Job, Employee
- Process Level, Department, Employee
- Job, Employee
- Employee
- Process Level, Work State, Department, Job, Employee

The report provides the totals for the following columns: Payment Date, Wages, Hours, Minimum Wage Due, Tip Credit, Tips, Excess Tips, and Tax Credit by sort sequence.

If the excess tips for Social Security and Medicare are different, a second line prints on the report for the detail line and the total lines.

Reports: Payroll Government

This chapter describes how to process government reports within the Lawson Payroll application.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 630 The following concepts provide background and conceptual information for the procedures within this chapter.

- "What are Excess Wages?" on page 628
- "Why might I Need to Adjust Weeks Worked?" on page 628
- "What do I Include in Unemployment Reporting?" on page 628
- "What is the Canada Record of Employment?" on page 629

What are Excess Wages?

Federal unemployment excess wages (FUTA) are wages that would have been subject to tax but exceed the federal wage limit for the payroll year.

State unemployment excess wages (SUI) are the wages that would have been subject to tax but exceed the state wage limit for the payroll year.

Each payroll cycle, Payroll determines whether the wages paid in that payroll cycle are taxable for unemployment or excess wages for unemployment.

Why might I Need to Adjust Weeks Worked?

Some states require reporting of weeks worked by employee. You can specify the Unemployment Continuation form to print weeks worked on the Quarterly Continuation form. The application also reports weeks worked for specific states when you run the Unemployment Tape.

Incorrect time entry can result in miscalculated weeks worked for an employee. For example, 40 hours were entered in a single time record when 32 hours were actually worked in one week, and 8 hours were worked in another week. You can make adjustments to weeks worked on the Weeks Worked Adjustment form.

What do I Include in Unemployment Reporting?

When you report unemployment, perform the following steps in the order listed:

- 1. Balance Quarterly Unemployment Data and Report Excess Wages
 - Taxable + Excess = Total Gross
 - Taxable + Rate(s) = Total UC Deductions
 - Ensure there are no negative wages
- 2. Calculate and Adjust Weeks Worked
- 3. Verify Social Security Numbers
- 4. Verify Quarterly Reporting Information
- 5. Create Forms, Files, and Tapes

What is the Canada Record of Employment?

In Canada, employers must issue a Record of Employment (ROE) when an employee has an interruption of earnings by either voluntary or involuntary termination or lay-off, has seven consecutive calendar days without work and insurable earnings, or has a fall in insurable earnings below 60 percent of normal weekly earnings. The seven day rule does not apply to real estate agents or commissioned employees.

In general, employers must issue a ROE within five calendar days of the interruption of earnings or of the date the employee learns of the interruption. Employers must also issue an ROE if requested by the employee and there has been an interruption of earnings, or if requested by Human Resources Development Canada (HRDC).

The employer must report on the ROE the employee's gross earnings for the previous 27 weeks and the total worked for the previous 53 weeks if the employee has worked a year or more. The employer must report the earnings and hours available if the employee worked less than a year.

Procedures in this Chapter

| "Balancing Quarterly Unemployment Data and Reporting Excess Wages" on page 630 | When you create unemployment reports, you must first balance quarterly unemployment data, and report excess wages. |
|--|---|
| "Calculating and Adjusting Weeks Worked" on page 633 | Calculate and adjust the number of weeks worked for the quarter for each employee. |
| "Verifying Social Security Numbers for Employees" on page 634 | Verify Social Security Numbers for employees using the Enumeration Verification System (EVS). |
| "Verifying Quarterly Reporting Information" on page 634 | Verify quarterly reporting information. |
| "Generating an Unemployment Continuation Form" on page 637 | Generate an unemployment continuation form attached to state quarterly unemployment remittance forms. |
| "Generating a File for Unemployment Magnetic Media" on page 638 | Generate a file for unemployment magnetic media of quarterly information for state reporting. |
| "Transferring the Final File to Diskette or Tape" on page 639 | Transfer the final file to diskette or tape as recommended by your state. |
| "Generating a File for New Hire Magnetic Media" on page 641 | Generate a file for new hire magnetic media for state reporting. |
| "Completing Canada Record of Employment" on page 642 | Complete Canada Record of Employment for use in producing a Record of Employment (ROE) manually. |
| "Printing W-2 Forms" on page 644 | Print W-2 Forms and create magnetic media, typically after the year-end close. |

The following procedures explain how to create government reports.

Balancing Quarterly Unemployment Data and Reporting Excess Wages

When you create unemployment reports, you must first balance quarterly unemployment data.

Use the Unemployment Continuation Form (PR291) to produce a listing of data required on continuation forms for quarterly state unemployment reporting. The report includes the employee name and Social Security Number along with the report items you select. Use Quarterly Report (PR290) to produce a report of employees who have withholding deductions associated with specific BSI tax authorities. The report includes quarterly gross wages, year-to-date gross wages, quarterly taxable wages, year-to-date taxable wages, quarterly taxes paid, and year-to-date taxes paid for each employee for the payroll quarter and year you specify in the report parameters.

Payroll calculates excess wages for unemployment deductions in each payroll cycle. Use Adjustment (PR82.1) to make adjustments to excess and taxable wages.

Q Need More Details? Check out the following concepts:

- "What are Excess Wages?" on page 628
- "What do I Include in Unemployment Reporting?" on page 628

STEPS To balance quarterly unemployment data and report excess wages

- 1. Access and run Payment Detail Listing (PR260), Quarterly Report (PR290), and Unemployment Continuation Form (PR291).
- Compare the Payroll Register (PR141) totals for the payroll and adjustments cycles in the quarter to the Payment Detail Listing (PR260) for the appropriate date range and the Quarterly Report (PR290) for the quarter. For more information, see "Performing Periodic, Month-End, Quarter-End, or Year-End Balancing" on page 605.
- 3. Access the following reports to report excess wages:

| Use | For |
|--|---|
| Earnings and Deductions Calculation (PR140), Payroll Register (PR141), and Payment Detail Listing (PR260) | Payments in which all wages are excess wages for an unemployment deduction. The application reports the deduction with other deductions, but does not report the amount or taxable wages. |
| Unemployment Continuation Form (PR291) | Excess wages by employee, and to optionally print the wages on edit reports and forms for the quarter. |
| Unemployment Tape (PR292) | Excess wages by employee to report on the magnetic media file according to state specifications. |
| Balancing Report (PR294) | Excess wages by tax authority. |
| HR Writer Title Creation (HR65.1) | Forms to create a report using the Payment Deduction (PD) option to list taxable and excess wages by employee and payment. |

- 4. Access Adjustment (PR82.1) to make adjustments.
- 5. Perform necessary adjustments. For more information, see "Creating Miscellaneous Adjustments" on page 499.

Calculating and Adjusting Weeks Worked

Calculating the number of weeks worked is the second step in unemployment reporting. You can verify the weeks worked by viewing and changing them in Weeks Worked Adjustment (PR83.1). If you make adjustments using PR83.1, re-run Weeks Worked Calculation (PR289) to recalculate the number of weeks worked.

Weeks Worked Calculation (PR289) calculates the number of weeks worked for the quarter for each employee. The calculation is based on the employee's pay plan work-period dates and the values in the Maximum Number of Weeks fields, the Work State field, and the Base Wage field.

This form reads history records to determine how many weeks each employee has actually worked.

STOP Before you can view and adjust weeks worked using Weeks Worked Adjustment (PR83.1), you must first run Weeks Worked Calculation (PR289). For more information, see "Calculating and Adjusting Weeks Worked" on page 633.

Need More Details? Check out the following concepts:

- "Why might I Need to Adjust Weeks Worked?" on page 628
- "What do I Include in Unemployment Reporting?" on page 628

STEPS To calculate and adjust weeks worked

- 1. Access Weeks Worked Calculation (PR289).
- 2. Run the report. When you run Weeks Worked Calculation (PR289) in Update mode, Payroll calculates the number of weeks worked and updates Weeks Worked Adjustments (PR83.1).
- 3. Access Weeks Worked Adjustment (PR83.1) if the number of weeks worked needs adjusting.
- 4. Choose the Inquire form action to view the number of weeks worked for a payroll year and quarter before you adjust the number of weeks worked for a specific employee.
- 5. Verify the information on Weeks Worked Calculation (PR289) with Weeks Worked Adjustment (PR83.1).
- To recalculate the number of weeks worked, re-run Weeks Worked Calculation (PR289) after making adjustments on Weeks Worked Adjustment (PR83.1). By performing this step, the weeks worked calculation is reset to what the application calculates and adjustments made with Weeks Worked Adjustment (PR83.1) are "lost".

Verifying Social Security Numbers for Employees

The Social Security Administration (SSA) provides the Enumeration Verification System (EVS) service to verify that a given Social Security Number is assigned to the individual whose name you submit. Verifying employee Social Security Numbers ensures that your employee records are correct for completing W-2 forms and reporting wages to government agencies. To use this service, an employer must first be assigned a requestor ID code by the SSA.

Q Need More Details? Check out the following concepts:

• "What do I Include in Unemployment Reporting?" on page 628

STEPS To Verify Social Security Numbers for Employees

- 1. Access Enumeration Verification (PR293).
- 2. Select Create in the Report Option field. Payroll creates a file named **evs-ssn** in the appropriate directory.

UNIX directory:

\$LAWDIR/print/username/jobname/step nbr/evs-ssn

Windows NT directory:

%LAWDIR%\print\username\jobname\step nbr\evs-ssn

LAWDIR/print/username/jobname/step nbr/job#//evs-ssn

- 3. You can send the magnetic media file to the SSA for review. The SSA will return the file back to you.
- 4. When you receive a file back from SSA, copy it to the appropriate directory.

UNIX directory:

\$LAWDIR/productline/work/SSN-EVS/SSN-EVS

Windows NT directory;

%LAWDIR%\productline\work\SSN-EVS\SSN-EVS

LAWDIRIproductline/work/SSN-EVS/SSN-EVS

5. Select Verify or Summary in the Report Option field on Enumeration Verification (PR293).

Verifying Quarterly Reporting Information

Use United States Tax Authority (PR06.1) and Employee Taxes (PR13.1) to verify quarterly reporting information.

Need More Details? Check out the following concepts:

• "What do I Include in Unemployment Reporting?" on page 628

STEPS To verify quarterly reporting information

- 1. Access United States Tax Authority (PR06.1).
- 2. Verify that employer account numbers are defined for each state for which you file quarterly reports.
- 3. Choose the Addl EIN (Employer Identification Number) button to open the Additional EIN subform.
- 4. Verify that the employer account numbers are defined for process levels on the Additional EIN subform.
- 5. Choose the State Rpt button to open the State subform.
- 6. Verify that additional information for the state associated with the tax authority is defined.
- 7. The following states require additional employer information for quarterly reporting.

| California | New Jersey |
|----------------------|----------------|
| District of Columbia | New Mexico |
| Florida | New York |
| Illinois | North Carolina |
| Indiana | North Dakota |
| Kentucky | Pennsylvania |
| Maine | Tennessee |
| Montana | Texas |
| Nevada | West Virginia |

- 8. Access Employee Taxes (PR13.1).
- Choose the State Rpt button to open the State subform, and verify that additional information required by the employee's work state is defined. The following states require additional employee information for quarterly reporting.

| Alaska | Massachusetts |
|------------|----------------|
| Arizona | Minnesota |
| Arkansas | Missouri |
| California | New Jersey |
| Colorado | North Carolina |
| Florida | Ohio |
| Illinois | Oregon |
| Indiana | Pennsylvania |
| lowa | Texas |
| Maine | Wyoming |
| | |

Michigan

Generating an Unemployment Continuation Form

Payroll provides a report that produces data for the unemployment continuation forms that are attached to state quarterly unemployment remittance forms.

Q Need More Details? Check out the following concepts:

• "What do I Include in Unemployment Reporting?" on page 628

STEPS To generate an unemployment continuation form

- 1. Access Weeks Worked Calculation (PR289).
- 2. Run the report if you intend to print the Weeks Worked on the Unemployment Continuation Form (PR291).
- 3. If required, access Weeks Worked Adjustment (PR83.1) to adjust weeks worked.
- 4. Access Unemployment Continuation Form (PR291).
- 5. Choose among the following options to produce edit reports:
 - Option 1 produces a detail edit listing
 - Option 2 produces a summary edit listing
 - Option 3 produces a negative wages report

The negative wages report is important to ensure negative wages are not reported for an employee.

- 6. Choose among the following continuation form options:
 - Option 4: Continuation Form Moore
 - Option 5: Continuation Form Wallace
 - Option 6: Style A Continuation Form Wallace

Unemployment Continuation Form (PR291) prints the employee's Social Security Number and name with options to include the following information:

| Field | Information Reported |
|------------------|---|
| SS Taxable Wages | Social Security wages up to the annual limit |
| Total Wages | All wages that would have been taxable for the work state (based on BSI-Tax system) |
| Taxable Wages | Wages taxable up to the state limit |
| Excess Wages | Wages in excess of the state limit |
| Weeks Worked | Number of weeks worked |

Generating a File for Unemployment Magnetic Media

Within Payroll, you can create a magnetic media file of quarterly unemployment information for state reporting. When you run Quarterly UI Mag Media (PR292), Payroll creates an output file called **final**. The **final** file contains the quarterly unemployment information the state requires you to report.

STOP Check with your state organization to determine what magnetic media format your state accepts.

Need More Details? Check out the following concepts:

• "What do I Include in Unemployment Reporting?" on page 628

STEPS To generate a file for unemployment magnetic media

IMPORTANT Before you generate the file for unemployment magnetic media, unemployment deductions must exist, and you must have run Quarterly UI Mag Media (PR292) to create a file with unemployment data. This also applies to non-profit organizations whose unemployment is self-funded.

- 1. Access Quarterly UI Mag Media (PR292) for the appropriate work state.
- 2. Run the report. The report is placed in:

Unix directory:

\$LAWDIR/print/username/jobname/step/final

– or –

Windows NT directory:

%LAWDIR%/\print\username\jobname\step\final

LAWDIR/print/username/jobname/step/job#/final

The parameters and work state you select on Quarterly UI Mag Media (PR292) determine the format in which Payroll creates the magnetic media file. Additional information you define on the State Rpt subform of both Employee Taxes (PR13.1) and Tax Authority (PR06.1) is included in the file based on the state selected.

An employer account number defined on Quarterly UI Mag Media (PR292) overrides the account number defined on Tax Authority (PR06.1).

3. Transfer the formatted file to the kind of magnetic media the state accepts. For more information, see "Transferring the Final File to Diskette or Tape" on page 639.

NOTE Quarterly UI Mag Media (PR292) places negative wages on the error report. Negative wages do not appear in the file for unemployment magnetic media.

Transferring the Final File to Diskette or Tape

When you run Quarterly UI Mag Media (PR292), you create a formatted file that you can transfer to diskette. You use parameters on PR292 to create the file in the correct format.

On the Quarterly UI Mag Media (PR292) parameters screen, you formatted the file in one of three ways:

- Sequential format
- UNIX-standard line sequential (CR)
- MS-DOS and Windows standard (CR/LF)

STOP Consult with the state you report to for details on the kind of required format.

Need More Details? Check out the following concepts:

"What do I Include in Unemployment Reporting?" on page 628

STEPS To transfer the final file to diskette as a sequential file, as a UNIX-Standard Sequential (CR) file, or as an MS-DOS and Windows Standard (CR/LF) file

1. Transfer the **final** file to diskette using the naming convention required by the state.

Use an MS-DOS or Windows compatible PC to create the diskette. A client-side FTP program is recommended for best results.

2. For sequential files or UNIX-standard sequential (CR) files, when using an FTP client to transfer the file to a PC diskette, be sure to transfer in Binary mode to transfer the file accurately from UNIX to DOS.

– or –

For MS-DOS and Windows standard (CR/LF) file, when using an FTP client to transfer the file to a PC diskette, be sure to transfer in ASCII mode to transfer the file accurately from UNIX to DOS.

STEPS To transfer the final file to tape

• Transfer the final file to the appropriate tape device.

Related Reports and Inquiries

| То | Use |
|--|--|
| Display summary information associated with employee payment records, such as payment number, payment date, gross earnings, total deductions, and net pay | Payment Inquiry (PR50.2) |
| Display detail information associated with employee payment records, such as payment number, payment date, gross earnings, total deductions, and net pay | Pay Stub Inquiry (PR51.1) |
| Produce a report of employee deduction information | Employee Deduction Report (PR276) |
| Produce a report of employees who have withholding deductions associated with specific BSI tax authorities | Quarterly Report (PR290) |
| Produce a listing of data required on continuation forms for quarterly state unemployment reporting | Unemployment Continuation Form (PR291) |
| Produce a report for use in balancing wages and deductions by tax authority and tax category at any time during the payroll year | Balancing Report (PR294) |
| Produce W-2 forms for government reporting, an edit report in either detail or summary format, or a negative wage report showing all employees with negative wages for the year | W-2 Forms (PR297) |
| Produce a list of payments | Payment Detail Listing (PR260) |

Generating a File for New Hire Magnetic Media

Within Payroll, you can create a magnetic media file of new hire information for state reporting. When you run New Hire Reporting (PR296), the application creates a file called NEWHIRE. The NEWHIRE file contains the new hire information the state requires you to report.

If a state requires the IBM Standard Label, New Hire Reporting (PR296) also creates the files N-IBMSL-H, H-IBMSL-TM, and N-IBMSL-T. These files contain the header and trailer information for the IBM Standard Label.

After you run New Hire Reporting (PR296), you must transfer the file to the appropriate medium.

STEPS To Generate a File for New Hire Magnetic Media

- 1. Access New Hire Reporting (PR296).
- 2. Run the report for the appropriate state.
- 3. The report places the files in the appropriate locations.
 - \$LAWDIR/productline/work/NEWHIRE/NEWHIRE
 - \$LAWDIR/productline/work/N-IBMSL-H/N-IBMSL-H
 - \$LAWDIR/productline/work/N-IBMSL-T/N-IBMSL-T
 - \$LAWDIR/productline/work/N-IBMSL-TM/N-IBMSL-TM

Windows NT directories:

- %LAWDIR%\productline\work\NEWHIRE\NEWHIRE
- %LAWDIR%\productline\work\N-IBMSL-H\N-IBMSL-H
- %LAWDIR%\productline\work\N-IBMSL-T\N-IBMSL-T
- %LAWDIR%\productline\work\N-IBMSL-TM\N-IBMSL-TM
- LAWDIRIproductline/work/NEWHIRE/NEWHIRE
- LAWDIRIproductline/work/N-IBMSL-H/N-IBMSL-H
- LAWDIRIproductline/work/N-IBMSL-T/N-IBMSL-T
- LAWDIRIproductlinelwork/N-IBMSL-TM/N-IBMSL-TM
- 4. Refer to the end of the listing created by New Hire Reporting (PR296) to find out whether the state accepts tapes or diskettes.

IMPORTANT If a state accepts both tape and diskette, format and transfer the file onto diskette. Some states do not accept tape or diskette for new hire reporting. In most of these cases, the printed New Hire Reporting (PR296) is acceptable.

- 5. If you are transferring New Hire Reporting (PR296) to diskette, convert the file to one of three formats:
 - Sequential format
 - UNIX-standard line sequential (CR)
 - MS-DOS and windows standard (CR/LF)

NOTE Contact the state you report to for details on the kind of format required. Use an MS-DOS or Windows compatible PC to create the diskette. A client-side FTP program is recommended for best results.

Completing Canada Record of Employment

Use ROE - Canada (PR282) to generate a report that contains the information needed to complete a manual ROE (Canada Record of Employment).

STOP Before completing ROE - Canada (PR282), you must complete the setup of Pay Plan (PR20.1), Employee (HR11.1), and HR Codes (HR04.2) or Personnel Action Reason (HR 83.5). For more information, see the *Human Resources User Guide*. For more information, see "Setting Up Pay Structure" on page 29. For more information, see "Assigning Employee Pay" on page 214.

Q Need More Details? Check out the following concepts:

• "What is the Canada Record of Employment?" on page 629

STEPS To complete Canada Record of Employment

- 1. Access ROE Canada (PR282).
- Complete the Employee tab. This information is used to complete Box 9 of the ROE. Address information for the employees comes from the Employee (HR11.1) Address tab. Consider the following fields.

| Employee | Contains the employee number. Each person employed by the company is assigned a unique number. |
|------------------|--|
| | The application uses the employee number to correlate all of the information related to that person. |
| Personnel Action | This field is used to determine the reason for the ROE. If none is specified, a reason will not be determined. |
| | Use reason code attached to the personnel action that interrupted the earnings to complete Box 16 of the ROE. |
| | On the Box 16 tab, map the personnel action reason codes to the ROE reason codes to complete Box 16 of the ROE. |
| Expected Recall | Select the value that indicates the status of the recall date. If no value is specified, Payroll does not return information for Box 14 of the ROE. |
| | If you select Yes, and Recall Date field is indicated, the value attached to the user field from Employee (HR11.1) is returned. Use this value to complete Box 14 of the ROE. |

| Special Calc | This field is used infrequently. If necessary, use this field to determine if you need to perform any special calculations on the earnings of the employee. The special calculation is typically performed on commission or contract employees. |
|------------------------------|---|
| Complete the Main ta | b. Consider the following fields. |
| Insurable Hours Pay Class | This field indicates the pay class representing the correct Insurable Hours and dollars. |
| Recall Date | Select the name of the user field that will return a recall date. If you do not specify a date, no information for Box 14 of the ROE is returned by the application. |
| | If you select the name of the user field, you must select Yes in the Recall Date field on the Employee tab. |
| | Use this date to complete Box 14 of the ROE. |
| French | Contains employee's language if it is other than the company's primary language. |
| Issuer | Select the employee number of the person who is the issuer of the ROE or contact for HRDC. Complete the work phone number for this individual on their Employee (HR11.1) record. Use the name and phone number from PR282 to complete Box 16 of the ROE. |
| File Create | Select whether or not a you use a file to generate laser ROEs. |
| | Select Yes to generate a report and file for the HRDC laser software. |
| | Select No to generate a report. |

4. Complete the Box 16 tab.

3.

On this tab, map the personnel action reason codes to ROE reason codes in boxes A-P. Specifying both the personnel actions (with the personnel action reason codes attached) on the Employee tab, and mapping the personnel action reason codes to the ROE reason codes must be done for Lawson to return the reason for the interruption of earnings on the report produced by PR282.

If you choose not to map the reason codes or use personnel action reason codes, Lawson will be unable to return a reason for the ROE.

5. Complete the Box 17 tab and Box 17 cont tabs.

Supply pay classes on these two tabs to report earnings that are paid solely during or in anticipation of the final pay period, or payable at a later date for an employee. If the amounts you reported in Box 17 are insurable, include them in Box 15A or 15B of the ROE, or explain the amounts in Box 18.

6. Choose the Submit form action to submit the report.

Followup

The application uses the addresses associated with the process level on the time records (report entity) to create the employer's name and address (Box 4 of the ROE). The application creates a separate ROE for each unique combination of Report Entity, Process Level, and Business Number Code that is found. Because of this structure, there is only one process level for each ROE.

The job description from the job code attached to the employee record is returned as "Occupation". Use this description to complete Box 13 of the ROE.

If changes to an employee's pay frequency are logged in history and the employee has a change in pay frequency during the reporting period, multiple ROE's are generated.

You must manually determine and enter the following required information on the ROE form or HRDC software:

- Contact person or name of person issuing ROE if the Issuer field is not complete on PR282, or the work phone number for the Issuer field is not complete on Employee (HR11.1)
- Statutory holidays for which amounts are owed that occur after the last day paid
- Earnings for which amounts are owed that are not mapped to a pay class for Box 17
- Paid sick leave, maternity leave, paternal leave, or group wage loss indemnity earnings that occur after the last day worked and are reported in Box 19
- Comments to appear in Box 18

Printing W-2 Forms

Use W-2 Forms (PR297) to produce edit reports, negative wage reports, or to print W-2 forms. This form is not an update report, so you can run it anytime during the year. PR297 produces an edit report in either detail or summary format that can be used to balance year-end totals. Define the parameters for PR297 on W-2 Parameters (PR27.1). For more information on Printing W-2 forms, see the *Payroll Year End Procedures Manual*.

Creating the W-2 forms and magnetic media file is typically completed in the middle of January after the year-end close, following the processing of a few payrolls for the new year.

IMPORTANT Lawson recommends you first run W-2 Forms (PR297) using the edit report options to identify any potential problems before printing the actual W-2 forms. You can run PR297 as often as necessary because it is not an update report. You can run it after your first payroll cycle of the new year.

STOP If you are a Lawson Software Tips user, prior to creating the final W-2 forms, you must run the Shortfall Allocation Calculation (TP100) in Update to update the shortfall allocation for employees. Continue by processing Magnetic Media (TP231) to create a file to copy to tape for reporting of the form 8027 information. For more information, see "Setting Up Tips" on page 197.

STEPS To Print W-2 Forms

- 1. Access W-2 Parameters (PR27.1).
- 2. Select and save specific parameters. For more information on selecting parameters, see the *Payroll Year End Procedures Manual*.
- 3. Access W-2 Forms (PR297).
- 4. Create a trial run of W-2 forms. In the Report Option field, select either Summary Report or Detail Report.

Payroll creates an error report if it recognizes any errors in the W-2 report it creates. Review the error report and correct any errors. After you create the trial run, check the W-2 forms for errors. If there are errors, make the necessary adjustments to the W-2 data and/or the W-2 parameters before you print your W-2 forms.

NOTE W-2 Forms (PR297) will not create a W-2 form for employees with negative data. These employees print on the Error report with the message, "No W-2 created, negative data exists," and are included in the Detail and Summary Edit reports and the Negative Wage report. 5. Print your W-2 forms.

IMPORTANT Lawson recommends you print a small test group of W-2 forms before you print the entire group. If you print a small test group of W-2 forms first, you can ensure that you have set all your software and hardware parameters correctly.

You can print the forms for a Company, Process Level, or a Head Process Level.

| Print W-2 forms for | Run |
|---------------------|---|
| Company | W-2 Forms (PR297) for a company. |
| | The report prints W-2 forms for each employee who had taxable earnings during the payroll year you select on W-2 Forms (PR297). |
| | If you use independent process levels and an employee has earnings in both an independent process level and a regular process level, the report creates a W-2 for the taxable earnings in each. |
| Process Level | W-2 Forms (PR297) for a company and process level. |
| | Payroll prints W-2 forms for employees who currently have the process level selected on Employee (HR11.1). |
| | If an employee has earnings in multiple process levels, all wages in the process level you selected for the employee on Employee (HR11.1) are reported. |
| | If an employee has earnings in the process level, but does not have the process level selected on Employee (HR11.1), the application will not print a W-2 form for the employee. |

| Print W-2 forms for | Run |
|---|--|
| Head Process Level | W-2 Forms (PR297) for a company and head process level. |
| | If you select a head process level on PR297, the report prints W-2 forms for that head process level only. If an employee had earnings in multiple dependent process levels that are attached to an independent head process level, the taxable earnings print under the head process level. |
| IMPORTANT Because the functionality of a head process level is | |

IMPORTANT Because the functionality of a head process level is different from a process level, Lawson recommends you create all your W-2 forms using either the process level option or head process level option. Do not use both options.

6. Back up the W-2 file after you print the W-2 forms. The kind of W-2 you select in the Report Option field on PR297 determines the directory and and name of the W-2 file.

NOTE Generate the W-2 magnetic media for a company, process level, or a head process level. If you use independent process levels and an employee has earnings in both an independent process level and a regular process level, the application creates a W-2 record for the taxable earnings in each.

- 7. Access W-2 Magnetic Media (PR298) to generate a magnetic media file.
- 8. After you create the magnetic media file, you can transfer the file in tape or diskette format. Refer to SSA Publication 42-007-TIB-4 (available from the Social Security Administration) for tape specifications.

Related Reports and Inquiries

| То | Use |
|--|---|
| Select specific parameters to include information in Boxes 10, 11, 12, 13, and 14 of your W-2 magnetic media | W-2 Parameters (PR27.1) |
| Calculate and report tips in excess of those deemed "wages" for | Tax Credit Calculation (TP140) |
| meeting the Federal minimum wage requirement and the SS/Medicare tax on the excess tips amount | NOTE This information can be used to take a tax credit on the corporate tax form. This report is not an update report, so it can be re-run as often as needed. |
| Produce a summary of each allocation level's gross receipts, charged receipts, charged tips, service charges, reported indirect tips income, reported direct tips income, and allocable tips reporting shortfall | Year End Allocation Summary Report (TP230) |
| | NOTE The report shows the number of directly and indirectly tipped employees that reported tip income summarized in the allocation level. |
Reports: U.S. and Canada Workers' Compensation

This chapter describes how to process third party government reports within the Lawson Payroll application.

STOP For workers' compensation premiums to calculate correctly, you must assign the appropriate workers' compensation classes to affected job codes, and the job codes must be attached to employee records. For more information, see "Defining U.S. Workers' Compensation Classes" on page 146. For more information, see "Defining Canada Workers' Compensation Classes" on page 150.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 651 The following concept provides background and conceptual information for the procedures within this chapter.

• "How Do I Calculate Workers' Compensation?" on page 650

How Do I Calculate Workers' Compensation?

With Payroll, you can calculate workers' compensation premiums based on parameters you define on the Workers Compensation Policy and Workers Compensation Classification forms.

You can calculate workers' compensation premiums on the basis of current job codes on Employee or on the basis of employee's job codes at the time of payment, provided you assigned workers' compensation classes to job codes on Job Codes.

To calculate the workers' compensation premiums, run the workers' compensation report after payroll is closed. Use the Workers' Compensation Report form to report workers' compensation.

Procedures in this Chapter

The following procedures explain how to submit third party reports.

- "Submitting United States Third-Party Reports" on page 651
- "Submitting Canada Third-Party Reports" on page 653

Submitting United States Third-Party Reports

You can use Workers' Compensation Report (PR278) to create a report for manual journal entries to the general ledger in lieu of a company deduction, or run the report to recalculate the premium amounts periodically. You can use manual journal entries to adjust entries created by each payroll cycle.

Q Need More Details? Check out the following concepts:

"How Do I Calculate Workers' Compensation?" on page 650

STEPS

- To submit United States third party reports
 Access Workers' Compensation Report (PR278).
- 2. Calculate the premiums based on the employee's current job.

– or –

Calculate the premiums based on the specific job stored in history for each payment.

IMPORTANT These options can result in different calculations, because an employee's job history might be different from the current HR11.1 record.

NOTE This report does not update the database. You can re-run it to accommodate lastminute changes to Workers' Compensation classification rates.

Related Reports and Inquiries

| То | Use |
|--|---|
| Review the payment inquiry to view a summary total of wages and deductions by employee for a specific quarter | Payment Inquiry (PR50.2) |
| View taxable wages or tax withheld for specific deductions or deduction classes | Employee Deduction Report (PR276) NOTE Four Report Options: Report |
| | option 1, Summary = Y provides summary level totals by process level/department Report option 1, Summary = N provides employee detail with process level/department breaks Report option 2, Summary = Y provides one total for the company Report option 2, Summary = N provides employee detail (alpha or numeric) with no process level/department breaks |
| Balance gross wages to taxable wages by tax category | Balancing Report (PR294) |
| Assist in balancing payroll data anytime during the year | W2 Forms (PR297) |
| | NOTE Choose from report options of Summary, Detail, or Negative Wages. An additional errors report will flag any problems with Social Security Numbers, or defined contributions that exceed the limit allowed by law. |
| Calculate and report tips in excess of those deemed "wages" for | Tax Credit Calculation (TP140) |
| meeting the Federal minimum wage requirement and the SS/Medicare tax on the excess tips amount | NOTE This information can be used to take a tax credit on the corporate tax form. This report is not an update report, so you can re-run it as often as needed. |
| Verify rates and premium set up for workers' compensation | US WC Classification Listing (PR218) |

Submitting Canada Third-Party Reports

Use Canada Workers Compensation Report (PR418) to calculate workers' compensation (WC) premiums on the basis of parameters defined on Canada Workers' Compensation Classification (PR18.2).

PR418 calculates assessable/excess wages from the beginning of the year through the To Date even if the report is being run just for a specific month. For example, when running for April 1, 2004 through April 30, 2004, the calculation of the assessable and excess wages includes the wages and taxable benefits from January 1, 2004 through April 30, 2004.

If an employee's payment is for 'hours only' type pay code and company paid taxable benefits are processed for the payment, PR418 processes the taxable benefits if the WC pay class includes the 'hours only'.

If an employee receives wages from different process levels on one payment, the earnings and benefits are reported by process level for PR418 Report Options 3 and 4.

STOP You must have WC classes defined on Canada Workers' Compensation Classification (PR18.2) or this report will not create premiums for employees.

Need More Details? Check out the following concepts:

"How Do I Calculate Workers' Compensation?" on page 650

STEPS To submit third party Canada reports

- 1. Access Canada Workers Compensation Report (PR418).
- 2. Complete the form. Consider the following fields:

| Company | Select the HR company you want to report workers' compensation for. |
|-------------|---|
| WC Province | Select the workers' compensation province you want to create the report for. |
| | The report select payments, history time records, and taxable benefit deductions based on the employee's country and the program parameters you select (i.e., process level, province, and check date). You can process an employee whose tax province is different from the WC Province. |

| Process Level | Select the process level for which you want to run the report. |
|----------------------------------|---|
| | The report select payments, history time records, and taxable benefit deductions based on the employee's country and the program parameters you select (i.e., process level, province, and check date). You can process an employee whose tax province is different from the WC Province. |
| Date (beginning field) | Type the beginning date of the range you want to create the report for. |
| | Select time records from this date range for assessable wage calculations. |
| | The report select payments, history time records, and taxable benefit deductions based on the employee's country and the program parameters you select (i.e., process level, province, and check date). You can process an employee whose tax province is different from the WC Province. |
| Date (ending field) | Type the end date of the range you want to create the report for. |
| | Select time records from this date range for assessable wage calculations. |
| Pay Class | Select the pay class you want to use to identify assessable wages. If you leave this field blank, the Payroll application uses gross earnings as the assessable wages in workers' compensation calculations. |
| Workers Compensation Class | Select whether or not you want to use the workers compensation (WC) class on the employees current job code. |
| | If you select Yes, the Payroll application uses the WC class on the employees current job code. If you select No, the Payroll application uses the WC class from the employees job code at the time the payment was issued. |
| Report Option | Select how you want to sort the report. You can choose to sort the report by: |
| | WC Class, Employee, Process Level/WC Class, or Process Level/Employee |
| | If you leave this field blank, WC Class defaults. |

| Summary Option | Select Detail Report or Summary report. If you leave this field blank, the application defaults to Summary Report. |
|----------------|--|
| | A detail report provides more information, but may take longer to process. |

3. Choose the Submit form action to submit the report.

Related Reports and Inquiries

| То | Use |
|--|--|
| Create a list of parameters defined on Canada workers' compensation classification | Canada WC Classification Listing (PR288) |

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Appendix A

Defaults and Overrides

This appendix describes the major defaulting schemes that affect the Payroll application.

Concepts in this Chapter

The following concept provides background and conceptual information for the defaulting schemes within this appendix.

How to Read Payroll Defaulting Flow Charts

The defauting flow charts show the logic Payroll applies to find a specific piece of information. Sometimes this information actually appears in a field on a form and other times the field remains empty, but Payroll knows to go to the next place in the defaulting scheme to find the piece of information.

The following flow chart shows the different elements of the defaulting flow chart and how they work together.



General Ledger Accounts Defaulting

The Human Resources application requires that you define four general ledger accounts when you set up a company on Company (HR00.1). Three of these accounts—the expense account, clearing account, and noncash account—can be overriden on different forms in Human Capital Management. The expense account can default for wage expenses or company paid deduction expenses. You also define the deduction accrual company and accounting unit.

This section explains how each account defaults.

- "Clearing Account" on page 659
- "Noncash Account" on page 660
- "Wage Expense Account" on page 660
- "Company-paid Deduction Expense Account" on page 663
- "Deduction Accrual Company and Accounting Unit" on page 664

Clearing Account

Gross payroll amounts are run through the clearing account and posted to a detail account. If payroll expenses are split into two accounting periods, the Payroll application posts the offsetting entries for each period to the clearing account.





Noncash Account

The noncash account represents the posting account where the credit entry is posted for noncash income.





Wage Expense Account

NOTE The distribution company and accounting unit default together and can default independently of the account and sub account. The expense account represents the posting account where you post the debit entry for salary and wage expense.

An expense distribution company, accounting unit, and account number is required at the company level.

The defaulting Payroll uses to find the wage expense account depends on whether or not the company uses positions for employees. You define how positions are used by the Payroll Application on Position Rules (PA06.1) in the Personnel Administration application. If you do not use the Personnel Administration application, Payroll follow the logic for defaulting without positions.

Payroll Distribution - Employees (PR23.1) overrides by percentage the normal distribution of wage for an employee or position. A value of Yes in the Payroll Distribution field on the time record indicates a payroll distribution override is defined for the selected employee/position and pay code. If you do not want to use the general ledger information defined on PR23.1, select No in the Payroll Distribution field.

If you select Yes in the Payroll Distribution field on the time record, the account information defined in Payroll Distribution - Employees (PR23.1) or Payroll Distribution - Positions (PR23.3) overrides the account information on the time record when you run Payroll Close (PR197).

Figure 44. Defaulting hierarchy: Wage expense account WITHOUT positions







Company-paid Deduction Expense Account

NOTE The distribution company and accounting unit default together and can default independently of the account and sub account. The wage expense account defined for the employee determines the general ledger expense account to which the company-paid deduction expense is charged *unless it is overridden at other levels.*

You can override the general ledger expense information used for company-paid deduction expense in the following areas:

- A payroll distribution
- The employee deduction master
- The deduction code
- Time record

If an override does not exist at any of these levels, deduction expenses follow wage expense account defaulting.

For company-paid deductions that are created by the Benefits Administration application, an additional level is included in the default scheme. For these deductions, the Payroll application looks first at PR23.1. If an override expense account is not defined for the deduction at this level, the application looks at the Employee Deduction file where benefit-deduction expense accounts are stored. If an expense account was not defined for the deduction created by the Benefits Administration application, the next level in the default scheme is PR05.1 If no expense account is defined for the deduction, the deduction expenses are posted to the same accounts to which the pay is posted.

Figure 46. Defaulting: Company-paid deduction expense account



Deduction Accrual Company and Accounting Unit

When you set up a company in the Human Resources application, you can define a distribution company and accounting unit for deduction accruals on the Accounts form tab on Company (HR00.1). If you leave the Deduction Accrual fields blank on HR00.1, the Payroll application uses the default scheme to determine the distribution company and accounting unit used for deduction accruals.

The Payroll application lets you define an accrual distribution company and accounting unit for a specific deduction or process level. If you do not define

an accrual distribution company and accounting unit for a deduction, process level, or company, the application uses the expense account distribution company and accounting unit defined for the employee on the Pay form tab on HR11.1 (Employee) for the accrual accounting unit.

There are five levels at which you can identify an accrual accounting unit:

Employee Deduction

For deductions created by the Benefits Administration application, the first default level for accrual account information is the Employee Deduction file where the accrual account information defined for deductions created by the Benefits Administration application is stored. If an account number without a distribution company or accounting unit is found in the Employee Deduction file, the application uses the normal default scheme to display the distribution company, the accounting unit, or both.

Deduction

You can assign a general ledger accrual account to a deduction. If you leave the Accrual Distribution Company and Accounting Unit fields blank, Payroll uses the deduction-accrual distribution company and accounting unit defined for the process level.

Process level

You can define a general ledger deduction accrual distribution company and accounting unit for a process level on the Accounts tab on Process Level (HR01.1). If you leave either the Deduction Accrual Distribution Company or the Accounting Unit field blank, the application uses the distribution company or the accounting unit, or both, defined for the company.

Company

You can define a general ledger deduction accrual distribution company and accounting unit for a company on the Accounts tab on Company (HR00.1). If you leave either the Deduction Accrual Distribution Company or the Accounting Unit field blank, the application uses the distribution company or the accounting unit, or both, defined for the employee.

Employee

The application uses the expense distribution company and accounting unit defined on the Pay tab on Employee (HR11.1) for deduction accruals if neither the distribution company nor the accounting unit is defined at the deduction level, process level, or company level. The expense distribution company

and accounting unit can default to the employee from the process level or company. For more information, see "Wage Expense Account" on page 660.

Figure 47. Defaulting hierarchy: Deduction accrual company and accounting unit



When you create a time record for an employee, you can enter a value in the Rate field or allow a rate to default.

Payroll time records use the pay rate and grade range schedule from the Employee record *unless overridden at other levels* in the defaulting scheme.

If you use the Lawson Personnel Administration application you can establish defaults according to positions or jobs for the Payroll time record values of process level, department, job code, shift, and step and grade schedule. You can set up defaults according to an employee's primary (Level 1) position or job, all positions or jobs (Levels 1 through 5), or no positions or jobs. Selections you make on Positions (PA02.1) and Position Rules (PA06.1) determine whether position management information defaults to Payroll application time records. When you define these rules, it is important to understand the defaulting schemes and position management. For more information about position management, see the *Personnel Administration User Guide*.

The following sections describe the Payroll defaulting schemes

- "Pay Rate Defaulting without Positions" on page 667
- "Pay Rate Defaulting with Positions" on page 670
- "Key Pay Rate Defaulting Fields" on page 672

Pay Rate Defaulting without Positions

You can set up employee pay rates in several different places within the Payroll application. If you do not enter a pay rate when you add a time record, the application uses a specific path to look for the pay rate:

- The pay rate on the Pay tab of the Employee (HR11.1) is the final default.
- The Alternate Rates button on HR11.1 can also be used to override the employee pay rate for specific pay codes, job codes, or combinations therein.

The following flowchart shows how the default pay rate is used on the time record if you do not use the Personnel Administration application or if you select Ignore Positions or Primary Positions in the Pay Rate field on Position Rules (PA06.1).

When you create a time record, you can type a value in the Rate field or you can let a rate default.

Pay codes are defined on Pay Codes (PR20.4). For more information, see "Key Pay Rate Defaulting Fields" on page 672.

Alternate rates are defined with the Alternate Rate subform of HR11.1. For more information, see "Key Pay Rate Defaulting Fields" on page 672.

For a rate of pay to default from a pending action, the time record must correspond to the effective date of the pending action.

When you set up a company, you can determine whether or not the application logs field changes to a history file by setting the appropriate parameters on

Data Item Attributes (HR10). For a rate to default from the history file, you must log field changes and the date of the time record must match the date of the history file record.

If the pay rate is determined by the Employee Position/Job Record, the pay rate, annual hours, and FTE will be used to calculate the wage.

Payroll calculates gross pay when you add a time record to the application.

Figure 48. Defaulting hierarchy: Pay Rate



Pay Rate Defaulting with Positions

You can set up employee pay rates in several different places within the Payroll application. If you do not enter a pay rate when you add a time record, the application uses a specific path to look for the pay rate:

- The pay rate on the Pay form of the employee record is the final default.
- The Alternate Rates button on Employee (HR11.1) can also be used to override the employee pay rate for specific pay codes, job codes, or combinations therein.

When you create a time record, you can type a value in the Rate field or you can let a rate default.

Pay codes are defined on Pay Codes (PR20.4). For more information, see "Key Pay Rate Defaulting Fields" on page 672.

Alternate rates are defined with the Alternate Rate subform of HR11.1. For more information, see "Key Pay Rate Defaulting Fields" on page 672.

For a rate of pay to default from a pending action, the time record must correspond to the effective date of the pending action.

When you set up a company, you can determine whether or not the application logs field changes to a history file by setting the appropriate parameters on Data Item Attributes (HR10). For a rate to default from the history file, you must log field changes and the date of the time record must match the date of the history file record.

When you use step and grade pay schedules and have selected All Positions in the Pay Rate field of Position Rules (PA06.1), the application looks at the employee's position/job record and then looks for the pay rate on the Position. In addition, when using step and grade pay schedules, employee alternate rates will not be considered in the defaulting of pay rates.

When you use All Positions, be aware of the following implications for defaulting the rate of pay in positions 2 through 5.

If the application finds pending actions that exist for active positions 2 through 5, the Pending Position/Job Actions rate of pay will default.

If any position 2 through 5 is selected on the time record and there is an ending date on that position that falls within the pay period as represented by the time record date, the application will continue through the defaulting scheme to Pending Actions For Employee for the primary position for the rate of pay.

The flowchart shows how the default pay rate is used if you select All Positions in the Pay Rate field on Position Rules (PA06.1).

Figure 49. Defaulting hierarchy: Pay Rate with Positions



Key Pay Rate Defaulting Fields

The following tables provide information on the key fields used as the default rates of pay from Pay Codes (PR20.4) or the Alternate Pay Rates subform of Employee (HR11.1). The date range of an alternate pay rate is compared to the time record date to determine the default alternate pay rate.

Pay Codes

| Pay rate defined for | Uses the default if |
|--|---|
| A pay code unique to a specific process level and job code | The Rate field is left blank when a time record is created for an employee matching both the process level and the job code. |
| A pay code unique to a specific job code | The Rate field is left blank when a time record is created for an employee matching the job code. |
| A pay code unique to a specific process level | The Rate field is left blank when a time record is created for an employee matching the process level. |
| A pay code without a specific process level and job code | The Rate field is left blank when a time record is created. |

Alternate Rates Without the Personnel Administration System (or Ignore Positions selected in the Pay Rate Field of PA06.1)

| Pay rate defined for | Uses the default if |
|---|--|
| The Alternate Pay Rates subform unique to a specific process level or department and job code and pay code | The process level or department and job code and pay code match the process level/department and job code and pay code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific process level or department and pay code | The process level or department and pay code match the process level/department and pay code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |

| Pay rate defined for | Uses the default if |
|---|---|
| The Alternate Pay Rates subform unique to a job code and pay code | The job code and pay code match the job code and pay code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific pay code | The pay code matches the pay code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific process level or department and job code | The process level or department and job code match the process level or department and job code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific process level or department | The process level or department and job code and pay code match the process level/department defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific job code | The job code matches the job code for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform without a department or process level or job code or pay code | The time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |

Alternate Rates With the Personnel Administration System (and 1 or 2 in Selected in the Pay Rate field of PA06.1

| Pay rate defined for | Uses the default if |
|--|--|
| The Alternate Pay Rates subform unique to a specific process level or department and position and job code and pay code | The process level or department and position and job code and pay code match the process level or department and position and job code and pay code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific process level or department and position and pay code | The process level or department and position and pay code match the process level/department and position and pay code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific process level or department and job code and pay code | The process level or department and job code and pay code match the process level/department and job code and pay code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific process level or department and pay code | The process level or department and pay code match the process level/department and pay code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific position and job code and pay code | The position and job code and pay code match the position and job code and pay code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |

| Pay rate defined for | Uses the default if |
|---|--|
| The Alternate Pay Rates subform unique to a specific position and pay code | The position and pay code match the position and pay code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific job code and pay code | The job code and pay code match the job code and pay code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific pay code | The pay code matches the pay code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific process level or department and position and job code | The process level or department and position and job code match the process level/department and position and job code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific process level or department and position | The process level or department and position match the process level/department and position defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific process level or department and job code | The process level or department and job code and match the process level/department and job code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |

| Pay rate defined for | Uses the default if |
|--|--|
| The Alternate Pay Rates subform unique to a specific process level or department | The process level or department matches the process level or department defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific position and job code | The position and job code match the position and job code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific position | The position matches the position defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform unique to a specific job code | The job code matches the process job code defined for the alternate pay rate; the time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |
| The Alternate Pay Rates subform | The time record date is within the effective date range of the alternate rate; and the Rate field is left blank for the time record. |

| "Distribution Process Level and Department Defaulting" on page 677 | How the distribution process level and the department default to the time record. |
|---|---|
| "Job Code and Shift Defaulting with Positions" on page 679 | How the job code and shift default to the time record. |
| "Grade Range Schedule Defaulting" on page 679 | How the grade range schedule defaults to the time record. |
| "Step and Grade Range Schedule Defaulting" on page 682 | How the step and grade range schedule defaults to the time record. |

The following items can default onto the time record:

Distribution Process Level and Department Defaulting

The process level on the time record is used as the distribution process level to report pay amounts and hours worked. It is also used to store payment history or create a payment from a different bank account. Payroll uses the following defaulting schemes to determine the appropriate distribution process level.





The following flowchart shows how the default process level and department are used on the time record if you select All Positions in the Process Level, Department field on Position Rules (PA06.1).

Figure 51. Defaulting hierarchy: Distribution process level and department WITH positions



Job Code and Shift Defaulting with Positions

The following flowchart shows how the default job code and shift are used on the time record if you select All Positions in the Job Code, Position field on Position Rules (PA06.1).





Grade Range Schedule Defaulting

The following flowchart shows how the default grade range schedule is used on the time record if you do not use the Personnel Administration application or you select Ignore Positions or Primary Positions in the Schedule field on Position Rules (PA06.1).

Figure 53. Defaulting hierarchy: Grade range schedule WITHOUT positions



Grade Range Schedule Defaulting with Positions

The following flowchart shows how the default grade range schedule is used on the time record if you select All Positions in the Schedule field on Position Rules (PA06.1).





Step and Grade Range Schedule Defaulting

The following flowchart shows how the default step and grade range schedule are used on the time record if you select Ignore Positions or Primary Positions in the Schedule field on Position Rules (PA06.1).

Figure 55. Defaulting hierarchy: Step and grade range schedule



Step and Grade Range Schedule Defaulting with Positions

The following flowchart shows how the default step and grade range schedule are used on the Time record if you select All Positions in the Schedule field on Position Rules (PA06.1).

Figure 56. Defaulting hierarchy: Step and grade range schedule with positions



Appendix **B**

U.S. Garnishment Formulas

The following chapter provides information on U.S. garnishment formulas.

Wage Exemption Formulas

The following table shows the garnishment wage exemption formulas that the Payroll application uses to calculate wages exempt from garnishment (income protected). You define which formula to use for a garnishment on Garnishment Rules (PR25.2). You can override the garnishment formula by selecting a formula for an employee garnishment on the Formula tab on the Employee Garnishment (PR26.1).

| Formula | Condition | Calculation |
|-------------------------------------|--|---|
| 01 (Federal CCPA for Support) | If the employee has a second family defined on the Family tab of PR26.1 | The exemption is the percent of disposable income in the Second Family, Yes field on PR25.2 - Disposable Income tab. |
| | If the employee does not have a second family defined on the Family tab of PR26.1 | The exemption is the percent of disposable income in the Second Family,No field on PR25.2 - Disposable Income tab. |
| | If Yes is selected in the Over 12 Weeks field on PR26.1 - Arrears tab | The exemption is reduced by the percent in the Addl %,Arrears over 12 weeks field. |
| 02 (Tax Levy Exempt Wage Tables) | (None) | The exemption is calculated using employee information from Employee Garnishment (PR26.1) and the United States Tax Levy Table (PR10). Lawson provides annual updates to the Federal Tax Levy Tables in csv format, which can be loaded using PR910. Define and enter State Tax Levy Tables directly on PR10. |

| Formula | Condition | Calculation |
|--|--|--|
| 03 (Federal CCPA for other garnishments) | (None) | The exemption is the greater of: a.) the amount in the Rate field multiplied by the Federal minimum wage from the Min Wage button on PR06.1 - or - b.) the percent of disposable income in the Factor 1 field. |
| 04 (Federal Limits on Student Loans held by State Guarantor) | If the employee has a single student loan garnishment order | The exemption is the percent of disposable income in the Factor 1 field. |
| | If the employee has multiple student loan garnishment orders | The exemption is capped at 75% of disposable income for the sum of all student loan garnishment orders. |
| 05 (Federal Limits on Other Student Loans) | If the employee has a single student loan garnishment order. | The exemption is the percent of disposable income in the Factor 1 field. |
| | If employee has multiple student loan garnishment orders | The exemption is capped at 75% of disposable income for the sum of all student loan garnishment orders. |
| 10 (% Of Disposable Income) | (None) | The exemption is the percent of disposable income in the Factor 1 field. |
| Formula | Condition | Calculation |
|---|--|---|
| 11 (> Of Rate Or % Of Disp Income) | | The exemption is the greater of: a.) the amount of disposable in the appropriate Factor field, based on pay frequency. (If the employee is paid weekly, Factor 1 is used. If the employee is paid biweekly, Factor 2 is used. If the employee is paid semimonthly, Factor 3 is used. If the employee is paid monthly, Factor 4 is used.) - or - b.) the percent of disposable income, based on family status. |
| | If arrears exist | Reduce the percent in the 2nd family field by the percent in the Arrears Addl % field. |
| | If exemptions are not based on family status | Type the same percent in both the Second Family,Yes and Second Family, No fields. |
| 12 (> Of Rate Or % Of Disp Income) | (None) | The exemption is the greater of: a.) the amount in the Rate field multiplied by the Federal minimum wage from the Min Wage button on PR06.1 - or - b.) the percent of disposable income in the Factor 1 field. |
| 13 (% Of Disp Inc Less Amt Or Pct Dep) | If there are no dependents | The exemption is the percent of disposable income in the Factor 1 field. |
| | If there are dependents | The exemption is the percent of disposable income in the Factor 1 field minus the percent in the Per Dependent field. |

| Formula | Condition | Calculation |
|--|---------------------------------|--|
| 14 (% Of Disp Inc Based On Nbr Of Garn) | If there is only one order | The exemption is the percent of disposable income in the Factor 1 field. |
| | If there are multiple orders | The exemption is the percent of disposable income in the appropriate Second Family,Yes or Second Family, No field on PR26.1. |
| 15 (Flat Amt Per Pay Frequency) | (None) | The exemption is the amount of disposable income in the appropriate Factor field. |
| | | (If the employee is paid weekly, Factor 1 is used. If the employee is paid biweekly, Factor 2 is used. If the employee is paid semimonthly, Factor 3 is used. If the employee is paid monthly, Factor 4 is used.) |
| 16 (Flat Amt Plus Amt Per Dep) | (None) | The exemption is the amount of disposable income in the appropriate Factor field plus the amount in the Per Dependent field. |
| | | (If the employee is paid weekly, Factor 1 is used. If the employee is paid biweekly, Factor 2 is used. If the employee is paid semimonthly, Factor 3 is used. If the employee is paid monthly, Factor 4 is used.) |

| Formula | Condition | Calculation |
|-------------------------------------|---|--|
| 17 (% Of Gross Pay) | If the employee does not have a second family | The exemption is the percent of gross pay in the Factor 1 field. Note that it is acceptable for Factor 1 to contain zero to represent an exemption of 0% gross pay. |
| | If the employee has a second family | The exemption is the percent in the Second Family, Yes field on PR26.1. |
| 18 (< Rate Or % Of Disp Income) | | The exemption is the lesser of: a.) the amount in the Rate field multiplied by the Federal minimum wage from the Min Wage button on PR06.1 - or - b.) the percent of disposable income in the Factor 1 field. |
| 19 (Rate Plus Amt Per Dep) | | The exemption is the amount in the Rate field multiplied by the Federal minimum wage (from the Min Wage button on PR06.1) plus the amount defined per week for each dependent. |
| 20 (Flat Amt If Head Of Family) | If the employee is the head of the family (defined on PR26.1) | The exemption is the amount of disposable income in the appropriate Factor field for the appropriate garnishment Category. |
| | | (If the employee is paid weekly, Factor 1 is used. If the employee is paid biweekly, Factor 2 is used. If the employee is paid semimonthly, Factor 3 is used. If the employee is paid monthly, Factor 4 is used.) |

| Formula | Condition | Calculation |
|--|---|---|
| | If the employee is the head of the family, and garnishment category is L (Loans), and the protection provided by the greater of state or Federal rule is less than 30 times Federal Minimum Wage. | The exemption is 30 times Federal Minimum Wage. |
| | If the employee is not the head of the family | The exemption is the same as Formula 01. |
| 21 (Rate Or % Of Disp Inc For Head) | If the employee is the head of the family (defined on PR26.1) | The exemption is greater of: a.) the amount in the Rate field multiplied by the Federal minimum wage per week (from the Min Wage button on PR06.1) - or - b.) the percent of disposable income for the head of the family in the Factor 1 field. |
| | If the employee is not the head of the family | The exemption is the same as Formula 01. |
| 22 (% Of Disp Inc By Income Level) | (None) | Exemptions are based on different levels of disposable income. |
| | | The exemption is 95% of the amount in the Factor 1 field; 90% of the amount in the Factor 2 field; and 80% of the difference between disposable income and the amount in the Factor 3 field. |
| | | Values entered for Factor 2 and Factor 3 are calculated as monthly amounts. |
| 23 (% Of Gross Plus Amt Per Dep) | If the employee does not have a second family (defined on PR26.1) | The exemption is the percent of gross income in the Second Family,No field. |

| Formula | Condition | Calculation |
|--|---|---|
| | If the employee has a second family | The exemption is the percent of gross income in the Second Family,Yes field plus the amount in the Per Dependent field for each dependent. |
| 24 (Rate multiplied by Fed Minimum Wage) | (None) | The exemption is the amount in the Rate field multiplied by the Federal minimum wage (from the Min Wage button on PR06.1). |
| 25 (% Of Disp Inc Gross By Inc Level) | | The exemption varies according to the amount of disposable income. |
| | If the disposable income is less than or equal to 30 times the Federal minimum wage (from the Min Wage button on PR06.1) | The exemption is 100%. |
| | If the disposable income is between 30 and 40 times the Federal minimum wage | The exemption is the greater of a.) the disposable income up to 30 times the Federal minimum wage - or - b.) 90% of the gross income. |
| | If the disposable income is equal to or greater than 40 times the Federal minimum wage | The exemption is the greater of: a.) 75% of the disposable income - or - b.) 90% of the gross income. |
| | If the employee is subject to both a New York State Tax Levy and a Child Support order | The exemption is calculated so that the New York State Tax Levy takes no more than 25% of the employee's disposable income. The Child Support order can reduce or deplete the amount that is available for the New York State Tax Levy deduction. |

| Formula | Condition | Calculation |
|---|-----------|--|
| 26 (> % Disp Inc Or Rate + Amt By Dep) | (None) | The exemption is the greater of: a.) the percent of weekly disposable income in the Factor 1 field - or - b.) the disposable income that exceeds the amount in the Rate field multiplied by the Federal minimum wage (from the Min Wage button on PR06.1) plus the amount in the Per Dependent field for each dependent. |
| 27 (Amt Per Dep + CCPA Other Garn) | (None) | The exemption is the greater of: a.) the amount in the Rate field multiplied by the Federal minimum wage (from the Min Wage button on PR06.1) - or - b.) the percent of disposable income in the Factor 1 field. |
| | | In addition, the amount in the Per Dependent field on PR26.1 is exempted for each dependent. |
| 28 (> % Of Gross Pay Or Rate) | (None) | The exemption is the greater of: the percent of gross income in the Factor 1 field - or - the amount in the Rate field multiplied by the Federal minimum wage (from the Min Wage button on PR06.1). |
| 29 (No Wages Exempt From Garn) | (None) | The exemption is a percent or amount of the disposable income with no protection. |
| 30 (Flat Amt Plus % Of Gross Pay) | (None) | The exemption is the amount of gross wages in the Factor 1 field plus 50% of all wages due in excess of the amount in the Factor 2 field. |

| Formula | Condition | Calculation |
|---|---|--|
| 31 (% Of Disp Inc If Head Of Family) | If the employee is the head of the family (defined in PR26.1) | The exemption is the percent of disposable income in the Factor 1 field. |
| | If the employee is not the head of the household | The exemption is the same as Formula 01. |
| 32 (Flat Amt Of Gross Pay) | (None) | The exemption is a flat amount of gross pay in the appropriate Factor fields. |
| | | (If the employee is paid weekly, Factor 1 is used. If the employee is paid biweekly, Factor 2 is used. If the employee is paid semimonthly, Factor 3 is used. If the employee is paid monthly, Factor 4 is used.) |
| 33 (Amt % Based On Gross Pay Levels) | (None) | The exemption is the gross weekly earnings that are less than or equal to the amount in the Factor 1 field. |
| | | If the gross weekly earnings are greater than the amount in the Factor 1 field but less than the amount in the Factor 2 field, only the amount greater than the Factor 1 field can be subject to garnishment. |
| | | If the gross earnings per week are greater than or equal to the amount in the Factor 2 field, the percent of gross earnings in the Factor 3 field is exempt. |
| 34 (% Of Disp Inc Amt Plus \$1) | If the employee owes support only | The exemption is the percent of disposable income in the Factor 1 field. |

| Formula | Condition | Calculation |
|---|--|--|
| | If the employee owes support and arrears | The amount to be withheld is the greater of: a.) the percent of disposable income in the Factor 2 field - or - b.) the current amount due plus \$1.00 not exceeding the percent of disposable income in the Factor 1 field. |
| | If the employee owes arrears only | The exemption is the greater of: a.) the percent of disposable income typed in the Factor 3 field - or - b.) the amount typed in the Rate field multiplied by the Federal minimum wage (from the Min Wage button on PR06.1). |
| 35 (% of Adjusted Gross Pay With Minimum) | None | The exemption is the lesser of: A) adjusted gross pay times the protection percent in Factor 1 |
| | | – or – |
| | | B) adjusted gross pay minus the minimum garnishment in Factor 2, where adjusted gross pay is gross pay minus the adjustment amount in Factor 3. Values entered for Factor 2 and Factor 3 are calculated as weekly amounts. |
| | | Note that it is acceptable for Factor 1 to contain zero to represent an exemption of 0% of adjusted gross pay. |

| Formula | Condition | Calculation |
|--|-----------|---|
| 36 (Subtract Excluded Deductions after Exempt Wage Calculation) | None | Disposable income is calculated using the percent value typed in the Factor 1 field before the excluded deductions reduce the available amount. |
| 99 | | Use the User Exit. |

Appendix C

Documentation Conventions and Support

Documentation Conventions

This document uses specific text conventions and visual elements.

| This | Represents |
|------------|---|
| bold | A key name or function key name. For example, Shift is a key name and Help (F1) is a function key name. |
| | A value or command that must be typed exactly as it appears. |
| | A program or file name. |
| italics | A manual title or form name. |
| | An emphasized word or phrase. |
| | A placeholder for a user-defined value or variable. |
| (F1)–(F24) | A function key number. "Press Help (F1) " instructs you to press the key mapped for the (F1) function. |
| Key1+Key2 | A key combination. "Press Shift+FndNxt (F3) " instructs you to press and hold down the Shift key and then press the FndNxt (F3) function key. Release both keys to complete the action. |
| [] | Optional parameters. Type none, one, or more of the parameters within the brackets. For example, the command: |
| | qsubmit [-Un] [-j JobQueue -d Date - t Time] username jobname |
| | means that you can type a specific job queue, date, or time, or you can omit these parameters. |
| [] | Optional parameters. You can type only one of the parameters separated by a vertical line. For example, the command: |
| | phraserpt[-n t] BaseLanguage [Translation] |
| | means that you can type either the n or t parameter; you cannot type both. |
| | A parameter that can be repeated. For example, the command: |
| | <pre>scrgen [-scxvV] productline [systemcode [programcode]]</pre> |
| | means that you can type any number of program codes. |

Text Conventions

Visual Elements

STOP Information you need to know before you attempt the procedure or process.

IMPORTANT Important information to consider when you perform the procedure.



CAUTION Cautionary information about actions that involve a risk of possible damage to equipment, data, or software.



WARNING Warning information about actions that involve a risk of personal injury or irreversible destruction to the data or operating system.

Product Documentation

Lawson offers the following product documentation:

- Online help
- User guides and manuals
- Release notes and installation instructions

To find Lawson documentation, see the user interface or http:// support.lawson.com. To obtain a login password and ID for the Support site, see your organization's Lawson contact or your Lawson client manager.

Global Support Center

Lawson Global Support Center (GSC) services are available to all Lawson customers who are on maintenance support for Lawson products. See the *Global Support Manual* for the following information:

- What information to gather before you contact the GSC
- How to contact the GSC
- How the GSC processes your request
- · Which services are standard maintenance and which are billable

To find the *Global Support Manual*, see http://support.lawson.com. To obtain a login password and ID for the support web site, see your organization's Lawson contact or your Lawson client manager.

Documentation Contact

We welcome your questions or suggestions about Lawson documentation. Please send comments to documentation@lawson.com.

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