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# **Datatech Accounting Software**

## **Webinar Training**

### **Quarter & Year End Payroll Processes**



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Your Source for Ag Software

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# Payroll Year End Check List

## Prep Work:

- ☐ Order W2's & 1095 forms
- ☐ Enter any Fringe Benefits on employees last check
- ☐ Review Health Benefit Records
- ☐ Review Employee List for missing information or accounts to merge
- ☐ Check special wages codes for appropriate W2 box settings
- ☐ Audit pre-tax wage codes to deductions
- ☐ Gather Payment totals for each tax, audit any discrepancies and make additional payment
- ☐ Audit Covid Leave Wages
- ☐ Multi-state – Audit state totals & taxes (i.e. Arizona/California SDI discrepancies)
- ☐ Check your logins for the W2 file (BSO Online) and any other agencies you will need to upload files to

## Closing:

- ☐ Use the Payroll Tax Reports Control Center to close the 4<sup>th</sup> quarter and 2020 year before 1<sup>st</sup> payroll of 2021

## Quarterly Reports:

- ☐ Quarterly State Reports – use for CA, OR, WA electronic filing and other states printed/generic report.
- ☐ State Quarterly Electronic file – AZ, FL, GA, MI, NC, NM, TX
- ☐ Federal Form 941 if you have employees classified as such

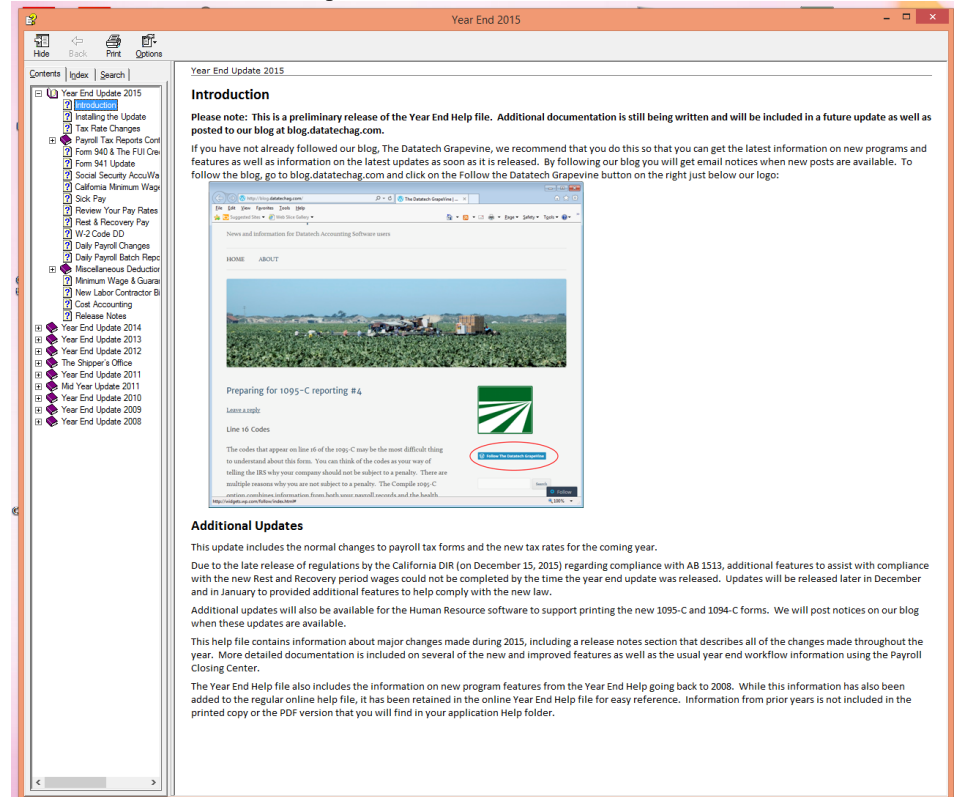
## Year End Reports:

- ☐ State reports – as needed  
(CA does not have year end reporting)
- ☐ Federal Form 943
- ☐ Federal Form 940
- ☐ Edit W-2 Information (Compile DD Amounts, HAS, Covid Leave)
- ☐ Print W-2's for employees
- ☐ Create W-2 Electronic file/Print for IRS
- ☐ Use Accuwage to check file before uploading to IRS
- ☐ Use W2 Electronic file for state annual filing \*applicable only to certain state
- ☐ Print Employee 1095's
- ☐ Create 1094/1095 file/print forms for IRS

# Year End Help

Your first link for help on year end processes is the Year End Help menu. You can access the Year End Help from the main Help menu.

Datatech will email as soon as the 2020 Year End Update is released and a new section will be added to the Year End Help file:



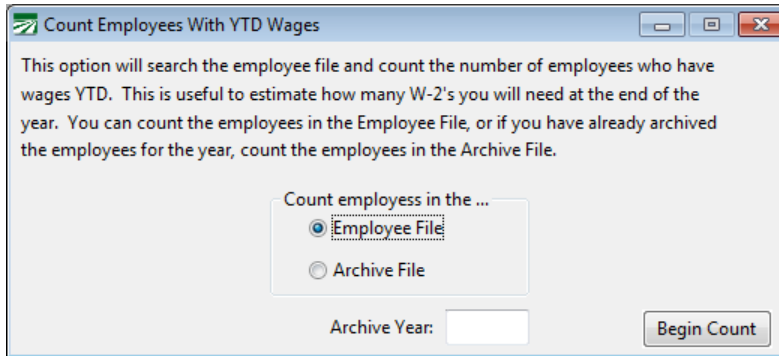
## Review Instructions for Forms

While Datatech software completes most forms for you, you should be familiar with the details and instructions for completing the forms. This is especially true of rules regarding pre-tax deductions, fringe benefits and printing the cost of the employer sponsored health coverage on W-2's.

Instructions for the forms can be accessed from the respective website of the form (i.e. [irs.gov](http://irs.gov) for federal forms and [edd.ca.gov](http://edd.ca.gov) for California forms)

# Count Employees With YTD Wages/Order W-2's

This option is useful to find out how many W-2's you need to order. To use this option, go to the Payroll menu, then the Year End Tax Reporting option, and select Count Employees With YTD Wages. The following window will open:



Count Employees With YTD Wages

This option will search the employee file and count the number of employees who have wages YTD. This is useful to estimate how many W-2's you will need at the end of the year. You can count the employees in the Employee File, or if you have already archived the employees for the year, count the employees in the Archive File.

Count employees in the ...

☒ Employee File

☐ Archive File

Archive Year:

Begin Count

## Count employees in the...

If you have not archived employee totals, select the Employee File. If you have archived and started the new year, then you need to select the Archive File and enter the year to count.

## Archive Year

Enter the year to count employees for.

## Begin Count

Click here to begin counting.

## Ordering Information for W2's was published on our blog:

<https://datatechag.com/w2-ordering-printing-information/>

# Reviewing Employee Information

Before even beginning closing process it would be beneficial to review your employee information to look for issues that may need to be corrected.

This could include: Missing or incorrect information in the Employees Name, SSN or Address or duplicate employees.

## Abbreviated/Detail Employee List

The screenshot shows the 'Employee List' window with the following settings:

- Print Order:** ☒ Alphabetic, ☐ Account #, ☐ Social Security #, ☐ Crew #/Alpha
- Wages Selection:** ☐ Quarter to Date Wages, ☐ Year to Date Wages, ☒ All Employees, ☐ Employees With Notes
- Select...:** ☐ Invalid S.S. #'s, ☐ Not Rehirable, ☐ Need I9 #, ☐ No-Match Letter, ☐ H-2A Employees
- Employee Status:** ☐ Active, ☐ Inactive, ☒ All
- Employee Type:** ☐ Regular (941), ☐ Agricultural (943), ☒ All
- Report Type:** ☒ Abbreviated-Portrait, ☐ Custom, ☐ Abbreviated-Landscape, ☐ Detail. A 'Customize...' button is next to the Custom option.
- Search Fields:** State: [ ], Crew #: [ ], Department: [ ], Filename: [ ].
- Filters:** Select by Check Issued After: [ / / ], Starting Date Hired: [ / / ], Ending Date Hired: [ / / ].
- Options:** ☐ Include Rehire Dates, ☐ Print Employee Notes.
- Buttons:** Preview, Print Setup, Print, Cancel.

### Quick Review for duplicate employees

One way to review your employee list for duplicate employees, is to change the Print Order to Alphabetic and the Wage Selection to Year to Date Wages. The report can be previewed and scanned for obvious duplicates.

### Employees with Missing/Incomplete SSN

To review just employees with missing or incomplete SSN's, select the option Invalid S.S.#'s. Then, you may want to search for these employees using the Search option to determine whether they have a duplicate account.

### Exporting to Excel for further Sorting/Review

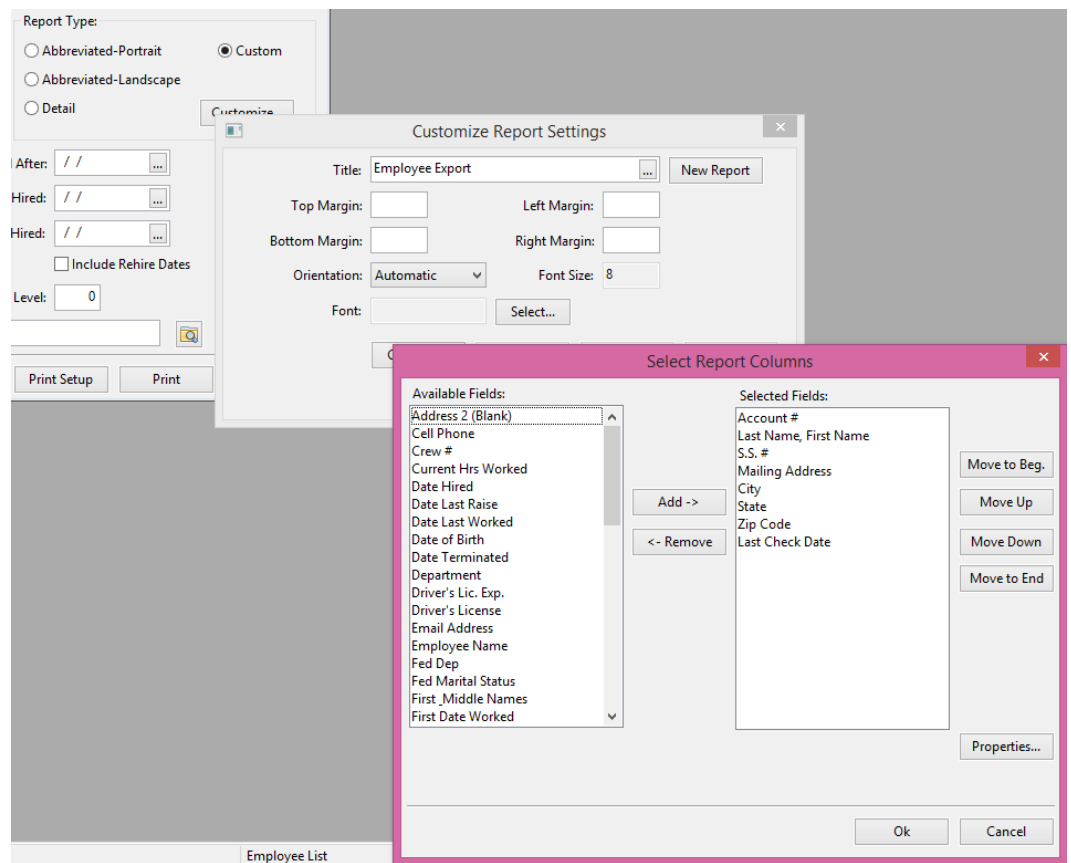
The Custom option in the Report Type allows you to select what information is printed and exported to Excel.

After selecting the Custom option, click on the Columns button. Then, enter a Title for your export. The options you select will be saved with this report name.

Then click on the Columns button and select the Columns you would like printed & exported to Excel.

Click OK on the columns selection and OK on the Report settings to save your selections.





Then select the location where you want to save the Excel file and preview.

The Excel file will open once the report is complete.

### Sorting in Excel

To further sort your list in Excel, press the Ctrl key and A to select all entries. Then go to Data > Sort. Select the column you'd like to sort by. For example to look for duplicate mailing addresses, you can select the respective column.

Account #	First Name	Last Check Date	S.S. #	Mailing Address	City	State	Zip Code	Last Name	Department	Date Hired
101	JOHN	11/17/2016	775-00-0005	1911 N FINE	FRESNO	CA		AYALA	FIELD	12/01/2015
104	VICTOR	09/30/2016	000-00-0000	4542 ROAD 53	FRESNO	CA	93726	BALTAR		01/01/2015
108	PEDRO	11/17/2016	542-00-543	4509 N AVE 100	FRESNO	CA	93727	CASTRO		12/01/2015
1005	DAVID	11/17/2016	000-00-0010					CEJA		
8059	GREGORIC	08/17/2016	000-00-0007							
116	GUADALU	11/17/2016	999-00-9876							
102	ROGELIO	11/17/2016	515-25-1525							
1006	JORDAN		666-00-1234	1245 AVE 12						
1000	JUAN	09/30/2016	525-15-2515	52152 AVE 125						
1002	JUAN	09/30/2016	466-56-5435	65 AVE 24						
1001	MARIA	09/30/2016	123-00-9999	235 ROAD 15						
110	MARIA	11/17/2016	000-00-0006	100 AVE 54						
1050	JOSE	09/30/2016	857-00-1234	2515 ROAD 25						
4137	ALEJANDRO	09/30/2016	000-00-0002							
1373	ARTUNO	09/16/2016	555-99-9876							
6972	JOSE	09/16/2016	000-00-0001	5698 AVE 12						
1004	MARIA	03/31/2016	555-66-1234	65152 AVE 24						
115	JUAN	11/17/2016	123-00-1234	4308 AVE 25						
931	JORGE	09/30/2016	000-00-0005					NUNO PE		
6505		09/30/2016	000-00-0009					REYES		
3966	ADRIAN	09/30/2016	000-00-0008					RODRIGUE		
6103	MIGUEL	06/16/2016	000-00-0004					SANCHEZ		
3850	JESUS	09/30/2016	000-00-0003					URIBE		
1051	MARIA	09/16/2016	251-00-2515	1911 N FINE AVE	FRESNO	CA	93726	VASQUEZ		04/26/2015

## Highlighting Duplicate Values in Excel

A handy tool in Excel to look for duplicate values is the Conditional Formatting tool. To use this, highlight the cell you want to check for duplicate values, go to Home > Conditional Formatting > Highlight Cells Rule and select Duplicate Values.

The screenshot shows the Microsoft Excel interface with the 'Employee Export 11-16 [Compatibility Mode] - Excel' title bar. The 'HOME' tab is active, and the 'Conditional Formatting' dropdown menu is open, showing the 'Highlight Cells Rules' option. The 'Duplicate Values...' rule is selected, and the 'More Rules...' option is visible at the bottom of the menu.

The spreadsheet data is as follows:

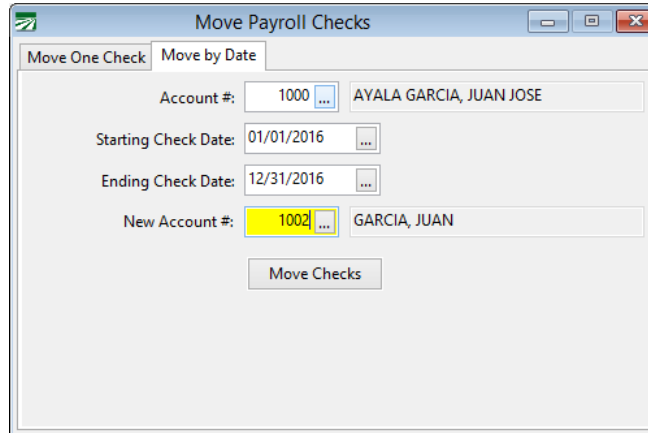
	A	B	C	D	E	F	G	H	I	J	
	Account #	First Name	Last Name	Check Date	S.S. #	Mailing Address	City	State	Zip Code	Last Name	Department
1											
2	1005	DAVID	11/17/2016	000-00-0010						CEJA	
3	8059	GREGORIC	08/17/2016	000-00-0007						DIAZ	
4	116	GUADALU	11/17/2016	999-00-9876						FUENTES	1
5	102	ROGELIO	11/17/2016	515-25-1525						GARCIA-H	1
6	4137	ALEJANDRO	09/30/2016	000-00-0002						GUZMAN	
7	1373	ARTUNO	09/16/2016	555-99-9876						LINO	
8	931	JORGE	09/30/2016	000-00-0005						NUNO PER	
9	6505		09/30/2016	000-00-0009						REYES	
10	3966	ADRIAN	09/30/2016	000-00-0008						RODRIGUE	
11	6103	MIGUEL	06/16/2016	000-00-0004						SANCHEZ	
12	3850	JESUS	09/30/2016	000-00-0003						URIBE	
13	110	MARIA	11/17/2016	000-00-0006	100 AVE 54	FRESNO	CA	93710	GONZALES		12/01/2015
14	1006	JORDAN		666-00-1234	1245 AVE 12	FRESNO	CA	93727	GARCIA		10/14/2016
15	101	JOHN	11/17/2016	775-00-0005	1911 N FINE	FRESNO	CA		AYALA	FIELD	12/01/2015
16	1051	MARIA	09/16/2016	251-00-2515	1911 N FINE AVE	FRESNO	CA	93726	VASQUEZ		04/26/2016
17	1001	MARIA	09/30/2016	123-00-9999	235 ROAD 15	FRESNO	CA	93726	AYALA GO OFFICE		01/15/2016
18	1050	JOSE	09/30/2016	857-00-1234	2515 ROAD 25	FRESNO	CA	93726	GUTIERREZ	PACKING	04/26/2016
19	115	JUAN	11/17/2016	123-00-1234	4308 AVE 25	FRESNO	CA	93710	MARTINEZ		11/30/2015
20	108	PEDRO	11/17/2016	542-00-543	4509 N AVE 100	FRESNO	CA	93727	CASTRO		12/01/2015
21	104	VICTOR	09/30/2016	000-00-0000	4542 ROAD 53	FRESNO	CA	93726	BALTAZAR		01/01/2015
22	1000	JUAN	09/30/2016	525-15-2515	52152 AVE 125	FRESNO	CA	93710	AYALA GA FIELD		12/15/2015
23	6972	JOSE	09/16/2016	000-00-0001	5698 AVE 12	WOODLA	CA	99999	LOPEZ	FIELD	03/21/2016
24	1002	JUAN	09/30/2016	466-56-5435	65 AVE 24	FRESNO	CA	93710	GARCIA		01/15/2016
25	1004	MARIA	03/31/2016	555-66-1234	65152 AVE 24	FRESNO	CA	93727	LOPEZ		03/15/2016
26											
27											

### Making corrections to SSN numbers

When making a correction to an employee's SSN #, you should always click on the Archive tab and review whether there have been prior quarter/years where the employee was reported under the incorrect SSN. You are responsible for filing any amendments to prior filings if necessary.

### Move Payroll Checks

If you have found duplicate employees and want to merge their checks to one file, you can use the Move Payroll Checks tool on the Payroll > Checks menu.



Select the Employee you want to move checks off of, the dates to move and the Account to move the checks to.

**Important:** After moving checks, follow these steps to ensure taxable wages are correctly updated on check records.

- 1) Run the Payroll Audit from Payroll > Utilities > Payroll Audit/Fix Options. This will update each checks taxable wages to the new corrected totals.
- 2) Use the Fix Employee Totals utility (from the same menu) to update any prior quarter totals, along with the current quarter Employee file totals.

The program maintains a log of all checks that have been moved from one account to another. You can use the Transaction log and select "PRJNLHDR" as the file and Move as the transaction type to view this information.

The security setup for this window allows you to prevent users from moving checks that are in prior quarters or years.

### Correcting Negative Wages

We typically recommend when voiding a payroll check from a prior quarter, dating the void in the current quarter. This is usually offset by a re-issued check, making a 0 net change in the wages or deductions in the current quarter.

If a check is needing to be voided that is dated in a closed quarter, not to be re-issued and the employee has no wages in the current quarter, then it should be voided in the prior quarter and an amendment filed. See [http://www.edd.ca.gov/pdf\\_pub\\_ctr/de9adji.pdf](http://www.edd.ca.gov/pdf_pub_ctr/de9adji.pdf) for instructions on creating adjustments to the DE9 filing.

# Include Fringe Benefits on Employees Last Check of the Year

If you need to include a fringe benefit in an employee taxable wages, it is easier to do so by adding to an employee's check instead of editing their year to date employee totals after closing payroll.

For example, you may need to tax benefits for business expenses in excess of IRS limits or personal use of a business vehicle.

First Check the W-2 Code, Box 12 and Other Income Type Benefits on the Wage Type Setup.

Payroll Wage Types

Code: FR Base Pay Type: Memo Wages

Description: Fringe Benefits

Check Stub:

Check Stub Description: Piece Hrs Spanish:

Summary Description: Summary Spanish Description:

Summarize To: <> Combine Lines with Different Rates on Summary

Check Calculations:

Overtime Factor: 1.00 Apply Factor to Wages Pair Code:

Include in Regular Rate of Pay Calculations

Minimum Wage: No Shift Differential: 0.00

Tax Calculations:

☒ Memo Wages ☒ Withhold State Income Tax ☐ Withhold Local Tax

☒ Withhold Federal Income Tax ☒ Withhold State Disability ☒ Worker's Comp Expenses

☒ Social Security/Medicare ☒ Subject to SUI/FUI Tax ☐ IRA/401(k) Wages

W-2 Code, Box 12: None Pre-Tax Offset Code:

Other Income Type: Taxable Fringe Benefits

Miscellaneous:

Report Order: 0 Billing Unit Type: FR

Save Clear

Then, add the Taxable Wages as a line item to the employee's last check of the year. Fringe is not included in the paid wages, but will be added to the taxable wages.

# Audit Pre-Tax Wages

If you have pre-tax deductions, you may want to audit the deductions total to the wage type total. This will ensure employee's taxable wages are reported properly.

These totals could be incorrect if the pre-tax settings were not properly set up before a deduction began or if there were any errors on a particular check where the pre-tax wage didn't match the deduction.

To audit the wage type totals to the deductions, use the Earnings Records report and include 'Print Totals by Wage Type.'

The deduction totals will appear under the Company totals on the right side of the report and the Wage Type totals to the left:

		CHILD SUPPORT:	1,144.44
		MEDICAL INSURANCE:	4,352.50
		EMPLOYEE ADVANCES:	1,700.00
		401(k):	67.50
<b>Totals by wage type:</b>			
401(k) Deduction	67.50		
cambio de campo	1,989.94		
COST OF LIVING	17,620.00		
Fringe Benefits	5,000.00		
load	1,625.00		
Overtime Hours	22,019.62		
Piecework	-67.50		
Regular Hours	788,030.24		
REIMBURSEMENT	910.60		
Salary	88,930.00		
TRACTOR DRIVER	6,802.45		

# Covid Leave Wages

If you have Covid Leave wages under the FFCRA (Families First Coronavirus Response Act), you can verify the wages are coded correctly for 941, 943 and W-2 reporting.

Use the Labor Analysis Report to run a wage report for the Covid Wage Type, Cost Center and/or Job ID used for Covid Leave Wages.

There are three categories that need to be identified for reporting:

- 1) Leave taken under reasons 1-3 for Emergency Sick Pay
- 2) Leave taken under reasons 4-6 for Emergency Sick Pay
- 3) Leave taken under reason 5 for Extended Family Medical Leave

If the sick leave types are identified, the software will be able to correctly classify the wages on the 941, 943 and W-2 Statements. If not, you can take one of two actions:

- 1) Modify the checks now before closing to correctly classify the wages
- 2) Modify the 941, 943 and Year End Archive Records to manually classify the wages

Companies using Cost Accounting or Farm Labor Contractor Reporting, can set up additional jobs, modify the Paid Leave Setup Table and edit checks. See the blog post <https://datatechag.com/ffcra-covid-leave-w-2-reporting/> for more information./

We recommend other operation plan on manually modifying the reports after closing.

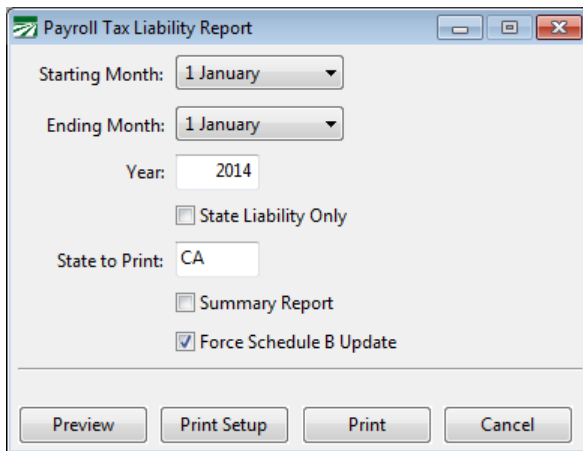
# Tax Liability Report

The Tax Liability Report provides detailed information on your Federal and State payroll tax liabilities. This is needed because the IRS, as well as the State of California, requires that you make periodic deposits of payroll taxes when the amounts reach a certain limit.

When you file Federal Form 941 (Regular) or Form 943 (Agricultural), you must report your tax liability for each month, and if taxes exceed certain limits, the tax liability by date.

This report may be printed for any period within a calendar year. Normally you would print this report at the end of each quarter if you have Regular employees reportable on Form 941. The report will print all three months of the quarter.

For Agricultural employees, reportable on Form 943, print this report at the end of the year for all twelve months of the year.



## **Starting Month / Ending Month**

Select the months you want this report to include. One page will be printed for each month.

## **Year**

Select the calendar year you want to print the report for.

## **State Liability Only State to Print Summary Report**

## **Force Schedule B Update Preview**

Click on this button to see a preview of the report on the screen.

## **Print Setup**

Click on this button to select a printer to use for this report. If you do not select a printer, the report will automatically be printed to the current default printer. To see the current printer, you can move the mouse pointer over the button and a tool tip will appear showing the printer name and port.

## **Print**

Click on this button to print the report to the current printer. To see the current printer, you can move the mouse pointer over the button and a tool tip will appear showing the printer name and port.

## **Cancel**

Click on this button to close the window.

# Payroll Tax Reports Control Center

The Payroll Tax Reports Control Center incorporates all of the Quarterly and Year End Payroll Closing steps on one screen. This window is designed to take you step by step through the closing process, marking each step Completed once it is done. The window will also display the totals of each report to assist you in verifying the accuracy of the totals that are archived for generating tax reports. If there are any discrepancies in the Employee Wage Detail Report totals the program will also automatically run the Fix Employee Totals Utility to correct the totals.

The Payroll Tax Report Control Center is located on the Payroll menu.

Payroll Tax Reports Control Center

Quarter Closing Year End Closing

Year: 2014 Quarter: Q1

Quarter Wage Detail Report:

☐ Completed

Preview

Total Wages: Federal WHT: State WHT:

Quarter Payroll Journal:

☐ Completed

Preview

Total Wages: Federal WHT: State WHT:

Archive & Clear Quarter To Date Payroll:

☐ Archive Completed

☐ Clear Completed

Archive/Print/Clear Print Archive Rpt

Total Wages: Federal WHT: State WHT:

Reports & Tax Forms:

Taxable Wages By Qtr State Reports Federal 941 Electronic Filing

## Quarterly Closing Workflow

1. Enter the Year and select the Quarter that you are closing from the drop down menu.
2. Print the Employee Wage Detail report for the quarter: Click on the Preview button under the **Wage Detail Report** heading.

The program will automatically generate a report of all employees with year to date wages. At the end of the report you will find totals for the quarter and year to date. The Quarter to Date Wages will automatically be updated on the Payroll Tax Reports Control Center screen.

The Preview window for the report will be minimized. To view



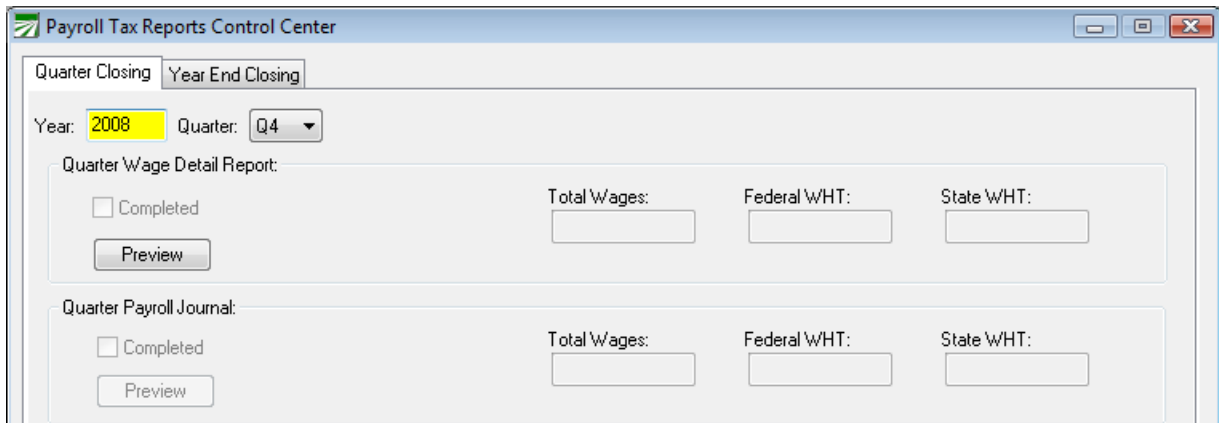
and/or print the report, click on the Print Preview button on your Taskbar.

3. Print a Payroll Journal for the Quarter: Click on the Preview button under the **Quarter Payroll Journal** heading.

The program will automatically generate a summary Payroll Journal for the quarter. The Payroll Journal totals will be updated on the Payroll Tax Reports Control Center screen.

The Preview of the report will be minimized. To view and print the report, click on the Print Preview button on your Taskbar.

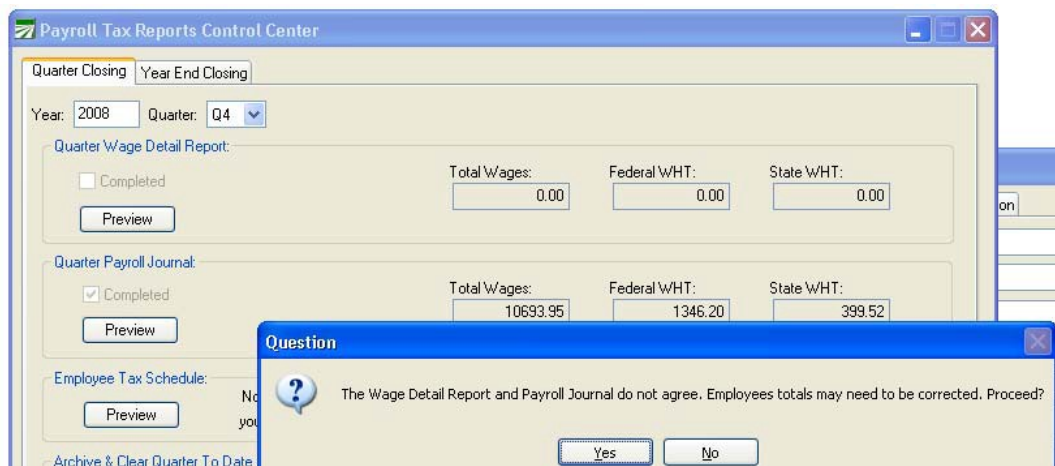
4. Verify the totals of the Wage Detail Report and Payroll Journal on the Payroll Tax Reports Control Center or by reviewing the printed reports.



If the totals agree you may proceed with the closing process.

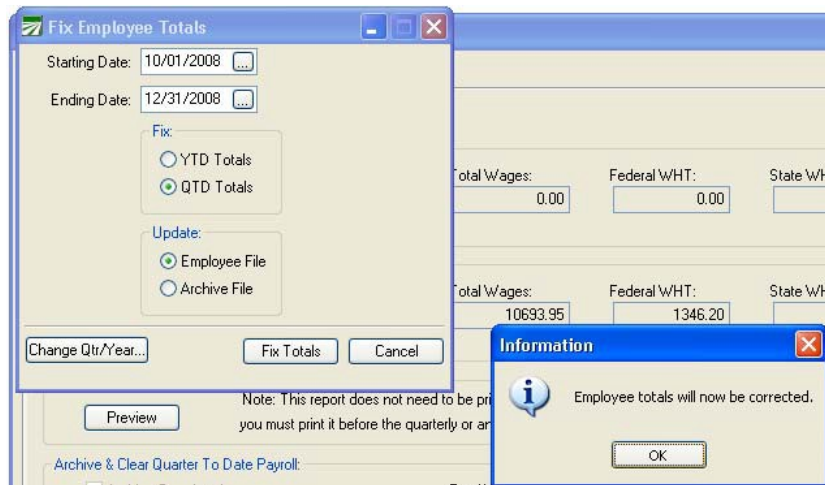
### What to Do If the Totals Do Not Agree

If the totals don't agree, the program will automatically warn you and ask if you want to proceed with correcting the totals. The wages will be removed from the Quarter Wage Detail Report section of the Payroll Tax Reports Control Center at this time.



Answer **yes** to proceed to the Fix Employee Totals window.

The program will prompt you to proceed with fixing the totals. Click on the **OK** button to continue with the fix.



Once the Fix is completed, Preview the **Wage Detail Report** again. The wages will be updated on the Payroll Tax Reports Control Center, and if they match the Payroll Journal totals you can proceed with your closing.

5. Archive & Clear the Quarter to Date Totals. Click on the **Archive/Print/Clear** button under the **Archive & Clear Quarter to Date Payroll** heading.

The employee wages will automatically be updated to the Archive, the current quarter totals in the Employee File will be cleared and the Current Quarter will be advanced to the next quarter.

A Print Preview of the Archive File Report will be minimized. Click on the Print Preview button on the Taskbar to view and print the report.

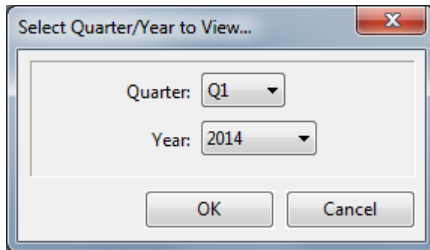
The Archive File wages will be displayed on the Payroll Closing Control Center screen so you can verify the Archive completed successfully. Reports & Tax Forms. You may now print your State Quarter Report, Form 941 or generate



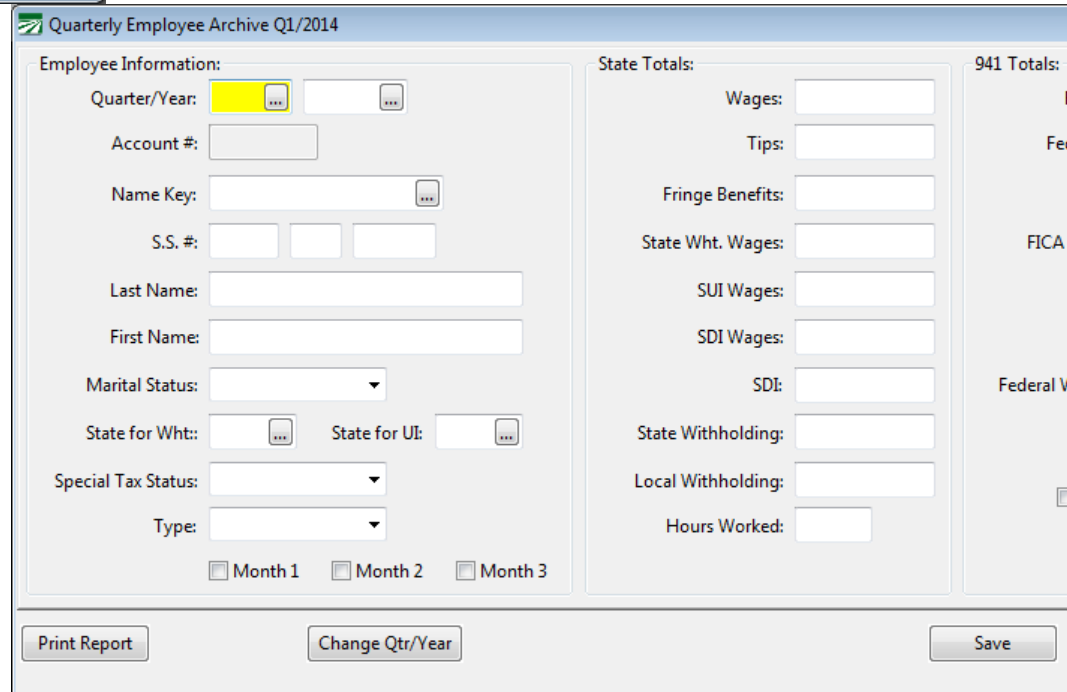
the Electronic file at your convenience. If you will be printing the reports at a later time you may return to the Payroll Tax Reports Control Center, select the Year and Quarter and your totals will be displayed on the window for you to verify before printing/generating reports.

## Edit/Print QTD Archive File

The payroll system each quarters totals in an archive file which is then used to print quarterly reports and generate electronic report files to submit to the state. At times it may be necessary to manually edit the information in the archive file (for instance, to correct an employee name, social security number, or wages to be reported, etc.) There is also an option to print a report of the information in the quarterly archive file to verify the totals that are going to be reported. When you select the Edit/Print QTD Archive File option on the Quarterly Reporting sub-menu, the program will first ask you for the quarter and year that you want to view: After you select the quarter and year, the Quarterly Employee Archive window will appear:



A small dialog box titled "Select Quarter/Year to View...". It contains two dropdown menus: "Quarter:" with "Q1" selected, and "Year:" with "2014" selected. At the bottom are "OK" and "Cancel" buttons.



The "Quarterly Employee Archive Q1/2014" window is divided into three main sections: Employee Information, State Totals, and 941 Totals.

**Employee Information:**

- Quarter/Year: [Yellow box] [ ]
- Account #: [ ]
- Name Key: [ ]
- S.S. #: [ ] [ ] [ ]
- Last Name: [ ]
- First Name: [ ]
- Marital Status: [ ]
- State for Wht.: [ ] State for UI: [ ]
- Special Tax Status: [ ]
- Type: [ ]
- ☐ Month 1 ☐ Month 2 ☐ Month 3

**State Totals:**

- Wages: [ ]
- Tips: [ ]
- Fringe Benefits: [ ]
- State Wht. Wages: [ ]
- SUI Wages: [ ]
- SDI Wages: [ ]
- SDI: [ ]
- State Withholding: [ ]
- Local Withholding: [ ]
- Hours Worked: [ ]

**941 Totals:**

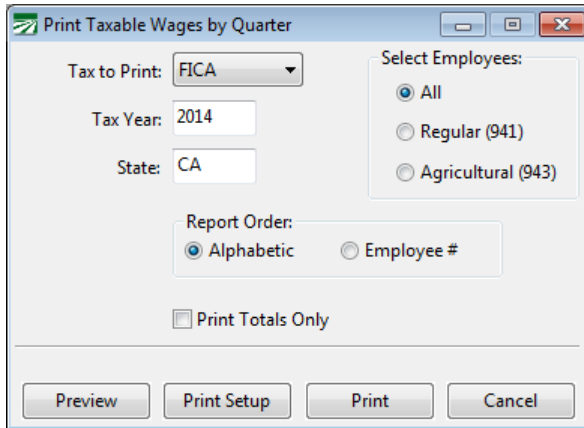
- FICA: [ ]
- Federal W: [ ]

At the bottom are buttons for "Print Report", "Change Qtr/Year", and "Save".

## Taxable Wages By Quarter Report

The Taxable Wages by Quarter Report lists wages which are subject to one of the following taxes: FICA, SUI, FUI, or SDI. A total for each employee in each quarter is printed.

This report can assist you in determining your payroll tax liability for these taxes for any given quarter.



### Tax to Print

Select either FICA, SUI, FUI, or SDI.

### Tax Year

Enter the calendar year to print the report for. This defaults to the current calendar year.

### State

Enter the two letter postal abbreviation for the state to print. Leave it blank to print all employees.

### Select Employees

Select either all employees, ag or regular.

### Report Order Print Totals Only

Check this box to print only totals for all employees, instead of individual totals for each employee.

### Preview

Click on this button to see a preview of the report on the screen.

### Print Setup

Click on this button to select a printer to use for this report. If you do not select a printer, the report will automatically be printed to the current default printer. To see the current printer, you can move the mouse pointer over the button and a tool tip will appear showing the printer name and port.

**Print**

Click on this button to print the report to the current printer. To see the current printer, you can move the mouse pointer over the button and a tool tip will appear showing the printer name and port.

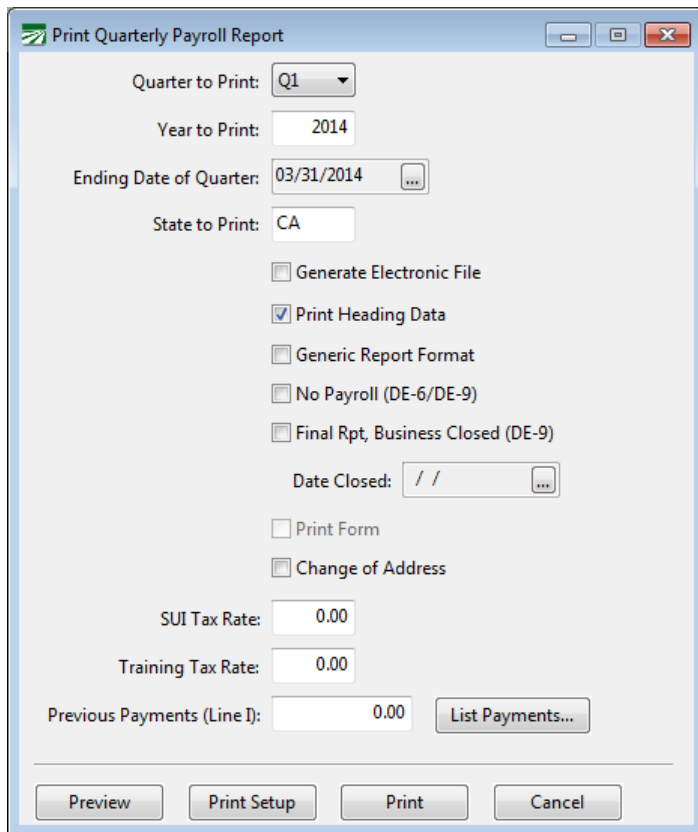
**Cancel**

Click on this button to close the window.

## Quarterly State Reports

This report will print the quarterly report for submitting to the state. Prior to printing the quarterly report, you must archive the quarterly employee totals. The quarterly state reports use the information in the quarterly archive file to print the report. Quarterly reports can be printed at any time after you have archived the employee totals. That means that you can archive the totals, close the quarter, and proceed with payroll for the next quarter. Your quarterly reports may then be printed at any time.

To open the Quarterly Payroll Report window, go to the Payroll option on the main menu, select Quarterly Tax Reporting, then select Quarterly State Reports.



### Quarter to Print / Year to Print

Select which quarter and enter the year that you want to print the report for. The ending date of the quarter will be displayed.

### Ending Date of Quarter State to Print

Enter the postal abbreviation of the state you want to print. If you have employees in different states, this will allow you to print different reports for each state.

### Generate Electronic File

For California Electronic Filers, check this box to create the XML files for the DE-9 and DE-9C for submission through the EDD's e-Services website. When this box is checked, the program will print an Electronic File Report at the end of the DE-9 with the location and filenames of the generated files and payroll totals needed for submission.

The XML files will be generated and compressed into ZIP files. Upload the compressed ZIP files to the state e-Services web site, not the XML files. A

walkthrough for uploading the DE-9/DE-9C electronic files can be found in the [Upload DE-9 & DE-9C to EDD e-Services](#) section.

**Print Heading Data**

Check this box to print your company name and address information. Uncheck the box if this information is already pre-printed on the forms (if any).

**Generic Report Format**

Check this box if you want to print a generic report that can be used to fill in your state form. For many states, the payroll system will print on the state form, but if that is not available for your state, you can print the generic report to assist you in filling out the state form.

**No Payroll (DE-6/DE-9)**

Check this box if you did not have any payroll for the quarter.

**Final Rpt, Business Closed (DE-9) / Date Closed**

If necessary, check these boxes and the appropriate boxes will be checked on the California DE-9 form. Enter the date your business closed below.

**Date Closed Print Form**

This box is used for the Michigan quarterly report. If you are printing the report on a preprinted form, leave this box unchecked. Otherwise, check this box and the program will print the form on blank paper and fill it in.

**Change of Address**

Check this box if your address has changed since submitting the previous quarter's report.

**SUI Tax Rate Training Tax Rate**

**Previous Payments (Line I)**

Fill in these items for the California DE-9.

**List Payments Preview**

Click on this button to see a preview of the report on the screen.

**Print Setup**

Click on this button to select a printer to use for this report. If you do not select a printer, the report will automatically be printed to the current default printer. To see the current printer, you can move the mouse pointer over the button and a tool tip will appear showing the printer name and port.

**Print**

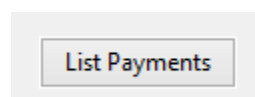
Click on this button to print the report to the current printer. To see the current printer, you can move the mouse pointer over the button and a tool tip will appear showing the printer name and port.

**Cancel**

Click on this button to close the window.

**List Payments**

The Generate Quarterly State Report, Federal Form 940, 941 and 943 all have a List Payments button. This button will take you to the Vendor Check Inquiry for the Default Vendor located in the Tax Rate setup.



Starting Date:	01/07/2016	...
Ending Date:	03/31/2016	...

Starting & Ending Dates will be entered based on the Quarter/Year you are generating this report for. However, you may need to change these dates to account for any checks after the quarter/year that were made.

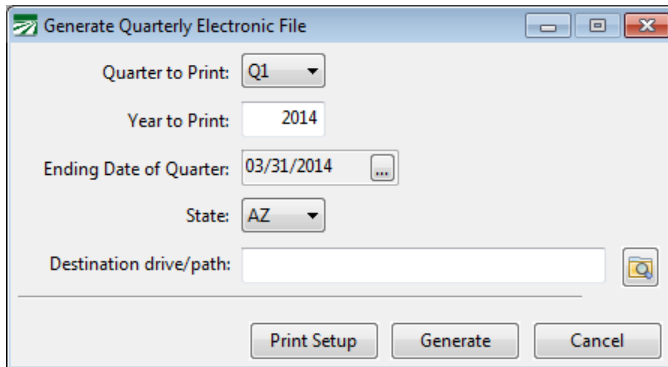
If you don't record your payments in Datatech software, you can manually enter your total payments in the respective field.



## Generate Quarterly Electronic File

From this window you can generate Electronic Reporting files for Arizona, Florida, Georgia, Michigan, New Mexico, Oregon and Texas.

Prior to printing the quarterly report, you must archive the quarterly employee totals. The quarterly state reports use the information in the quarterly archive file to print the report. Quarterly reports can be printed at any time after you have archived the employee totals. That means that you can archive the totals, close the quarter, and proceed with payroll for the next quarter, and print your quarterly reports at any time.



### Quarter /Year to Print /Ending Date of Quarter

Select the calendar quarter and tax year to Print. The Ending Date of the Quarter will be displayed.

### State

Select the State to generate from the list.

### Destination drive/path

The program will automatically create a new folder for each quarter and year reported in the data folder. This keeps an archive of files that have been reported. You can change the destination if you choose.

### Print Setup

A Magnetic Media report will be provided with the location of the saved file and report totals. You may click on the Print Setup to change the printer.

### Generate

Click on the Generate button to create the file. A box will appear for you to verify and/or edit your company information that will be included in the report file.

## Arizona State Withholding Return1

Print Arizona State Withholding Return

Quarter to Print: Q1

Year to Print: 2014

Ending Date of Quarter: 03/31/2014 ... Calculate Totals

**Total Arizona Payroll This Quarter.....** 0.00

**Tax Liability.....** 0.00

**Prior Payments for Quarter.....** 0.00

**Total Amount Due.....** 0.00

**Type of Depositor:**

☒ Quarterly Depositor

☐ Monthly Depositor

☐ Semi-Weekly Depositor

Update Tax Liability

**Tax Liability by Month:**

Month 1: 0.00

Month 2: 0.00

Month 3: 0.00

Total: 0.00

Month 1
Month 2
Month 3

1: <span style="border: 1px solid black; padding: 2px 20px;"></span>	9: <span style="border: 1px solid black; padding: 2px 20px;"></span>	17: <span style="border: 1px solid black; padding: 2px 20px;"></span>	25: <span style="border: 1px solid black; padding: 2px 20px;"></span>
2: <span style="border: 1px solid black; padding: 2px 20px;"></span>	10: <span style="border: 1px solid black; padding: 2px 20px;"></span>	18: <span style="border: 1px solid black; padding: 2px 20px;"></span>	26: <span style="border: 1px solid black; padding: 2px 20px;"></span>
3: <span style="border: 1px solid black; padding: 2px 20px;"></span>	11: <span style="border: 1px solid black; padding: 2px 20px;"></span>	19: <span style="border: 1px solid black; padding: 2px 20px;"></span>	27: <span style="border: 1px solid black; padding: 2px 20px;"></span>
4: <span style="border: 1px solid black; padding: 2px 20px;"></span>	12: <span style="border: 1px solid black; padding: 2px 20px;"></span>	20: <span style="border: 1px solid black; padding: 2px 20px;"></span>	28: <span style="border: 1px solid black; padding: 2px 20px;"></span>
5: <span style="border: 1px solid black; padding: 2px 20px;"></span>	13: <span style="border: 1px solid black; padding: 2px 20px;"></span>	21: <span style="border: 1px solid black; padding: 2px 20px;"></span>	29: <span style="border: 1px solid black; padding: 2px 20px;"></span>
6: <span style="border: 1px solid black; padding: 2px 20px;"></span>	14: <span style="border: 1px solid black; padding: 2px 20px;"></span>	22: <span style="border: 1px solid black; padding: 2px 20px;"></span>	30: <span style="border: 1px solid black; padding: 2px 20px;"></span>
7: <span style="border: 1px solid black; padding: 2px 20px;"></span>	15: <span style="border: 1px solid black; padding: 2px 20px;"></span>	23: <span style="border: 1px solid black; padding: 2px 20px;"></span>	31: <span style="border: 1px solid black; padding: 2px 20px;"></span>
8: <span style="border: 1px solid black; padding: 2px 20px;"></span>	16: <span style="border: 1px solid black; padding: 2px 20px;"></span>	24: <span style="border: 1px solid black; padding: 2px 20px;"></span>	Total: <span style="border: 1px solid black; padding: 2px 20px;"></span>

Report Total:

Preview
Print Setup
Print
Cancel

From this screen you can calculate and print the quarterly Arizona withholding return, form A1-QRT.

To print this form:

### **Quarter /Year to Print /Ending Date of Quarter**

Select the calendar quarter and tax year to Print. The Ending Date of the Quarter will be displayed.

### **Prior Payments for Quarter**

Enter any payments you have made to the State of Arizona for taxes withheld this quarter.

### **Type of Depositor**

Select Quarterly, Monthly or Semi-Weekly depositor.

**Update Tax Liability**

If the tax liability does not appear, click on this button to update the totals. The total tax liability by month should be the same as the tax liability on the left side of the screen.

**Preview/Print**

The report is printed on blank paper, with the image of the Arizona form. If the pre-printed Arizona form does not print, contact Datatech support.

## Federal Form 941

Form 941 is a Federal tax form for the reporting of wages, Social Security, Medicare and Federal income taxes. All regular (non-agricultural) wages are reported on this form.

The program will automatically compile the wage and tax information, and you can then enter on the screen various adjustments and other information needed before printing the final form.

If you need to report your tax liability by month in Part 2, or if you are a semi-weekly depositor, the program will also compile your tax liability information from the paychecks issued during the quarter. The tax liability information is compiled by printing the Tax Liability Report for the quarter you are processing, or simply clicking on the Update Tax Liability button on the 941 screen.

You will also need a list of the tax deposits you have made for the quarter you are processing. You can use the check inquiry screen to get a list of payments. Make sure you include payments for the current quarter only, excluding any payments that may have been made in the first month of the quarter for the prior quarter, and including any payments made in the month following the quarter for the last month of the quarter you are processing.

While we have automated the 941 report, you must have an understanding of the reporting requirements and procedures. We cannot take responsibility for errors in your reporting.

### **Before you can print this form these items must be completed:**

Verify quarter to date wage and deduction totals (see quarterly workflow).

Archive employee totals for the quarter.

Make sure the legal name of your company has been entered in the system file, if it is different than your trade name.

When you select the Quarterly Federal Return option from the Payroll, Quarterly Tax Reporting menu, the following screen will appear:

**Print Form 941**

Form 941 Schedule B

Quarter to Print: Q1

Year to Print: 2014

Ending Date of Quarter: 03/31/2014 Calculate Totals

**Wages & Taxes:**

1. Number of Employees..... 0

2. Wages, tips, and other compensation..... 0.00

3. Total income tax withheld..... 0.00

5a. Taxable SS Wages..... 0.00 0.00

5b. Taxable SS Tips..... 0.00 0.00

5c. Taxable Med Wages, Tips..... 0.00 0.00

5d. Addl Medicare Tax W/H..... 0.00 0.00

5e. Total social security and Medicare Taxes..... 0.00

5f. Sec. 3121(q) Notice- Tax due on unreported tips..... 0.00

6. Total taxes before adjustments..... 0.00

7. Current quarter's fraction of cents..... 0.00

8. Current quarter's sick pay..... 0.00

9. Current quarter's adj for tips & gtl..... 0.00

Total Adjustments..... 0.00

10. Total taxes after adjustments..... 0.00

**Payments:**

10. Total taxes after all adjustments..... 0.00

11. Total deposits for quarter, incl overpayments..... 0.00

12a. COBRA premium assistance payments..... 0.00

12b. # of individuals, Cobra Assist..... 0

13. Total of Lines 11, 12a..... 0.00

14. Balance due..... 0.00

15. Overpayment..... 0.00

☐ Apply to next return ☐ Refunded

**Part 2:**

State Where Deposits Were Made:

**Type of Depositor:**

☒ Line 10 is less than \$2500

☐ You were a monthly schedule depositor

☐ You were a semiweekly schedule depositor

**Tax Liability by Month:**

Month 1: 0.00

Month 2: 0.00

Month 3: 0.00

Total: 0.00

**Part 3:**

☐ Business Has Closed Date Closed: / /

☐ Seasonal Employer

**Part 4:**

☐ Contact 3rd Party Designee

Designee's Name:

Telephone #:

Personal ID #:

### Quarter /Year to Print /Ending Date of Quarter

Select the calendar quarter and tax year to Print. The Ending Date of the Quarter will be displayed.

**Note:** You should now see the tax liability by month, in Part on the right side of the screen, filled in with values. If not, you have not printed the Tax Liability Report for the quarter. Click on the Update Tax Liability button to get this information.

You may now print the form as a worksheet, verify that the wages and taxes being reported are correct, and then proceed to fill out the balance of the form and print a final copy.

### Current Quarter's Fractions of Cents

Enter any adjustment to the total tax due for rounding differences. To reduce the tax due, enter the adjustment with a minus (-) sign.

**Current Quarter's Sick Pay**

If you have a sick pay adjustment to make, enter it here. If you have any questions about this entry, please consult with your accountant.

**Current Quarter's adjustment for tips & gtl**

If you have an adjustment for these items, enter it here. If you have any questions about this entry, please consult with your accountant.

**Total Deposits for this Quarter, including Overpayments**

Enter the total tax deposits you have made for this quarter. If you have an overpayment from the previous quarter, include that amount.

You can get a list of tax deposits by using the vendor check inquiry screen to list the payments you have made. Be sure to include only payments for Form 941.

**Cobra premium assistance payments**

Enter the amount of assistance payments, if any.

**# of people who received COBRA premium assistance**

Enter the number of persons that received assistance

**Part 2****State Abbreviation where you made your deposits**

Enter the 2 letter state abbreviation, or if you made deposits in multiple states, enter "MU".

**Type of Depositor**

Select: Less than \$2500, monthly, or semiweekly depositor.

If you selected monthly depositor, you will need to list your tax liability for each of the three months of the quarter. If these amounts are filled in, be sure that the total equals the total taxes due on line 10 of Form 941. If not, the difference is usually due to rounding corrections, and you can adjust the liability amount in the 3<sup>rd</sup> month so that the total balances with line 10.

If you are a semiweekly depositor, you must print the 941 schedule B form.

Instructions for this form are below.

**Part 3**

Fill in this section if your business has closed or you are a seasonal employer.

**Part 4**

Fill in this section if you want to designate an employee or other person to discuss the return with the IRS. You can now print the Form 941. If you have a duplex printer, use that option to print both pages on one piece of paper.

### Form 941 Schedule B

This form must be filed along with the Form 941 if you are a semiweekly depositor. It is a day by day record of your tax liability.

To view the liability data, click on the Schedule B tab page. It will look similar to this screen:

If the total tax liability on Schedule B does not equal line 10, you can adjust the last tax liability amount for the quarter by using the Adjust Tax Liability button on the Form 941 tab.

Print Form 941

Form 941 Schedule B

Month 1 Month 2 Month 3

1: 0.00	9: 0.00	17: 0.00	25: 0.00
2: 0.00	10: 0.00	18: 0.00	26: 0.00
3: 0.00	11: 0.00	19: 0.00	27: 0.00
4: 0.00	12: 0.00	20: 0.00	28: 0.00
5: 0.00	13: 0.00	21: 0.00	29: 0.00
6: 0.00	14: 0.00	22: 0.00	30: 0.00
7: 0.00	15: 0.00	23: 0.00	31: 0.00
8: 0.00	16: 0.00	24: 0.00	

Month 1 Total: 0.00

Update Tax Liability

Report Total: 0.00

Preview Print Setup Print Cancel

Usually there will be a small rounding difference, but if it is a larger amount, you may need to investigate the reason for the difference before completing the return.

If the above screen does not have any tax liability amounts, that is an indication that you need to print click on the Update Tax Liability button to compile liability totals.

Once you have verified the liability amounts and adjusted to Line 10 of Form 941, you can print the schedule.

# Form 941 Covid-19 Related Tax Credits

## **Background**

Shortly after the Covid-19 wage tax credits were passed by Congress, Datatech provided a method to set up wage types to track wages paid that could be taken as a credit.

The procedures recommended would allow you to track these wage tax credits. However, the software does not determine the eligibility of employees to receive these credits. Nor does it track any limits on wages paid using the Covid-19 wage type. If there are limits on the rate of pay, weekly totals or number of hours, you must observe those limits when categorizing the wages under the Covid-19 wage type.

On the Federal Form 941, there are two categories of Covid-19 wage types that need separate totals. These are:

### **Line 5a (i), Qualified Sick Leave Wages**

(See reference that follows regarding definition)

### **Line 5a (ii), Qualified Family Leave Wages**

(See reference that follows regarding definition)

Best practice for setup in Datatech software is to have a separate wage type for each type. For Farm and Farm Labor cost accounting, you can also use the same wage type but a different Job ID.

The new 941 form also provides for taking credits for wages paid under the Employee Retention Credit provisions. The program does not track these wages, but if you have paid wages under this provision, and you have used a wage type specifically set up for it, you can get a report of those wages using the labor analysis report.

### **Nonrefundable vs. Refundable Credits**

Any credits up to the amount of the Employer Social Security tax portion will be counted as a Nonrefundable credit. This amount will be applied to the Total Amount of Taxes Due.

Any credits due over the amount of Employer Social Security will be applied as credits/payments to the Total Taxes Due.

This will be discussed further in the instructions below.



## Completing Form 941

The new 941 form is more complicated, due to the breakdown of the Covid-19 wages, as well as the tax credits you need to calculate. We have provided all of the entries that are needed for the form, but we cannot provide advice on how to fill it out. The IRS has a publication to assist with this, and that publication provides a worksheet for calculating the wage credits, which include the wages paid, any prorated health insurance benefits you paid, and the Medicare tax.

In order to determine the qualified wages, the program must know what wage types you have used for the Qualified Sick Leave and Qualified Family Leave. The program uses the information in the Sick Leave table to figure this out when you click on the Verify button. If it can't, you can enter the wage types that you have set up.

If you have not set up any wage types for the leave wages paid, the program cannot calculate the total wages. You will need to do this yourself, and then edit the 941 form lines 5a (i) and 5a (ii) to adjust the totals.

### What the program does:

If you have used specific wage types for the Covid-19 leave payments, the program will calculate these totals for lines 5a (i) and 5a (ii). They are listed separately from other social security wages on these lines because they are not subject to the employer portion of social security.

### What the program does not do:

You must take the total Covid-19 leave wages on these two lines and transfer to the Worksheet 1. They will be combined with the employer portion of Medicare (calculated on the worksheet) and the employer's portion of any health insurance benefits for the time the employees were on leave (you must calculate the health insurance credit).

You will then take the total of the non-refundable credits and enter on line 11b of the 941, and any refundable credits on line 13c.

If you need assistance with the worksheet, please contact your accountant. Datatech support personnel cannot assist with this worksheet, or any other data that is required on Form 941 that you need to compile separately.

If you have any questions about what wages are allowed for the Covid-19 leave, or the employee retention credit, please consult the IRS web site for more details, or contact your accountant. We cannot provide accounting or legal advice.

## Specific Instructions

As noted above, the IRS provides a step by step guide to completing the 941 form.

In completing this form in our program, there are some additional steps that you must take. The screens have been changed to reflect each entry on the new form, but there will be entries that you may skip.

It is recommended that you open the 941 from the Payroll Tax Reports Control Center. To start select the Year and Quarter from the top of the Quarter Closing tab:

Payroll Tax Reports Control Center

Quarter Closing Year End Closing

Year: 2020 Quarter: Q2

Then click on the 941 button.

Reports & Tax Forms:

Taxable Wages By Qtr State Reports Federal 941 Electronic Filing

If you are running the 941 for a previous quarter, the software will change the entry form to the prior format. For 2020 quarters 2,3 and 4 the new format will appear:

Print Form 941

Form 941 Form 941(CONT) Schedule B

**COVID Wage Types**

**STEP 1**

Click **VERIFY** to view the COVID wage types.  
If changes are needed, exit this screen and make necessary changes.

**VERIFY**

**STEP 2**

Quarter to Print: Q2  
Year to Print: 2020  
Ending Date of Quarter: 06/30/2020

List Payments  
Calculate Totals

**Wages & Taxes:**

**STEP 3**

1. Number of Employees:	2
2. Wages, tips, and other compensation:	8418.40
3. Total income tax withheld:	374.13
5a. Taxable SS Wages:	7818.40
5a.(i) Qualified sick leave wages:	600.00
5a. (ii) Qualified family leave wages:	0.00
5b. Taxable SS Tips:	0.00
5c. Taxable Med Wages, Tips:	8418.40
5d. Addl Medicare Tax W/H:	0.00
5e. Total social security and Medicare Taxes:	1250.81
5f. Sec. 3121(q) Notice-Tax due on unreported tips:	0.00
6. Total taxes before adjustments:	1624.94
7. Current quarter's fraction of cents:	0.00
8. Current quarter's sick pay:	0.00
9. Current quarter's adj for tips & gtl:	0.00
Total Adjustments:	0.00
10. Total taxes after adjustments:	1624.94

**Payments:**

**STEP 4**

10. Total taxes after all adjustments:	1624.94
11a. Qualified S.B. Payroll Tax Credit:	0.00
11b. Nonrefundable portion of credit for sick and family leave:	484.74
11c. Nonrefundable portion of employee retention credit:	0.00
11d. Total nonrefundable credits:	484.74
12. Total Taxes After Adj and Credits:	1140.20
13a. Total deposits for quarter, incl overpayments:	1624.94
13b. Deferred amount of the employer share of social security tax:	0.00
13c. Refundable portion of credit for sick and family leave wages:	123.96
13d. Refundable portion of employee retention credit:	0.00
13e. Total deposits, deferrals, and refundable credits:	1748.90
13f. Total advances received from filing Form(s) 7200 for the quarter:	0.00
13g. Total deposits, deferrals, and refundable credits less advances:	1748.90
14. Balance due:	0.00
15. Overpayment:	608.70

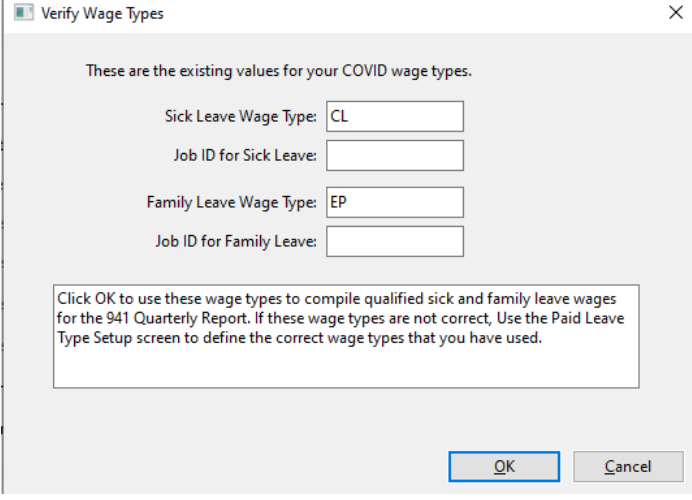
☐ Apply to next return ☒ Refunded

**CONTINUE -->**

## Step 1

Click on the VERIFY button to check on your wage types for Covid-19 Qualified Sick Leave and Qualified Family Leave wages.

If you do not have any qualified wages, you can click OK and proceed to Step 2.



Verify Wage Types

These are the existing values for your COVID wage types.

Sick Leave Wage Type:

Job ID for Sick Leave:

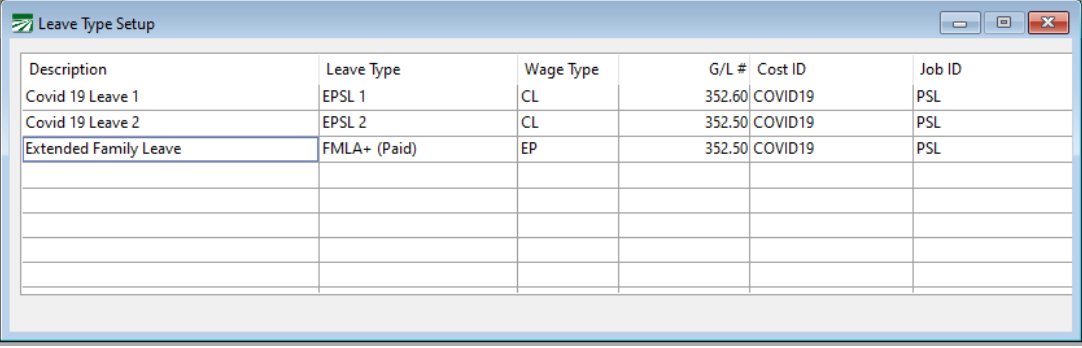
Family Leave Wage Type:

Job ID for Family Leave:

Click OK to use these wage types to compile qualified sick and family leave wages for the 941 Quarterly Report. If these wage types are not correct, Use the Paid Leave Type Setup screen to define the correct wage types that you have used.

If you have previously defined Covid-19 Leave Wage Types the software will display them here.

If you have set up Covid-19 Wage Types, but they are not displayed, go to Payroll > Setup > Paid Leave Type Setup. See <https://datatechag.com/initial-setup-for-covid-19-paid-leave-wages/> for more details on this setup.



Description	Leave Type	Wage Type	G/L #	Cost ID	Job ID
Covid 19 Leave 1	EPSL 1	CL	352.60	COVID19	PSL
Covid 19 Leave 2	EPSL 2	CL	352.50	COVID19	PSL
Extended Family Leave	FMLA+ (Paid)	EP	352.50	COVID19	PSL

Once the wage types used for Covid Leave have been set up, return to the 941 form and click Verify again to make sure the wage types are displayed.

If you didn't use a unique Wage Type for the Covid-19 leave, you may manually enter this information directly on the 941 form. See Step 3 below.

## Step 2

Select the quarter and year to print, then click Calculate Totals.

**STEP 2** Quarter to Print:   
Year to Print:   
Ending Date of Quarter:

The form will auto-complete based on the Archived Quarter Totals.

## Step 3 – Wages & Taxes

Wages & Taxes:

**STEP 3**

1. Number of Employees:	<input type="text" value="2"/>	
2. Wages, tips, and other compensation:	<input type="text" value="8418.40"/>	
3. Total income tax withheld:	<input type="text" value="374.13"/>	
5a. Taxable SS Wages:	<input type="text" value="7818.40"/>	<input type="text" value="969.48"/>
5a.(i) Qualified sick leave wages:	<input type="text" value="600.00"/>	<input type="text" value="37.20"/>
5a. (ii) Qualified family leave wages:	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
5b. Taxable SS Tips:	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
5c. Taxable Med Wages, Tips:	<input type="text" value="8418.40"/>	<input type="text" value="244.13"/>
5d. Addl Medicare Tax W/H:	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
5e. Total social security and Medicare Taxes:	<input type="text" value="1250.81"/>	
5f. Sec. 3121(q) Notice-Tax due on unreported tips:	<input type="text" value="0.00"/>	
6. Total taxes before adjustments:	<input type="text" value="1624.94"/>	
7. Current quarter's fraction of cents:	<input type="text" value="0.00"/>	
8. Current quarter's sick pay:	<input type="text" value="0.00"/>	
9. Current quarter's adj for tips & gtl:	<input type="text" value="0.00"/>	
Total Adjustments:	<input type="text" value="0.00"/>	
10. Total taxes after adjustments:	<input type="text" value="1624.94"/>	

### Lines 5a (i) or 5a (ii)

If you have qualified wages, but you did not use a unique wage type to identify them, you can

edit 5a (i) or 5a (ii) column 1 to reflect those wages. When you do, box 5a column 1 will automatically be adjusted.

If you have qualified wages, or employee retention credits, complete Worksheet 1 at this point, so that you can make entries in boxes 11b and/or 11c.

#### Lines 5(f) through 10

See Form 941 for instructions on these lines and enter amounts as applicable.

#### Current Quarter's Fractions of Cents

Enter any adjustment to the total tax due for rounding differences. To reduce the tax due, enter the adjustment with a minus (-) sign.

### Step 4 - Payments

Payments:	
<b>STEP 4</b>	
10.Total taxes after all adjustments:	1624.94
11a.Qualified S.B. Payroll Tax Credit:	0.00
11b.Nonrefundable portion of credit for sick and family leave:	484.74
11c.Nonrefundable portion of employee retention credit:	0.00
11d.Total nonrefundable credits:	484.74
12. Total Taxes After Adj and Credits:	1140.20
13a.Total deposits for quarter, incl overpayments:	1624.94
13b.Deferred amount of the employer share of social security tax:	0.00
13c.Refundable portion of credit for sick and family leave wages:	123.96
13d.Refundable portion of employee retention credit:	0.00
13e.Total deposits, deferrals, and refundable credits:	1748.90
13f.Total advances received from filing Form(s) 7200 for the quarter:	0.00
13g.Total deposits, deferrals, and refundable credits less advances:	1748.90
14.Balance due:	0.00
15.Overpayment:	608.70
<input type="checkbox"/> Apply to next return	<input checked="" type="checkbox"/> Refunded
<b>CONTINUE --&gt;</b>	

**11(b) & 11(c) / 13(c)**

If you have Covid Leave Wages entered in 5(i) or 5(ii) go to <https://www.irs.gov/pub/irs-pdf/i941.pdf> to print the *Credit for Qualified Sick and Family Leave Wages and the Employee Retention Credit* (page 14).

Follow the worksheet instructions to calculate the applicable credits. Step 1 of the worksheet calculates the employer share of social security tax. Step 2 calculates the credit for qualified sick and family leave, including employer share of Medicare and qualified health plan expenses allocated to the sick leave wages.

The amount of nonrefundable credit (worksheet line 2(j)) is the smaller amount of the employer share of social security or the qualified sick and family leave wages. This is entered in 11(b) on the 941 form.

If you had more qualified wages than employer social security, the difference (worksheet line 2(k)) this refundable portion is entered on line 13(c) of the 941 form.

# Worksheet 1. Credit for Qualified Sick and Family Leave Wages and the Employee Retention Credit

Keep for Your Records



## Determine how you will complete this worksheet

If you paid both qualified sick and family leave wages and qualified wages for purposes of the employee retention credit this quarter, complete Step 1, Step 2, and Step 3. If you paid qualified sick and family leave wages this quarter but you didn't pay any qualified wages for purposes of the employee retention credit this quarter, complete Step 1 and Step 2. If you paid qualified wages for purposes of the employee retention credit this quarter but you didn't pay any qualified sick and family leave wages this quarter, complete Step 1 and Step 3.

## Step 1. Determine the employer share of social security tax this quarter after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C

1a	Enter the amount of social security tax from Form 941, Part 1, line 5a, column 2	1a	969.48
1b	Enter the amount of social security tax from Form 941, Part 1, line 5b, column 2	1b	0
1c	Add lines 1a and 1b	1c	969.48
1d	Multiply line 1c by 50% (0.50)	1d	484.74
1e	If you're a third-party payer of sick pay that isn't an agent and you're claiming credits for amounts paid to your employees, enter the employer share of social security tax included on Form 941, Part 1, line 8 (enter as a positive number)	1e	0
1f	Subtract line 1e from line 1d	1f	484.74
1g	If you received a Section 3121(q) Notice and Demand during the quarter, enter the amount of the employer share of social security tax from the notice	1g	0
1h	<b>Employer share of social security tax.</b> Add lines 1f and 1g	1h	484.74
1i	Enter the amount from Form 941, Part 1, line 11a (credit from Form 8974)	1i	0
1j	Enter the amount to be claimed on Form 5884-C, line 11, for this quarter	1j	0
1k	<b>Total nonrefundable credits already used against the employer share of social security tax.</b> Add lines 1i and 1j	1k	0
1l	<b>Employer share of social security tax remaining.</b> Subtract line 1k from line 1h	1l	484.74

## Step 2. Figure the sick and family leave credit

2a	Qualified sick leave wages reported on Form 941, Part 1, line 5a(i), column 1	2a	600.00
2a(i)	Qualified sick leave wages included on Form 941, Part 1, line 5c, but not included on Form 941, Part 1, line 5a(i), column 1, because the wages reported on that line were limited by the social security wage base	2a(i)	0
2a(ii)	Total qualified sick leave wages. Add lines 2a and 2a(i)	2a(ii)	600.00
2b	Qualified health plan expenses allocable to qualified sick leave wages (Form 941, Part 3, line 19)	2b	0
2c	Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145)	2c	8.70
2d	<b>Credit for qualified sick leave wages.</b> Add lines 2a(ii), 2b, and 2c	2d	608.70
2e	Qualified family leave wages reported on Form 941, Part 1, line 5a(ii), column 1	2e	0
2e(i)	Qualified family leave wages included on Form 941, Part 1, line 5c, but not included on Form 941, Part 1, line 5a(ii), column 1, because the wages reported on that line were limited by the social security wage base	2e(i)	0
2e(ii)	Total qualified family leave wages. Add lines 2e and 2e(i)	2e(ii)	0
2f	Qualified health plan expenses allocable to qualified family leave wages (Form 941, Part 3, line 20)	2f	0
2g	Employer share of Medicare tax on qualified family leave wages. Multiply line 2e(ii) by 1.45% (0.0145)	2g	0
2h	<b>Credit for qualified family leave wages.</b> Add lines 2e(ii), 2f, and 2g	2h	0
2i	<b>Credit for qualified sick and family leave wages.</b> Add lines 2d and 2h	2i	608.70
2j	<b>Nonrefundable portion of credit for qualified sick and family leave wages.</b> Enter the smaller of line 1l or line 2i. Enter this amount on Form 941, Part 1, line 11b	2j	484.74
2k	<b>Refundable portion of credit for qualified sick and family leave wages.</b> Subtract line 2j from line 2i and enter this amount on Form 941, Part 1, line 13c	2k	123.96

## Step 3. Figure the employee retention credit

3a	Qualified wages (excluding qualified health plan expenses) for the employee retention credit (Form 941, Part 3, line 21)	3a	
3b	Qualified health plan expenses allocable to qualified wages for the employee retention credit (Form 941, Part 3, line 22)	3b	
3c	Qualified wages (excluding qualified health plan expenses) paid March 13, 2020, through March 31, 2020, for the employee retention credit (Form 941, Part 3, line 24). Enter an amount here only for the second quarter Form 941	3c	
3d	Qualified health plan expenses allocable to qualified wages paid March 13, 2020, through March 31, 2020, for the employee retention credit (Form 941, Part 3, line 25). Enter an amount here only for the second quarter Form 941	3d	
3e	Add lines 3a, 3b, 3c, and 3d	3e	
3f	<b>Retention credit.</b> Multiply line 3e by 50% (0.50)	3f	
3g	Enter the amount of the employer share of social security tax from Step 1, line 1l	3g	
3h	Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages from Step 2, line 2j	3h	
3i	Subtract line 3h from line 3g	3i	
3j	<b>Nonrefundable portion of employee retention credit.</b> Enter the smaller of line 3f or line 3i. Enter this amount on Form 941, Part 1, line 11c	3j	
3k	<b>Refundable portion of employee retention credit.</b> Subtract line 3j from line 3f and enter this amount on Form 941, Part 1, line 13d	3k	

**Caution:**  
Only complete lines 3c and 3d for your second quarter 2020 Form 941.



### 13(a)

Enter the total tax deposits you have made for this quarter. If you have an overpayment from the previous quarter, include that amount.

If you enter tax payments in your Datatech software, you can get a list of tax deposits by click on the List Payments button in the Step 2 box. Be sure to include only payments for Form 941.

Click the Continue button when finishing Step 3

## 941 (CONT)

### Step 5 – Part 2

Part 2:

State Where Deposits Were Made: CA

Type of Depositor:

- ☒ Line 12 is less than \$2500
- ☐ You were a monthly schedule depositor
- ☐ You were a semiweekly schedule depositor

Update Tax Liability Adjust Tax Liability

Tax Liability by Month: **STEP 5**

Month 1:	681.13
Month 2:	0.00
Month 3:	459.48
Total:	1140.61

On the Form 941 (CONT) tab, select type of depositor, then click Update Tax Liability.

**NOTE:** If you must fill in boxes 11b and/or 11c as needed before you use the Update Tax Liability Button.

When you click **Update Tax Liability** a pop-up will display the Nonrefundable Tax Credits. If these amounts are not correct, click Edit Credits and return to Step 3 to adjust credits.

Verify Nonrefundable Wage Credits

11a. Research Credit: 0.00

11b. Sick/Family Leave Credit: 484.74

11c. Retention Credit: 0.00

If the nonrefundable credit amounts shown above have been correctly entered on the 941 form, click 'OK to Proceed' to apply these credits against your tax liability by day. If the credits are not correct, click 'Edit Credits', then finish the 941 form and Use the Update Tax Liability button again to complete the Schedule B for printing.

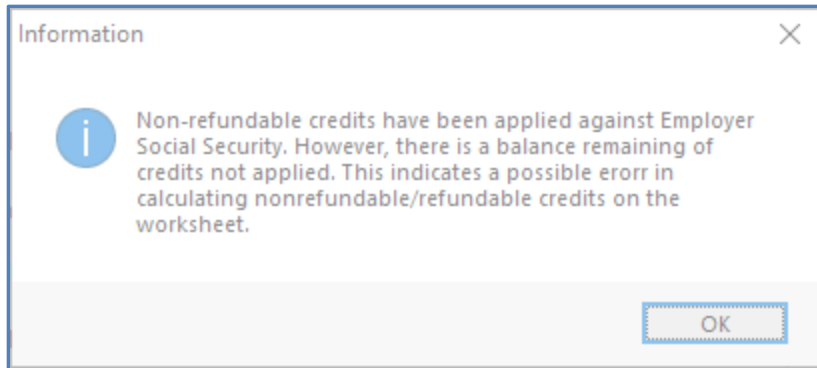
Ok to Proceed Edit Credits

The program will apply the amount of the credits against your tax liability by day or month.

You may still need to use Adjust Tax Liability button for rounding differences.

After preforming the Tax Liability Update, if the balances do not agree you will get this message and should go back to Step 3 to review your credits:





When complete, the adjusted Tax Liability must match Line 12 – Total Taxes After Adj. and Credits:

Tax Liability by Month:	
Month 1:	479.89
Month 2:	0.00
Month 3:	660.68
<b>Total:</b>	<b>1140.57</b>

10.Total taxes after all adjustments:	1624.94
11a.Qualified S.B. Payroll Tax Credit:	0.00
11b.Nonrefundable portion of credit for sick and family leave:	484.37
11c.Nonrefundable portion of employee retention credit:	0.00
11d.Total nonrefundable credits:	484.37
12. Total Taxes After Adj and Credits:	1140.57

If you are a depositor, you must schedule B form. Instructions for this form are below.

semiweekly  
print the 941

### Step 6 – Part 3

**Part 3:**  
☐ Business Has Closed  
☐ Seasonal Employer

Date Closed: / /  

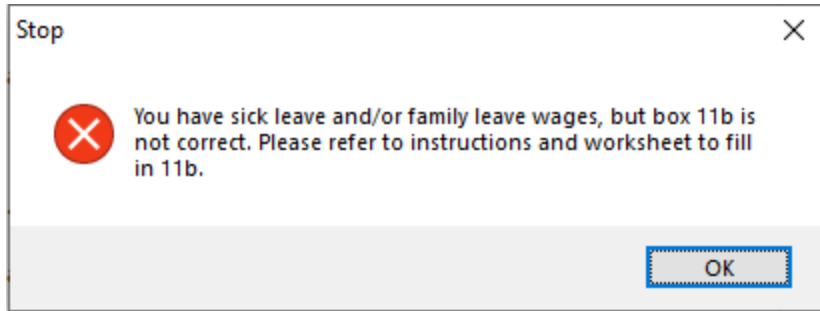
...

**STEP 6**

19. Qualified health plan expenses allocable to qualified sick leave wages:	0.00
20. Qualified health plan expenses allocable to qualified family leave wages:	0.00
21. Qualified wages for the employee retention credit:	0.00
22. Qualified health plan expenses allocable to wages reported on line 21:	0.00
23. Credit from Form 5884-C, line 11, for this quarter:	0.00
24. Qualified wages paid 03/13-03/31/2020, for employee retention credit:	0.00
25. Qualified health plan expenses allocable to wages reported on line 24:	0.00

Lines 19 through 25 are not calculated on the form, but are used when you fill out Worksheet 1.

The program will warn you and not print the 941 if you have qualified wages but you have not filled in box 11b from Worksheet 1.



### **Step 7 – 941 Part 4**

Part 4: ☐ Contact 3rd Party Designee **STEP 7**

Designee's Name:

Telephone #:

Personal ID #:  ☒ Print Paid Preparer Information

Fill in this section if you want to designate an employee or other person to discuss the return with the IRS.

If you are a Paid Preparer, click the **Print Paid Preparer Information** button and click on the Paid Preparer Info to enter your information.

## Form 941 Schedule B

This form must be filed along with the Form 941 if you are a semiweekly depositor. It is a day by day record of your tax liability.

To view the liability data, click on the Schedule B tab page. It will look similar to this screen:

If the total tax liability on Schedule B does not equal line 12, you can adjust the last tax liability amount for the quarter by using the Adjust Tax Liability button on the Form 941 tab.

Print Form 941

Form 941 Schedule B

Month 1 Month 2 Month 3

1: 0.00	9: 0.00	17: 0.00	25: 0.00
2: 0.00	10: 0.00	18: 0.00	26: 0.00
3: 0.00	11: 0.00	19: 0.00	27: 0.00
4: 0.00	12: 0.00	20: 0.00	28: 0.00
5: 0.00	13: 0.00	21: 0.00	29: 0.00
6: 0.00	14: 0.00	22: 0.00	30: 0.00
7: 0.00	15: 0.00	23: 0.00	31: 0.00
8: 0.00	16: 0.00	24: 0.00	

Month 1 Total: 0.00

Update Tax Liability

Report Total: 0.00

Preview Print Setup Print Cancel

Usually there will be a small rounding difference, but if it is a larger amount, you may need to investigate the reason for the difference before completing the return.

If the above screen does not have any tax liability amounts, that is an indication that you need to print click on the Update Tax Liability button to compile liability totals.

Once you have verified the liability amounts and adjusted to Line 12 of Form 941, you can print the schedule.

## ***Additional Information***

### **How to Verify Covid-19 Sick & Family Leave Wages?**

You can use the Labor Analysis Report to get sick and family leave wage totals.

Select by using quarter start and end dates, wage type, Job ID if applicable, and on the employee selections screen, Regular employees for the 941.

### **Links to Instructions**

Form 941 Instructions: <https://www.irs.gov/pub/irs-pdf/i941.pdf>

Form 941b Instructions: <https://www.irs.gov/pub/irs-pdf/i941sb.pdf>

## ***References:***

### **From the IRS Website**

#### **20. What is included in “qualified sick leave wages”?**

Qualified sick leave wages are wages (as defined in section 3121(a) of the Internal Revenue Code for social security and Medicare tax purposes) that Eligible

Employers must pay eligible employees for periods of leave during which they are unable to work or telework because the employee:

- 1) is subject to a Federal, State, or local quarantine or isolation order related to COVID-19-19;
- 2) has been advised by a health care provider to self-quarantine due to concerns related to COVID-19-19;
- 3) is experiencing symptoms of COVID-19-19 and seeking a medical diagnosis;
- 4) is caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19-19, or has been advised by a health care provider to self-quarantine due to concerns related to COVID-19-19;
- 5) is caring for a child of such employee if the school or place of care of the child has been closed, or the child care provider of such child is unavailable due to COVID-19-19 precautions; or
- 6) is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

#### **25. What is included in “qualified family leave wages”?**

Qualified family leave wages are wages (as defined in section 3121(a) of the Internal Revenue Code for social security and Medicare tax purposes) that

Eligible Employers must pay eligible employees for periods of leave during which they are unable to work or telework due to a need for leave to care for a child of such employee if the child’s school or place of care has been closed, or because

the child care provider of the child is unavailable, due to COVID-19 related reasons. The first ten days for which an employee takes leave for this reason may be unpaid. However, during that 10-day period, an employee may be entitled to receive qualified sick leave wages as provided under the ESPLA or may receive other forms of paid leave, such as accrued sick leave, annual leave, or other paid time off under the Eligible Employer's policy. After an employee takes leave for ten days, the Eligible Employer must provide the employee with qualified family leave wages for up to ten weeks.

For more information, see the Department of Labor's [Families First Coronavirus Response Act: Questions and Answers](#).

## **72. How does an Eligible Employer claim the Employee Retention Credit for qualified wages?**

Eligible Employers will report their total qualified wages for purposes of the Employee Retention Credit for each calendar quarter on their federal employment tax returns, usually Form 941, Employer's Quarterly Federal Tax Return.

Employers also report any qualified sick leave and qualified family leave wages for which they are entitled to a credit under FFCRA on Form 941. The Form 941 is used to report income and social security and Medicare taxes withheld by the employer from employee wages, as well as the employer's share of social security and Medicare tax.

In anticipation of receiving the Employee Retention Credit, Eligible Employers can fund qualified wages by: (1) accessing federal employment taxes, including withheld taxes that are required to be deposited with the IRS, and (2) requesting an advance of the credit from the IRS for the amount of the credit that is not funded by accessing the federal employment tax deposits, by filing [Form 7200, Advance Payment of Employer Credits Due to COVID-19](#).

For more information, see [Deferral of employment tax deposits and payments through December 31, 2020](#).

The IRS recently posted Frequently Asked Questions addressing the employer's ability to defer the deposit of all of the employer's share of social security taxes due before January 1, 2021 under section 2302 of the CARES Act and reduce other employment taxes required to be deposited in an amount equal to the FFCRA sick leave and family leave credits and the Employee Retention Credit.

**Example:** Employer E paid \$10,000 in qualified wages (including qualified health plan expenses) and, after deferral of the employer's share of social security tax, is otherwise required to deposit \$8,000 in federal employment taxes for all of its employees for wage payments made during the same quarter as the \$10,000 in qualified wages. Employer E has no paid sick or family leave credits under the FFCRA. Employer E may keep up to \$5,000 of the \$8,000 of taxes Employer E was going to deposit, and it will not owe a penalty for keeping the \$5,000. Employer E will later account for the \$5,000 it retained when it files Form 941, Employer's Quarterly Federal Tax Return, for the quarter.

# Year End Closing Workflow

If you start the Year End Closing Workflow immediately upon completing the Quarterly Closing you can simply click on the **Year End Closing** tab to begin.

The screenshot shows the 'Payroll Tax Reports Control Center' window. It has two tabs: 'Quarter Closing' and 'Year End Closing'. The 'Year End Closing' tab is active. The window is divided into several sections:

- Year To Date Wage Detail Report:** This section has a 'Completed' checkbox (checked), a 'Preview' button, and three input fields: 'Total Wages' (0.00), 'Federal WHT' (0.00), and 'State' (empty).
- Year To Date Payroll Journal:** This section has a 'Completed' checkbox (unchecked), a 'Preview' button, and three input fields: 'Total Wages' (0.00), 'Federal WHT' (0.00), and 'State' (empty).
- Archive & Clear YTD Payroll:** This section has two checkboxes: 'Archive Completed' (unchecked) and 'Clear Completed' (unchecked). Below them are two buttons: 'Archive/Print/Clear' and 'Print Archive Rpt'. To the right are three input fields: 'Total Wages' (0.00), 'Federal WHT' (0.00), and 'State' (empty).
- Reports & Tax Forms:** This section contains four buttons: 'Federal 943', 'FUTA 940', 'W-2 Information', and 'Print W-2's'.

If you closed the **Payroll Tax Reporting Control Center** window you will need to re-select the quarter and year on the **Quarter Closing** tab and then click on the **Year End Closing** tab.

1. Print the Wage Detail Report: Click on the Preview button under the **Wage Detail Report** heading. Totals will normally appear here automatically because this report has already been run for the Quarter Closing. If totals already appear on the window, you don't need to preview the report again.

The program will automatically generate the year to date Wage Detail Report. The Year to Date Wages will automatically be updated on the Payroll Tax Reports Control Center screen.

The Preview of the report will be minimized. To view and print the report, click on the Print Preview button on your Taskbar.

2. Print a Payroll Journal for the Year: Click on the Preview button under the **Quarter Payroll Journal** heading.

The program will automatically generate a summary Payroll Journal for the year. The Payroll Journal totals will be updated on the Payroll Tax Reports Control Center screen.

The Preview of the report will be minimized. To view and print the report, click on the Print Preview button on your Taskbar.

3. Verify the totals of the Wage Detail Report and Payroll Journal on the Payroll Tax Reports Control Center or by reviewing the printed reports.

The screenshot shows the 'Payroll Tax Reports Control Center' window with the 'Year End Closing' tab selected. It contains two sections: 'Year To Date Wage Detail Report' and 'Year To Date Payroll Journal'. Each section has a 'Completed' checkbox, a 'Preview' button, and three text boxes for 'Total Wages:', 'Federal WHT:', and 'State WHT:', all displaying '0.00'.

If the totals agree you may proceed with the closing process. If not, you will be prompted to fix employee totals, the same way as described in the quarter to date closing instructions.

4. Archive & Clear the Year to Date Totals. Click on the **Archive/Print/Clear** button under the **Archive & Clear Year to Date Payroll** heading.

A Print Preview of the Archive File Report will be minimized. Click on the Print Preview button on the Taskbar to view and print the report.

The employee wages will automatically be updated to the Archive, the current year totals in the Employee File will be cleared and the Current Year will be advanced to the next year.

The screenshot shows the 'Archive & Clear YTD Payroll' section of the 'Payroll Tax Reports Control Center' window. It includes checkboxes for 'Archive Completed' and 'Clear Completed', a 'Print Archive Rpt' button, and three text boxes for 'Total Wages:', 'Federal WHT:', and 'State WHT:', all displaying '0.00'. Below this is a 'Reports & Tax Forms' section with buttons for 'CA DE-7', 'Federal 943', 'FUTA 940', 'W-2 Information', 'Print W-2's', and 'Electronic W-2's'.

5. Reports & Tax Forms. You may now print your Federal and State reports at your convenience. If you will be printing the reports at a later time you may return to the Payroll Tax Reports Control Center to print them. Upon returning you must select the Year and Quarter on the Quarter Closing tab, click on the Year End Closing tab, and then your totals will be displayed for you to verify before printing/generating reports.

## Archive Error Report

When either the Quarter or Year is archived the software will display an error report of potential issues with the Employee information. Some of this information may need to be corrected before you submit electronic files.

Errors include:

- Invalid SSN , may be any field that is incomplete or is filled in with 0's, '666' in the first field, and any # starting with 9. Electronic files may be generated with invalid SSN's, however the software will not include any number if it is invalid. Invalid #'s will also not print on the Employee's W-2 form.
- Missing Mailing Address, City, State or Zip.
- Invalid characters in the Employee Name (such as a zero instead of the letter O) and punctuation marks that are not allowed ( . , ' " / - are allowed). Invalid characters may prevent electronic files from being uploaded.
- Negative wages or tax deductions. You can't report negative wages for an employee. (see section on correcting negative wages).



## Edit YTD Employee Archive

At the end of the year, employee totals are moved to the YTD archive file. This archive file is used when printing W-2's. In addition to the YTD totals, there are several entries that are used for printing the correct information on W-2's for fringe benefits, deferred compensation, and other types of income. You may need to edit some of these fields to correctly report wages on your W-2s.

Year End Employee Archive File	
<div><div>Year: 2020</div><div>Acct #: 1002</div><div>Name Key: GARCIAJUAN35</div><div>S. S. #: 765 43 2198</div><div>Last Name: GARCIA</div><div>First/Middle Name: JUAN</div><div>Mail Address: ROAD 100</div><div>Loc Address:</div><div>City: FRESNO</div><div>State: CA Zip: 93710</div><div>Foreign Province:</div><div>Foreign Postal Code: Country Code:</div><div><input type="checkbox"/> Bad Address</div><div>Date of Birth: 05/08/1980</div><div>Marital Status: Married</div><div>State For Withholding: CA State For SDI/UI: CA</div><div>Special Tax Status: None</div><div>Type: Agricultural (943)</div><div><input type="checkbox"/> H-2A</div></div> <div><div>Wages/Withholding</div><div>W-2 Information</div><div>States</div></div> <div><div>YTD Wages: 3582.59</div><div>Tips: 0.00</div><div>Fringe Benefits: 0.00</div><div>Federal Income Wages: 3582.59</div><div>Social Security Wages: 3582.59</div><div>Medicare Wages: 3582.59</div><div>State Income Wages: 3582.59</div><div>Local Wages (CA SDI): 3582.59</div><div>SUI/FUI Wages: 3582.59</div><div>SDI YTD: 35.83</div><div>FICA YTD: 222.12</div><div>Medicare YTD: 51.95</div><div>Federal Wht YTD: 19.02</div><div>State Wht YTD: 0.00</div><div>Local Wht YTD: 0.00</div><div>School District:</div><div>SICK LEAVE 1: 560.00</div><div>SICK LEAVE 2: 280.00</div><div>SICK LEAVE 3: 540.00</div><div>OTT YTD: 0.00</div></div>	

Print

Compile Deferred Comp

Edit W-2 Info...

Save

Clear

Delete

### Name and Address

If the name or address needs to be changed for the W-2, edit the information on this screen. Keep in mind that changes made to the name and address in the YTD Archive file does not update the main employee file. The main employee file must be changed separately.

### Wages/Withholding

The YTD totals from the employee accounts are saved here automatically by the program when you archive the YTD totals. You will not normally need to edit this information.

### Sick Leave 1/2/3

The Sick Leave fields are used for printing W-2 Statements with the amount of Covid-19 leave under the FFCRA.

Sick Leave 1 is used for leave taken for reasons 1-3 under the Emergency Sick Pay.

Sick Leave 2 is used for leave taken for reasons 4-6 under the Emergency Sick Pay

Sick Leave 3 is used for leave taken for reason 5 under the Extended Family Medical Leave.

After W-2's have printed an option will be available for printing statements for employees that have taken leave. More information on this statement can be found at

<https://datatechag.com/ffcra-covid-leave-w-2-reporting/>

### W-2 Information

This tab page contains special entries for the W-2 for handling fringe benefits, deferred compensation, etc. For accurate W-2 reporting, be sure you read and understand the employer guide from the IRS that covers W-2 reporting.

With the 2012 Year End Update, instead of this screen, you should use the button at the bottom of the screen labeled Edit W-2 Info. This will take you to a grid style entry screen that can be configured just for the entries you need to make. Whether you are using the screen below or the grid entry screen, the descriptions of the entries that follow will be the same.

To use the grid style entry for additional W-2 Information, click on the Edit W-2 Info button.

Year End Employee Archive File

Wages/Withholding W-2 Information States

Year:

Acct #:

Name Key:

S. S. #:

Last Name:

First/Middle Name:

Mail Address:

City:

State:  Zip:

Date of Birth:

Marital Status:

State For Withholding:

State For SDI/UI:

Special Tax Status:

Type:  ☐ H-2A

Allocated Tips:

Dependant Care Benefits:

Misc/PS-58 Costs:

Misc Pay Description:

Expense Reim./IRS Approved Rate:

Group Term Life/Other Income:

Fringe Benefits/Other Income:

Nonqualified Plans:  ☐ Pension

Deferred Comp. Amount:

Deferred Comp. Flag:

Designated Roth Contr to 401k:

Designated Roth Contr to 403b:

Employer HSA Contribution:

Employer-Sponsored Health Coverage:  ☐ 3rd Party Sick Pay

Print Compile Deferred Comp Edit W-2 Info... Save Clear Delete

This screen will appear:

Tax Year to Edit: 2017    Department to Select: (All)    Ordering: Name Key

Acct #...	S. S. #	Last Name	First Name	Dependent ...	PS58	Fringe GTL	Fringe Comp...	Non Qual ...	Pension Flag	Def Comp Type	Def Comp	Exp Reimb	Employer HSA
1014	623	00	7835	ALVARADO MARTIN	JOSE JESUS	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00
101 775	00	0005	AYALA	JOHN	0.00	0.00	0.00	0.00	0.00	401(k)	83.85	0.00	0.00
104 000	00	0000	BALTAZAR	VICTOR	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
108 542	00	5435	CASTRO	PEDRO	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
1005 000	00	0010	CEJA	DAVID	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
8069 595	00	9876	DIAZ	GREGORIO	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
116 999	00	9876	FUENTES	GUADALUPE	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
102 515	00	1525	GARCIA-HERNANDEZ	ROGELIO	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
1006 666	00	1234	GARCIA	JORDAN	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
1000 000	00	0007	AYALA GARCIA	JUAN JOSE	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
1002 466	00	5435	GARCIA	JUAN	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
1001 123	00	9999	AYALA GONZALES	MARIA REY	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
110 000	00	0006	GONZALES	MARIA	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
1050 857	00	1234	GUTIERREZ LOPEZ	JOSE MANUAL	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
4137 000	00	0002	GUZMAN	ALEJANDRO	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
1373 000	99	9876	LINO	ARTURO	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
6972 000	00	0001	LOPEZ	JOSE JESUS	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
1009 595	00	0123	LOPEZ	KYLE	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
1004 595	00	1234	LOPEZ	MARIA	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
115 123	00	1234	MARTINEZ	JUAN	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
931 000	00	0005	NUNO PEREZ	JORGE	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
6905 000	00	0009	REYES	ROGELIO	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
3966 000	00	0008	RODRIGUEZ	ADRIAN	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
1008 619	00	4598	ROSAS	MARIA	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
6103 000	00	0004	SANCHEZ	MIGUEL	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
3850 000	00	0003	URIBE	JESUS	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00
1051 251	00	2915	VASQUEZ	MARIA	0.00	0.00	0.00	0.00	0.00	None	0.00	0.00	0.00

Select Columns    Print Report    Compile Deferred Comp    Compile DD Amounts    Import Coverage

To use the grid entry:

#### Tax Year to Edit

Enter the tax year, 4 digits, i.e. 2012”.

#### Department to Select

If you need to edit a selected group of employees by department, enter the department to select.

#### Select Columns

Before starting to edit, click on the Select Columns button to select only the columns you need to edit. This will reduce the horizontal size of the grid and make the data entry much quicker.

Select Columns to Display...

<input checked="" type="checkbox"/> Acct # >>	<input checked="" type="checkbox"/> Roth Contr 401K
<input checked="" type="checkbox"/> S. S. #	<input checked="" type="checkbox"/> Roth Contr 403B
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Employer HSA Contr
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Employer Health Cov
<input checked="" type="checkbox"/> Last Name	<input checked="" type="checkbox"/> 3rd Party S/P
<input checked="" type="checkbox"/> First Name	
<input checked="" type="checkbox"/> Alloc Tips	
<input checked="" type="checkbox"/> Dependent Care	
<input checked="" type="checkbox"/> PS58	
<input checked="" type="checkbox"/> Misc Pay Descr	
<input checked="" type="checkbox"/> Fringe GTL	
<input checked="" type="checkbox"/> Fringe Comp Other	
<input checked="" type="checkbox"/> Non Qual Plans	
<input checked="" type="checkbox"/> Pension Flag	
<input checked="" type="checkbox"/> Def Comp Type	
<input checked="" type="checkbox"/> Def Comp	
<input checked="" type="checkbox"/> Exp Reimb	

OK Cancel

After you click Ok, the grid will be rebuilt and resized to display the columns that

you have selected.

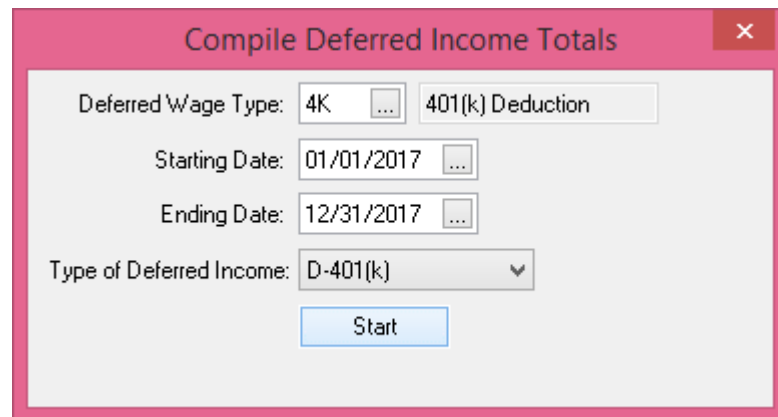
The window is re-sizeable, so you can expand it to show more columns and employees.

For each employee, you can now add the additional data required for the W-2. Following are descriptions of the additional entries and where they will print on the W-2.

**Please note that reporting requirements, limits, etc. change from time to time. You must check current reporting IRS requirements each year to make sure you are in compliance. If you have any questions about W-2 reporting, please contact your accountant. Datatech support personnel cannot answer questions about your specific tax issues, but can only explain where to enter information for your W-2's.**

### Compile Deferred Comp

The Compile Deferred Comp will calculate the amount of pre-tax/deferred comp contributions from payroll check line items.



Select the Wage Type for your deferred comp contributions, the date range for the year and the W2 code for the type of deferred income your plan is set up as.

### Compile DD Amounts

The Compile DD Amounts will read the Health Insurance Benefit records from Datatech's HR system to total the cost of health coverage. When you click the Compile DD Amounts you will receive a Preview of the Employer Health Coverage Amount Report Detail for review.

Webinar Training Files														
Employer Health Coverage Amount Report Detail														
Year: 2017														
Acct #	Employee Name	Plan	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
101	AYALA, JOHN	PANABRIDGE BASIC	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
104	BALTAZAR, VICTOR	PANABRIDGE BEST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Click Yes to update the totals to the W2 file.

### Import Coverage

This button will open the file explorer for you to select a file to import the health coverage amounts. This is used for those customers that want to import the totals from a file provided by their insurance carrier. Currently files from UABT and Western Growers/Pinnacle are supported.

Please note that if insurance carriers change their format from year-to-year, it may require additional programming to correctly import. Customers using other insurance carriers that

### Information on other Columns

#### Allocated Tips

The amount entered here will print in box 8 on the W-2.

**Dependent Care Benefits**

See current IRS instructions for reporting Dependent Care Benefits in Box 10.

**Misc/PS-58 Costs Misc Pay Description**

The amount and description that you enter here will print in Box 14 (Other) on the W-2. Expense Reim/IRS Appr Rate

Reimbursement of employee business expenses in excess of rates allowed by the IRS must be included in Box 1, 3 and 5. This excess reimbursement is fully taxable, but is not listed separately. However, the amount of the reimbursement which does meet IRS guidelines, which IS NOT taxable, must be listed in Box 12. To do this, enter the amount in the Expense Reim/IRS Appr Rate entry.

**Group Term Life/Other Income**

Premiums on group term life insurance in excess of \$50,000 are taxable as income and must be reported in Boxes 1, 3 and 5. In addition, this amount must be listed in Box 17. To do this, enter the amount of the premium in the Group Term Life/Other Income entry.

**Fringe Benefits/Other Taxable Payments**

If you have defined other income wage types, you may need to edit the employee archive file to print the other income amounts in the correct boxes. Other income may include such items as:

Non-cash compensation, such as company use of auto and meals.

Reimbursement of employee business expenses in excess of rates allowed by the IRS

Premiums on group term life insurance in excess of \$50,000

The IRS requires different treatment for each of the above items though they are all fully taxable. This requires editing the employee archive file.

Non-cash compensation, including personal use of company auto and meals, is considered a Fringe Benefit. In addition to adding this amount to wages in Box 1, 3 and 5 (Taxable Wages, Social Security Wages, and Medicare Wages), the amount must be printed in Box 14. This is done by entering the amount for these items in the Fringe Benefits/Other Income entry.

**Nonqualified Plans**

The amount entered here will print in box 11 on the W-2.

**Pension, Deferred Comp Amt, Deferred Comp Flag**

See the Pension Plans section that follows if you have a pension plan.

**Designated Roth Contributions to 401k:**

If you have a 401k plan that includes Roth contributions, consult IRS rules for reporting.

**Designated Roth Contributions to 403b:**

If you have a 403b plan that includes Roth contributions, consult IRS rules for reporting.

**Employer HSA Contribution**

If you have contributed to employee Health Savings Accounts, enter the amount contributed for each employee, including any amounts deferred by employees under a Section 125 cafeteria plan. Consult IRS rules for more information.

**Employer-Sponsored Health Coverage**

Enter the amount, if any, of any payments made by you for employee health coverage. Consult IRS rules to see what should be included, and whether or not your company is subject to reporting. As of 12/14/2012, the IRS web page that explains this is:

<http://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage>

Remember, some of the above items must be entered on a payroll check to properly record them as Other Income and deduct FICA and Federal Income Tax (and state taxes, if applicable). Once this has been done, the above editing will identify and distribute the Other Income to the correct boxes on the W-2. After entering all W-2 information, including pension information as noted on the next page, you can print a report to check totals.

## Pension Plans

Employee pension contributions, which are based on salary reduction, are usually only taxable for FICA. 401K plans are usually set up in this manner. In addition to the amount of contributions being entered in Boxes 3 and 5, the type of plan must also be identified. There are three items which must be edited using this option. They are:

1. Pension Checkbox: Check this box.
2. Deferred Compensation: Select the type of deferred compensation plan. Each plan has a letter code assigned to it which is printed on the W-2:

D for Section 401(k) plans E for Section 403(b) plans F for Section 408(k) plans  
G for Section 457 plans  
H for Section 501(c) plans S for Section 408(p) plans

3. Deferred Compensation Amount. This is the amount that the employee deferred during the year from his/her wages

The easiest way to compile the above information is to use the button labeled Compile Deferred Comp. When you click on this button, the program will ask for the wage type that you are using for the deferred compensation, the starting and ending dates for the tax year, and the type of pension plan.

The program will then compile the amounts that each employee has deferred, enter them in the archive file, and set the correct deferred compensation plan type. If you are using the Other Income wage type for Deferred Compensation, you cannot enter any other type of income using this wage type. The program must assume that all wages entered in Other Income are wages deferred, and will so classify them in Box 12 of the W-2.

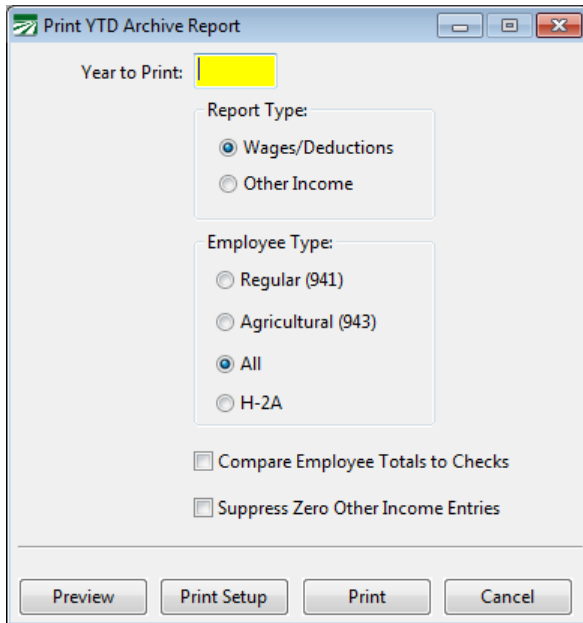
If your employees are covered by a pension plan, but they do not defer wages, you must still check the Pension checkbox for each employee so covered, but select "None" for the Deferred Compensation Flag.



## Print YTD Employee Archive

The option to print the Year to date Employee Archive file is on the Year End Tax Reporting submenu of the Payroll menu. The following window will open when you select this option:

From this screen you can print reports of employees that have been archived and



The screenshot shows a Windows-style dialog box titled "Print YTD Archive Report". It contains the following elements:

- Year to Print:** A text input field with a yellow background.
- Report Type:** A group box containing two radio buttons:
  - ☒ Wages/Deductions
  - ☐ Other Income
- Employee Type:** A group box containing four radio buttons:
  - ☐ Regular (941)
  - ☐ Agricultural (943)
  - ☒ All
  - ☐ H-2A
- Two unchecked checkboxes:
  - ☐ Compare Employee Totals to Checks
  - ☐ Suppress Zero Other Income Entries
- Four buttons at the bottom: **Preview**, **Print Setup**, **Print**, and **Cancel**.

will have W-2's printed.

You can select the printing of Wages and Deductions, or Other Income and W-2 information.

You can print either Agricultural, Regular or All employees.

## Federal Form 943

Form 943 is a Federal tax form for the reporting of wages, Social Security, Medicare and Federal income taxes. All agricultural wages are reported on this form.

The payroll program prints the entire form on blank paper, so that you do not have to transfer totals to the form you receive in the mail. The program will automatically compile the wage and tax information, and you can then enter on the screen various adjustments and other information needed before printing the final form.

If you need to report your tax liability by month in Part 2, or if you are a semi-weekly depositor, the program will also compile your tax liability information from the paychecks issued during the quarter. The tax liability information is compiled by printing the Tax Liability Report for the quarter you are processing, or using the button on the 943 screen.

Before printing this form, be sure to print (or preview on screen) the Tax Liability Report for the quarter you are processing. You will find this report on the Payroll, Reports menu.

You will also need a list of the tax deposits you have made for the quarter you are processing. You can use the check inquiry screen to get a list of payments. Make sure you include payments for the current year only, excluding any payments that may have been made in the first month of the year for the prior year, and including any payments made in the month following the year end for the last month of the year you are processing.

With this new 940 form, we have made the process easier to complete. However, you must have an understanding of the reporting requirements, procedures, and reconciliation. We cannot take responsibility for errors in your reporting.

### **Before you can print this form these items must be completed:**

Verify year to date wage and deduction totals (see year-end workflow). Archive employee totals for the year.

Print the Tax Liability Report for the year to record tax liability.

Make sure the legal name of your company has been entered in the system file, if it is different than your trade name.

When you select the Federal 943 Report option from the Payroll, Year End Tax Reporting menu, the following screen will appear (initially without any entries filled in):

**Print 943 Report**

Form 943 Form 943A

Year to Print:   ☐ Final Return ☐ New Address

Form 943 Entries:

1. Number of ag employees March 12 pay period:.....	<input type="text" value="0"/>
2. Total wages subject to social security tax:.....	<input type="text" value="0.00"/>
3. Social security tax:.....	<input type="text" value="0.00"/>
4. Total Wages subject to Medicare tax:.....	<input type="text" value="0.00"/>
5. Medicare tax:.....	<input type="text" value="0.00"/>
6. Additional Medicare Wages:.....	<input type="text" value="0.00"/>
7. Additional Medicare Tax:.....	<input type="text" value="0.00"/>
8. Federal income tax withheld:.....	<input type="text" value="0.00"/>
9. Total taxes before adjustments:.....	<input type="text" value="0.00"/>
10. Adjustment to taxes:.....	<input type="text" value="0.00"/>
11. Total taxes:.....	<input type="text" value="0.00"/>
12. Total deposits for Year, overpayment from Prior Year:	<input type="text" value="0.00"/>
13a. COBRA premium assistance payments:.....	<input type="text" value="0.00"/>
13b. # of people who received COBRA premium assistance:.....	<input type="text" value="0"/>
14. Total Payments:.....	<input type="text" value="0.00"/>
15. Balance due:.....	<input type="text" value="0.00"/>
16. Overpayment:.....	<input type="text" value="0.00"/>

☐ Apply to next return ☐ Refunded

Monthly Summary of Federal Tax Liability

January:	<input type="text" value="0.00"/>	
February:	<input type="text" value="0.00"/>	
March:	<input type="text" value="0.00"/>	Sep
April:	<input type="text" value="0.00"/>	
May:	<input type="text" value="0.00"/>	No
June:	<input type="text" value="0.00"/>	De

Total Liability  
 State Code (Se  
☐ Semiweekly schedule depositor  
☐ Monthly schedule depositor

Third Party Designee:

Designee's Name:   
Phone Number:   
Personal ID Number:

Signature Line: Title   
Date: / /

Enter the following information:

#### Year to Print

Enter the tax year for which you are printing the Form 943.

#### Calculate Totals

Click on this button to calculate the totals for this report. Depending on the number of employees, this could take a few minutes. When it is finished, the screen will be filled in as shown above.

#### Final Return New Address

#### Adjustments to Taxes

Enter any rounding adjustments to the tax owed. If you wish to subtract an adjustment, enter it with the minus (-) sign.

**Total Deposits for Year, overpayment from Prior Year**

Enter the total tax deposits you have made for this year. If you have an overpayment from the previous year, include that amount.

You can get a list of tax deposits by using the vendor check inquiry screen to list the payments you have made. Be sure to include only payments for Form 943.

**COBRA Premium assistance payments**

Enter the amount of assistance payments, if any.

**# of people who received COBRA premium assistance**

Enter the number of persons that received assistance

**Overpayment Disposition**

If there is an overpayment, check either the “Apply to Next Return” or “Refunded” box.

**Type of Depositor**

If the total tax due is less than \$2500, do not check either of the depositor boxes.

Otherwise, check either the “Semiweekly” or the “Monthly” depositor box.

**Total Liability for year.**

Make sure that the total tax liability for the year equals line 9, Total Taxes..

If there is a small difference, it is usually due to rounding differences, and you can adjust the liability for the last month of the year to balance. Use the Adjust Tax Liability button to automatically adjust the liability to line 9.

If there is a large difference, you may need to investigate.

**Third Party Designee**

If you wish to designate an employee or other individual to discuss this return with the IRS, enter their name, phone number and personal ID number.

**Signature Line**

Enter the title of the person signing the return, and the date.

At this time you can print the Form 943.

**Semiweekly Depositor, Form 943A**

If you are a semiweekly depositor, you must file Form 943A, which details your tax liability for each day of the year. To view this liability data, click on the 943A tab page. You should see the following:

**Print 943 Report**

Form 943 Form 943A

January - March April - June July - September October - December

January February March

1: 0.00	9: 0.00	17: 0.00	25: 0.00
2: 0.00	10: 0.00	18: 0.00	26: 0.00
3: 0.00	11: 0.00	19: 0.00	27: 0.00
4: 0.00	12: 0.00	20: 0.00	28: 0.00
5: 0.00	13: 0.00	21: 0.00	29: 0.00
6: 0.00	14: 0.00	22: 0.00	30: 0.00
7: 0.00	15: 0.00	23: 0.00	31: 0.00
8: 0.00	16: 0.00	24: 0.00	

Month 1 Total: 0.00

1st Quarter Total: 0.00

Update Tax Liability Preview Print Setup

As you can see, the tax liability for each of the 12 months of the year can be viewed.

Normally you will not need to review this information.

If amounts do not appear on this screen, or on the 943A when printed, you will need to click on the Update Tax Liability button to compile the amounts.

If, after doing so, the total liability for the year does not equal line 9 of the 943, use the Adjust Tax Liability button on the Form 943 tab so that they equal.

Once the adjustments are made, this form can be printed.

# Form 943 Covid-19 Related Tax Credits

## **Background**

Shortly after the Covid-19 wage tax credits were passed by Congress, Datatech provided a method to set up wage types to track wages paid that could be taken as a credit.

The procedures recommended would allow you to track these wage tax credits. However, the software does not determine the eligibility of employees to receive these credits. Nor does it track any limits on wages paid using the Covid-19 wage type. If there are limits on the rate of pay, weekly totals, or number of hours, you must observe those limits when categorizing the wages under the Covid-19 wage type.

On the Federal Form 943, there are two categories of Covid-19 wage types that need separate totals. These are:

### **Line 2a, Qualified Sick Leave Wages**

(See reference that follows regarding definition)

### **Line 2b, Qualified Family Leave Wages**

(See reference that follows regarding definition)

Best practice for setup in Datatech software is to have a separate wage type for each type. For Farm and Farm Labor cost accounting, you can also use the same wage type but a different Job ID.

The new 943 form also provides for taking credits for wages paid under the Employee Retention Credit provisions. The program does not track these wages, but if you have paid wages under this provision, and you have used a wage type specifically set up for it, you can get a report of those wages using the labor analysis report.

### **Nonrefundable vs. Refundable Credits**

Any credits up to the amount of the Employer Social Security tax portion will be counted as a Nonrefundable credit. This amount will be applied to the Total Amount of Taxes Due.

Any credits due over the amount of Employer Social Security will be applied as credits/payments to the Total Taxes Due.

This will be discussed further in the instructions below.

## Completing Form 943

The new 943 form is more complicated, due to the breakdown of the Covid-19 wages, as well as the tax credits you need to calculate. We have provided all of the entries that are needed for the form, but we cannot provide advice on how to fill it out. The IRS has a publication to assist with this, and that publication provides a worksheet for calculating the wage credits, which include the wages paid, any prorated health insurance benefits you paid, and the Medicare tax. <https://www.irs.gov/pub/irs-pdf/i943.pdf>

In order to determine the qualified wages, the program must know what wage types you have used for the Qualified Sick Leave and Qualified Family Leave. The program uses the information in the Sick Leave table to figure this out when you click on the Verify button. If it can't, you can enter the wage types that you have set up.

If you have not set up any wage types for the leave wages paid, the program cannot calculate the total wages. You will need to do this yourself, and then edit the 943 form lines 2a and 2b to adjust the totals.

### What the program does:

If you have used specific wage types for the Covid-19 leave payments, the program will calculate these totals for lines 2a and 2b. They are listed separately from other social security wages on these lines because they are not subject to the employer portion of social security.

### What the program does not do:

You must take the total Covid-19 leave wages on these two lines and transfer to the Worksheet 1. They will be combined with the employer portion of Medicare (calculated on the worksheet) and the employer's portion of any health insurance benefits for the time the employees were on leave (you must calculate the health insurance credit).

You will then take the total of the non-refundable credits and enter on line 12a and 12b of the 943, and any refundable credits on line 14d.

If you need assistance with the worksheet, please contact your accountant. Datatech support personnel cannot assist with this worksheet, or any other data that is required on Form 943 that you need to compile separately.

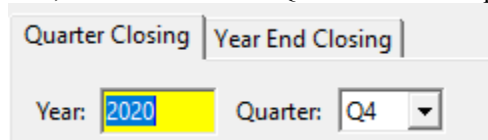
If you have any questions about what wages are allowed for the Covid-19 leave, or the employee retention credit, please consult the IRS web site for more details, or contact your accountant. We cannot provide accounting or legal advice.

## Specific Instructions

As noted above, the IRS provides a step by step guide to completing the 943 form.

In completing this form in our program, there are some additional steps that you must take. The screens have been changed to reflect each entry on the new form, but there will be entries that you may skip.

It is recommended that you open the 943 from the Payroll Tax Reports Control Center. To start, select the Year and Quarter from the top of the Quarter Closing tab:



The screenshot shows a software interface with two tabs at the top: "Quarter Closing" and "Year End Closing". The "Quarter Closing" tab is currently selected. Below the tabs, there are two input fields. The first is labeled "Year:" and contains the text "2020". The second is labeled "Quarter:" and contains a dropdown menu with "Q4" selected.

Then, click on the Year End Closing tab and Federal 943 button.

Reports & Tax Forms:

Federal 943

FUTA 940

W-2 Information

Print W-2's

Electronic W-2's

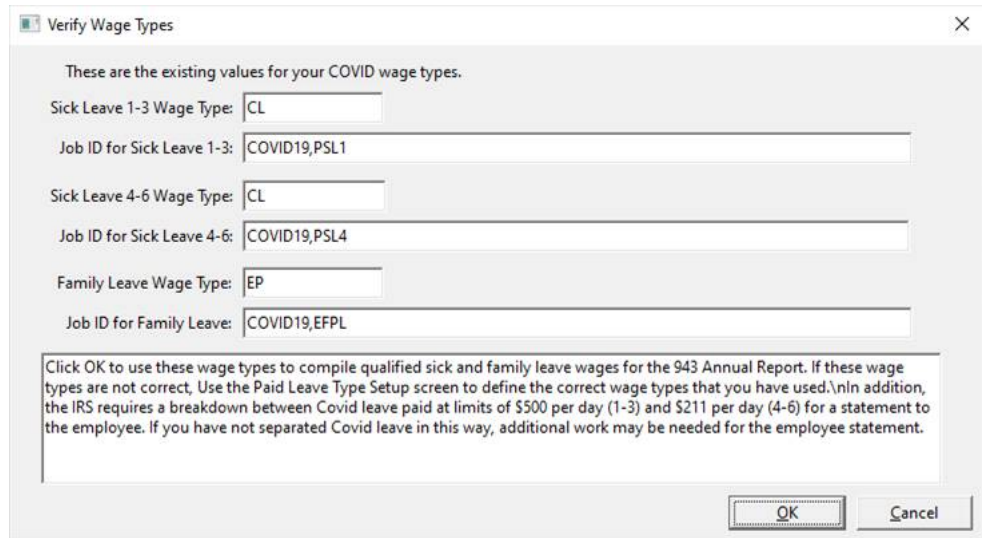
If you are running the 943 for a previous year, the software will change the entry form to the prior format. For 2020, the new format will appear.



## Step 1

Click on the VERIFY button to check your Wage Types, Job ID's and/or Cost Centers used for Covid-19 Qualified Sick Leave and Qualified Family Leave wages. If you have previously defined Covid-19 Leave Wage Types the software will display them here.

If you do not have any qualified wages, you can click OK and proceed to Step 2.



Verify Wage Types

These are the existing values for your COVID wage types.

Sick Leave 1-3 Wage Type: CL

Job ID for Sick Leave 1-3: COVID19,PSL1

Sick Leave 4-6 Wage Type: CL

Job ID for Sick Leave 4-6: COVID19,PSL4

Family Leave Wage Type: EP

Job ID for Family Leave: COVID19,EFPL

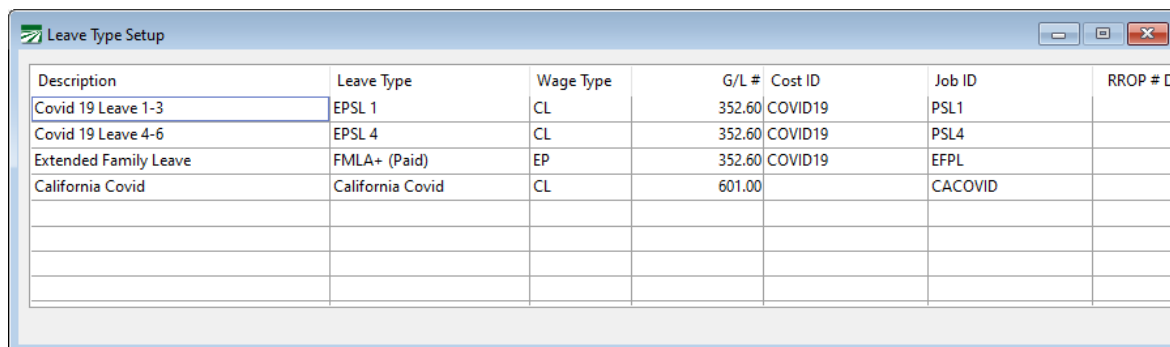
Click OK to use these wage types to compile qualified sick and family leave wages for the 943 Annual Report. If these wage types are not correct, Use the Paid Leave Type Setup screen to define the correct wage types that you have used. In addition, the IRS requires a breakdown between Covid leave paid at limits of \$500 per day (1-3) and \$211 per day (4-6) for a statement to the employee. If you have not separated Covid leave in this way, additional work may be needed for the employee statement.

OK Cancel

Three different types of leave are used between 943 and W-2 reporting. For the 943, the program needs to distinguish between Emergency Sick Leave and Extended Paid Family Medical Leave. In addition, on W-2's, the leave types have to be distinguished between reasons 1-3 and 4-6.

When compiling the information for the 943 report, the program will also update the Archive records for the W-2's. If you need to make any corrections to the setup or jobs codes on checks, make those corrections first. Then, run the 943 report again to compile the 943 and W-2 covid leave wages.

If you have set up Covid-19 Wage Types, but they are not displayed, go to Payroll > Setup > Paid Leave Type Setup. See <https://datatechag.com/initial-setup-for-covid-19-paid-leave-wages/> for more details on this setup.



Description	Leave Type	Wage Type	G/L #	Cost ID	Job ID	RROR # D
Covid 19 Leave 1-3	EPSL 1	CL	352.60	COVID19	PSL1	
Covid 19 Leave 4-6	EPSL 4	CL	352.60	COVID19	PSL4	
Extended Family Leave	FMLA+ (Paid)	EP	352.60	COVID19	EFPL	
California Covid	California Covid	CL	601.00		CACOVID	

Once the wage types used for Covid Leave have been set up, return to the 943 form and click Verify again to make sure the wage types are displayed.

If you didn't use a unique Wage Type for the Covid-19 leave, you may manually enter this information directly on the 943 form. See Step 3 below.

## Step 2

Select the quarter and year to print, then click Calculate Totals.

**STEP 2: Year to Print**  
Year to Print:   ☐ Final Return  
☐ New Address

The form will auto-complete based on the Archived Quarter Totals.

## Step 3 – Form 943 Entries (Wages, Deposits & Credits)

STEP 3: Form 943 Entries:

1. Number of ag employees March 12 pay period:	<input type="text" value="0"/>	13. Total Taxes After adjustments and credits:	<input type="text" value="6573.78"/>
2. Total wages subject to social security tax:	<input type="text" value="43558.12"/>	14a. Total Deposits including prior year overpayments:	<input type="text" value="9275.00"/>
2a. Qualified sick leave wages:	<input type="text" value="2160.00"/>	14b. Deferred amount of the employer share of social security tax	<input type="text" value="0.00"/>
2b. Qualified family leave wages:	<input type="text" value="1080.00"/>	14c. Deferred amount of the employee share of social security tax	<input type="text" value="0.00"/>
3. Social security tax:	<input type="text" value="5401.21"/>	14d. Refundable portion of credit for qualified sick and family leave wages from Worksheet 1	<input type="text" value="686.37"/>
3a. Social Security Tax on qualified sick leave wages	<input type="text" value="133.92"/>	14e. Refundable portion of employee retention credit from Worksheet 1	<input type="text" value="0.00"/>
3b. Social Security Tax on qualified family leave wages	<input type="text" value="66.96"/>	14f. Total deposits, deferrals, and refundable credits	<input type="text" value="9961.37"/>
4. Total Wages subject to Medicare tax:	<input type="text" value="46798.12"/>	14g. Total advances received from filing Form(s) 7200 for the year	<input type="text" value="0.00"/>
5. Medicare tax:	<input type="text" value="1357.15"/>	14h. Total deposits, deferrals, and refundable credits less advances	<input type="text" value="9961.37"/>
6. Additional Medicare Wages:	<input type="text" value="0.00"/>	15. Balance due:	<input type="text" value="0.00"/>
7. Additional Medicare Tax:	<input type="text" value="0.00"/>	16. Overpayment:	<input type="text" value="3387.59"/>
8. Federal income tax withheld:	<input type="text" value="2315.15"/>	<input type="checkbox"/> Apply to next return <input type="checkbox"/> Refunded	
9. Total taxes before adjustments:	<input type="text" value="9274.39"/>		
10. Adjustment to taxes:	<input type="text" value="0.00"/>		
11. Total taxes after adjustment:	<input type="text" value="9274.39"/>		
12a. Qualified small business payroll tax credit Form 8974:	<input type="text" value="0.00"/>		
12b. Nonrefundable portion of credit for qualified sick and family leave wages from Worksheet 1	<input type="text" value="2700.61"/>		
12c. Nonrefundable portion of employee retention credit from Worksheet 1	<input type="text" value="0.00"/>		
12d. Total nonrefundable credits	<input type="text" value="2700.61"/>		

CONTINUE -->

### Lines 2a or 2b

If you have qualified wages, but you did not use a unique wage type to identify them, you can edit 2a or 2b to reflect those wages. When you do, box 2 will automatically be adjusted.

### Line 10 Adjustment to Taxes

Enter any adjustment to the total tax due for rounding differences. To reduce the tax due, enter the adjustment with a minus (-) sign.

### 12b or 12c

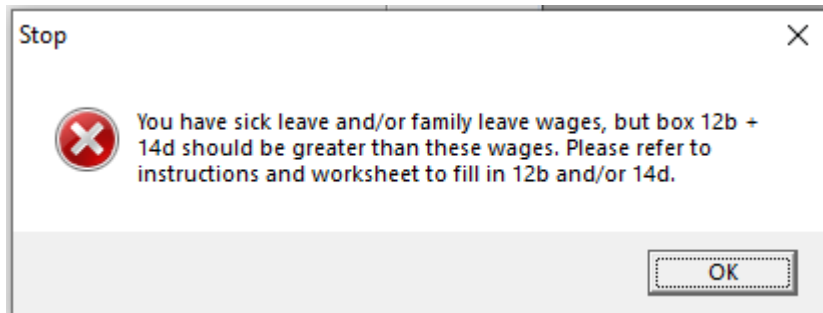
If you have qualified wages, or employee retention credits, complete Worksheet 1 at this point, so that you can make entries in boxes 12b and/or 12c. Go to <https://www.irs.gov/pub/irs-pdf/i943.pdf> to print the Credit for Qualified Sick and Family

Leave Wages and the Employee Retention Credit (page 18).

Follow the worksheet instructions to calculate the applicable credits. Step 1 of the worksheet calculates the employer share of social security tax. Step 2 calculates the credit for qualified sick and family leave, including employer share of Medicare and qualified health plan expenses allocated to the sick leave wages.

The amount of nonrefundable credit (worksheet line 2j) is the smaller amount of the employer share of social security or the qualified sick and family leave wages. This is entered in 12b on the 943 form.

The program will warn you and not print the 941 if you have qualified wages but you have not filled in box 12b.



## Worksheet 1. Credit for Qualified Sick and Family Leave Wages and the Employee Retention Credit

Keep for Your Records



### Determine how you will complete this worksheet

If you paid both qualified sick and family leave wages and qualified wages for purposes of the employee retention credit this year, complete Step 1, Step 2, and Step 3. If you paid qualified sick and family leave wages this year but you didn't pay any qualified wages for purposes of the employee retention credit this year, complete Step 1 and Step 2. If you paid qualified wages for purposes of the employee retention credit this year but you didn't pay any qualified sick and family leave wages this year, complete Step 1 and Step 3.

<b>Step 1.</b>		<b>Determine the employer share of social security tax this year after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C</b>	
1a	Enter the amount of social security tax from Form 943, <a href="#">line 3</a> .....	1a	<u>5401.21</u>
1b	<b>Employer share of social security tax.</b> Multiply line 1a by 50% (0.50) .....	1b	<u>2700.61</u>
1c	Enter the amount from Form 943, <a href="#">line 12a</a> (credit from Form 8974) .....	1c	<u>0</u>
1d	Enter the amount to be claimed on Form 5884-C, line 11, for the year .....	1d	<u>0</u>
1e	<b>Total nonrefundable credits already used against the employer share of social security tax.</b> Add lines 1c and 1d .....	1e	<u>0</u>
1f	<b>Employer share of social security tax remaining.</b> Subtract line 1e from line 1b .....	1f	<u>2700.61</u>
<b>Step 2.</b>		<b>Figure the sick and family leave credit</b>	
2a	Qualified sick leave wages reported on Form 943, <a href="#">line 2a</a> .....	2a	<u>2160.00</u>
2a(i)	Qualified sick leave wages included on Form 943, <a href="#">line 4</a> , but not included on Form 943, <a href="#">line 2a</a> , because the wages reported on that line were limited by the social security wage base .....	2a(i)	<u>0</u>
2a(ii)	<b>Total qualified sick leave wages.</b> Add lines 2a and 2a(i) .....	2a(ii)	<u>2160.00</u>
2b	Qualified health plan expenses allocable to qualified sick leave wages (Form 943, <a href="#">line 18</a> ) .....	2b	<u>100.00</u>
2c	<b>Employer share of Medicare tax on qualified sick leave wages.</b> Multiply line 2a(ii) by 1.45% (0.0145) .....	2c	<u>31.32</u>
2d	<b>Credit for qualified sick leave wages.</b> Add lines 2a(ii), 2b, and 2c .....	2d	<u>2291.32</u>
2e	Qualified family leave wages reported on Form 943, <a href="#">line 2b</a> .....	2e	<u>1080.00</u>
2e(i)	Qualified family leave wages included on Form 943, <a href="#">line 4</a> , but not included on Form 943, <a href="#">line 2b</a> , because the wages reported on that line were limited by the social security wage base .....	2e(i)	<u>0</u>
2e(ii)	<b>Total qualified family leave wages.</b> Add lines 2e and 2e(i) .....	2e(ii)	<u>1080.00</u>
2f	Qualified health plan expenses allocable to qualified family leave wages (Form 943, <a href="#">line 19</a> ) .....	2f	<u>0</u>
2g	<b>Employer share of Medicare tax on qualified family leave wages.</b> Multiply line 2e(ii) by 1.45% (0.0145) .....	2g	<u>15.66</u>
2h	<b>Credit for qualified family leave wages.</b> Add lines 2e(ii), 2f, and 2g .....	2h	<u>1095.66</u>
2i	<b>Credit for qualified sick and family leave wages.</b> Add lines 2d and 2h .....	2i	<u>3386.78</u>
2j	<b>Nonrefundable portion of credit for qualified sick and family leave wages.</b> Enter the smaller of line 1f or line 2i. Enter this amount on Form 943, <a href="#">line 12b</a> .....	2j	<u>2700.61</u>
2k	<b>Refundable portion of credit for qualified sick and family leave wages.</b> Subtract line 2j from line 2i and enter this amount on Form 943, <a href="#">line 14d</a> .....	2k	<u>686.37</u>
<b>Step 3.</b>		<b>Figure the employee retention credit</b>	
3a	Qualified wages (excluding qualified health plan expenses) for the employee retention credit (Form 943, <a href="#">line 20</a> ) .....	3a	<u>0</u>
3b	Qualified health plan expenses allocable to qualified wages for the employee retention credit (Form 943, <a href="#">line 21</a> ) .....	3b	<u>          </u>
3c	<b>Add lines 3a and 3b</b> .....	3c	<u>          </u>
3d	<b>Retention credit.</b> Multiply line 3c by 50% (0.50) .....	3d	<u>0</u>
3e	Enter the amount of the employer share of social security tax from Step 1, line 1f .....	3e	<u>          </u>
3f	Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave wages from Step 2, line 2j .....	3f	<u>          </u>
3g	<b>Subtract line 3f from line 3e</b> .....	3g	<u>          </u>
3h	<b>Nonrefundable portion of employee retention credit.</b> Enter the smaller of line 3d or line 3g. Enter this amount on Form 943, <a href="#">line 12c</a> .....	3h	<u>0</u>
3i	<b>Refundable portion of employee retention credit.</b> Subtract line 3h from line 3d and enter this amount on Form 943, <a href="#">line 14e</a> .....	3i	<u>0</u>

**14a**

Enter the total tax deposits you have made for this quarter. If you have an overpayment from the previous quarter, include that amount.

If you enter tax payments in your Datatech software, you can get a list of tax deposits by clicking on the List Payments button in the Step 2 box. Be sure to include only payments for Form 941.

**14d**

From your Credit Worksheet, if you had more qualified credits than employer social security, the difference (worksheet line 2k) is the refundable portion. This is entered on line 14d of the 943 form.

**Overpayment – Apply to Next Return or Refunded**

If you have an overpayment, select whether you will apply that to the next return (add next year to 14a Payments) or Refunded.

Click the Continue button when finishing Step 3

**943 (CONT.)****Step 4 – Federal Tax Liability**

Step 4: Monthly Summary of Federal Tax Liability:

January:	<input type="text" value="0.00"/>	July:	<input type="text" value="0.00"/>
February:	<input type="text" value="1148.70"/>	August:	<input type="text" value="0.00"/>
March:	<input type="text" value="0.00"/>	September:	<input type="text" value="2278.60"/>
April:	<input type="text" value="1387.14"/>	October:	<input type="text" value="300.64"/>
May:	<input type="text" value="0.00"/>	November:	<input type="text" value="0.00"/>
June:	<input type="text" value="1458.70"/>	December:	<input type="text" value="0.00"/>
<input type="button" value="Update Tax Liability"/>		Total Liability for year:	<input type="text" value="6573.78"/>
<input type="button" value="Adjust Tax Liability"/>		State Code (See Form):	<input type="text"/>
<input type="checkbox"/> Semiweekly schedule depositor			
<input checked="" type="checkbox"/> Monthly schedule depositor			
18. Qualified health plan expenses allocable to qualified sick leave wages	<input type="text" value="100.00"/>		
19. Qualified health plan expenses allocable to qualified family leave wages	<input type="text" value="0.00"/>		
20. Qualified wages for the employee retention credit	<input type="text" value="0.00"/>		
21. Qualified health plan expenses allocable to wages reported on line 20	<input type="text" value="0.00"/>		
22. Credit from Form 5884-C, line 11, for the year	<input type="text" value="0.00"/>		

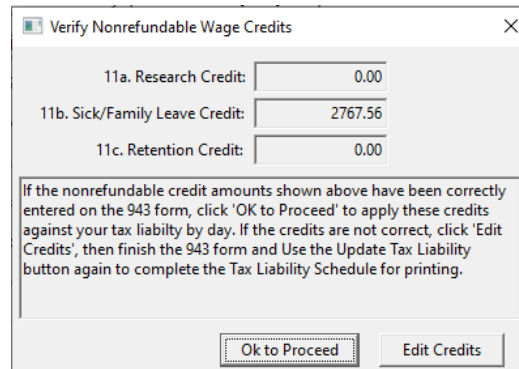
**Update Tax Liability/Adjust Tax Liability**

On the Form 943 (CONT.) tab, click Update Tax Liability.

**NOTE:** If you have Covid credits, you must fill in box 12b before you use the Update Tax Liability Button.

When you click **Update Tax Liability**, a pop-up will display the Nonrefundable Tax Credits.

If these amounts are not correct, click Edit Credits and return to Step 3 to adjust credits.



Verify Nonrefundable Wage Credits

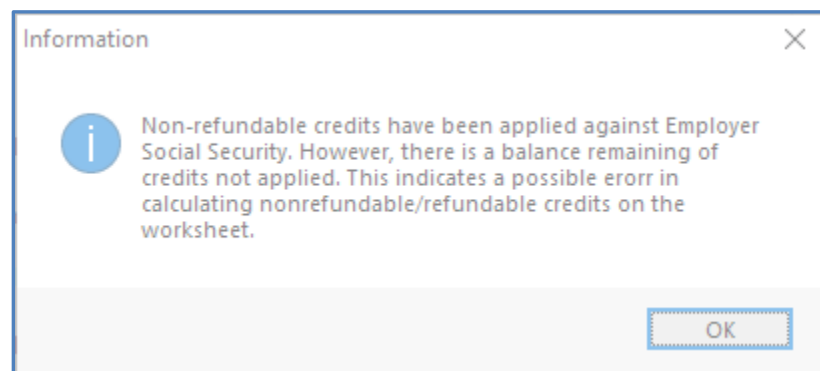
11a. Research Credit:	0.00
11b. Sick/Family Leave Credit:	2767.56
11c. Retention Credit:	0.00

If the nonrefundable credit amounts shown above have been correctly entered on the 943 form, click 'OK to Proceed' to apply these credits against your tax liability by day. If the credits are not correct, click 'Edit Credits', then finish the 943 form and Use the Update Tax Liability button again to complete the Tax Liability Schedule for printing.

Ok to Proceed Edit Credits

The program will apply the amount of the credits against your tax liability by day or month.

You may still need to use the Adjust Tax Liability button for rounding differences. After performing the Tax Liability Update, you will get this message if balances do not agree. In this case, you should go back to Step 3 to review your credits:

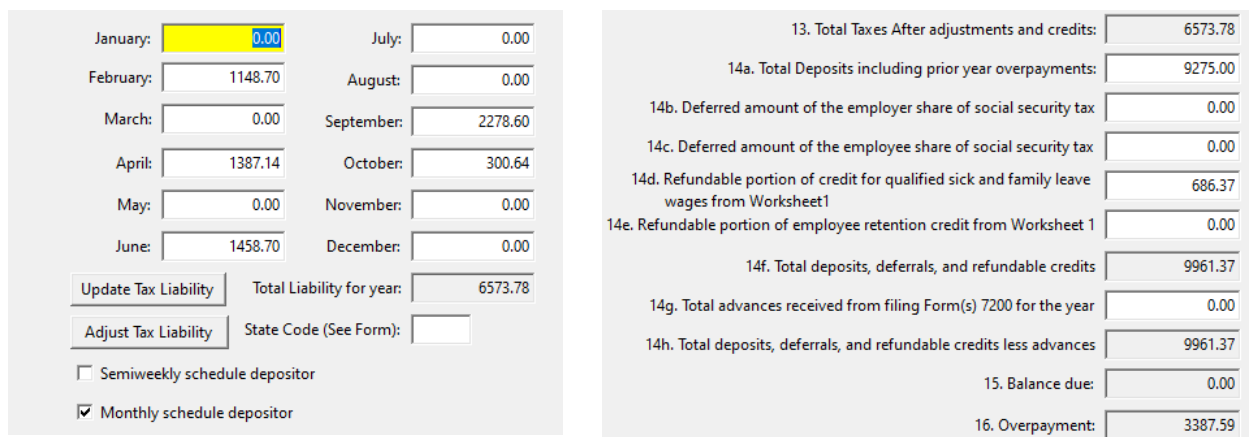


Information

**Non-refundable credits have been applied against Employer Social Security. However, there is a balance remaining of credits not applied. This indicates a possible error in calculating nonrefundable/refundable credits on the worksheet.**

OK

When complete, the adjusted Tax Liability must match Line 13 – Total Taxes After Adj. and Credits:



January: 0.00 July: 0.00  
February: 1148.70 August: 0.00  
March: 0.00 September: 2278.60  
April: 1387.14 October: 300.64  
May: 0.00 November: 0.00  
June: 1458.70 December: 0.00

Update Tax Liability Total Liability for year: 6573.78  
Adjust Tax Liability State Code (See Form):

☐ Semiweekly schedule depositor  
☒ Monthly schedule depositor

13. Total Taxes After adjustments and credits:	6573.78
14a. Total Deposits including prior year overpayments:	9275.00
14b. Deferred amount of the employer share of social security tax	0.00
14c. Deferred amount of the employee share of social security tax	0.00
14d. Refundable portion of credit for qualified sick and family leave wages from Worksheet 1	686.37
14e. Refundable portion of employee retention credit from Worksheet 1	0.00
14f. Total deposits, deferrals, and refundable credits	9961.37
14g. Total advances received from filing Form(s) 7200 for the year	0.00
14h. Total deposits, deferrals, and refundable credits less advances	9961.37
15. Balance due:	0.00
16. Overpayment:	3387.59

### Schedule

Select whether you are a Semiweekly or Monthly schedule depositor.

If you are a semiweekly depositor, you must print the 943 schedule A form. Instructions for this form are below.

### Lines 18-22

If qualified health plan expenses are added to the credits on the worksheet, enter the amount from worksheet 2b on line 18 and 2f on line 19.

If applicable enter amounts for lines 20-22.

### Step 5 – 941 Part 4

Lines 19 through 25 are not calculated on the form, but are used when you fill out Worksheet 1.

### Step 5 & 6– Third Party Designee /Signature Line

Step 5: Third Party Designee:

☐ Contact 3rd Party Designee

Designee's Name:

Telephone #:

Personal ID #:  ☒ Print Paid Preparer Information

[Paid Preparer Info](#)

Fill in this section if you want to designate an employee or other person to discuss the return with the IRS.

If you are a Paid Preparer, click the **Print Paid Preparer Information** button and click on the Paid Preparer Info to enter your information.

### Signature Line

Step 6: Signature Line:

Title:

Date:  ...

Enter your name and the preparation date to complete the form.

### Form 943 Schedule A

This form must be filed along with the Form 943 if you are a semiweekly depositor. It is a day-by-day record of your tax liability.

To view the liability data, click on the 943A tab. It will look similar to this screen:

Print 943 Report

Form 943 Form 943(CONT) Form 943A

January - March April - June July - September October - December

April May June

1: 0.00	9: 0.00	17: 0.00	25: 43.22
2: 0.00	10: 0.00	18: 0.00	26: 0.00
3: 0.00	11: 0.00	19: 55.34	27: 0.00
4: 216.57	12: 0.00	20: 0.00	28: 0.00
5: 0.00	13: 0.00	21: 0.00	29: 0.00
6: 0.00	14: 0.00	22: 0.00	30: 0.00
7: 0.00	15: 0.00	23: 1143.57	31: 0.00
8: 0.00	16: 0.00	24: 0.00	
Month 3 Total:			1458.70
2nd Quarter Total:			2845.84

If the total tax liability on Schedule A does not equal line 13, you can adjust the last tax liability amount for the quarter by using the Adjust Tax Liability button on the Form 943 tab. Usually there will be a small rounding difference, but if it is a larger amount, you may need to investigate the reason for the difference before completing the return.

If the above screen does not have any tax liability amounts that is an indication that you need to click on the Update Tax Liability button to compile liability totals.

Once you have verified the liability amounts and adjusted to Line 13 of Form 943, you can print the schedule.



## ***Additional Information***

### **How to Verify Covid-19 Sick & Family Leave Wages?**

You can use the Labor Analysis Report to get sick and family leave wage totals. Select by using start and end dates, wage type, or Job ID if applicable.

### **Links to Instructions**

Form 943 Instructions: <https://www.irs.gov/pub/irs-pdf/i943.pdf>

## ***References:***

### **From the IRS Website**

#### **20. What is included in “qualified sick leave wages”?**

Qualified sick leave wages are wages (as defined in section 3121(a) of the Internal Revenue Code for social security and Medicare tax purposes) that Eligible Employers must pay eligible employees for periods of leave during which they are unable to work or telework because the employee:

- 1) is subject to a Federal, State, or local quarantine or isolation order related to COVID-19-19;
- 2) has been advised by a health care provider to self-quarantine due to concerns related to COVID-19-19;
- 3) is experiencing symptoms of COVID-19-19 and seeking a medical diagnosis;
- 4) is caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19-19, or has been advised by a health care provider to self-quarantine due to concerns related to COVID-19-19;
- 5) is caring for a child of such employee if the school or place of care of the child has been closed, or the child care provider of such child is unavailable due to COVID-19-19 precautions; or
- 6) is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

#### **25. What is included in “qualified family leave wages”?**

Qualified family leave wages are wages (as defined in section 3121(a) of the Internal Revenue Code for social security and Medicare tax purposes) that Eligible Employers must pay eligible employees for periods of leave during which they are unable to work or telework due to a need for leave to care for a child of such employee if the child’s school or place of care has been closed, or because the child care provider of the child is unavailable, due to COVID-19-19 related

reasons. The first ten days for which an employee takes leave for this reason may be unpaid. However, during that 10-day period, an employee may be entitled to receive qualified sick leave wages as provided under the ESPLA or may receive other forms of paid leave, such as accrued sick leave, annual leave, or other paid time off under the Eligible Employer's policy. After an employee takes leave for ten days, the Eligible Employer must provide the employee with qualified family leave wages for up to ten weeks.

For more information, see the Department of Labor's [Families First Coronavirus Response Act: Questions and Answers](#).

## **72. How does an Eligible Employer claim the Employee Retention Credit for qualified wages?**

Eligible Employers will report their total qualified wages for purposes of the Employee Retention Credit for each calendar quarter on their federal employment tax returns, usually Form 941, Employer's Quarterly Federal Tax Return.

Employers also report any qualified sick leave and qualified family leave wages for which they are entitled to a credit under FFCRA on Form 941. The Form 941 is used to report income and social security and Medicare taxes withheld by the employer from employee wages, as well as the employer's share of social security and Medicare tax.

In anticipation of receiving the Employee Retention Credit, Eligible Employers can fund qualified wages by: (1) accessing federal employment taxes, including withheld taxes that are required to be deposited with the IRS, and (2) requesting an advance of the credit from the IRS for the amount of the credit that is not funded by accessing the federal employment tax deposits, by filing [Form 7200, Advance Payment of Employer Credits Due to COVID-19](#).

For more information, see [Deferral of employment tax deposits and payments through December 31, 2020](#).

The IRS recently posted Frequently Asked Questions addressing the employer's ability to defer the deposit of all of the employer's share of social security taxes due before January 1, 2021 under section 2302 of the CARES Act and reduce other employment taxes required to be deposited in an amount equal to the FFCRA sick leave and family leave credits and the Employee Retention Credit.

**Example:** Employer E paid \$10,000 in qualified wages (including qualified health plan expenses) and, after deferral of the employer's share of social security tax, is otherwise required to deposit \$8,000 in federal employment taxes for all of its employees for wage payments made during the same quarter as the \$10,000 in qualified wages. Employer E has no paid sick or family leave credits under the FFCRA. Employer E may keep up to \$5,000 of the \$8,000 of taxes Employer E was going to deposit, and it will not owe a penalty for keeping the \$5,000. Employer E will later account for the \$5,000 it retained when it files Form 941, Employer's Quarterly Federal Tax Return, for the quarter.

## Federal Form 940

Form 940 is the Federal tax form for reporting of wages and Federal unemployment Insurance tax due. It is used for both regular and agricultural employees. Before you can print this form these items must be completed:

1. Verify year to date wage and deduction totals (see year-end workflow).
2. Archive employee totals for the year.
3. Make sure the legal name of your company has been entered in the Program Setup window, if it is different than your trade name.

When you select this option from the Payroll, Year End Tax Reports menu the following screen will appear:

**Print Form 940**

Year to Print:  Calculate Totals

**Part 1:**

1a One State Only, Enter State Abbreviation:  ☐ Amended Return

- OR - ☐ Successor Employer

1b More than one state (Multi-state employer): ☐ ☐ No Employees this year

2. Wages in state subject to Credit Reduction ☐ ☐ Final Return

**Part 2: Determine your FUTA tax before adjustments.**

3. Total payments during calendar year:..... 0.00

4. Payments exempt from FUTA Tax:..... 0.00

☐ Fringe Benefits ☐ Retirement/Pension ☐ Other

☐ Group Term Life Ins ☐ Dependent Care

5. Payments of more than \$7000 per employee:..... 0.00

6. Total Exemptions and excess wages:..... 0.00

7a. Total Taxable Wages:..... 0.00

8. FUTA Tax before adjustments:..... 0.00

**Part 3: Determine your adjustments, if any.**

9. (See Instructions)..... 0.00

10. (See Instructions)..... 0.00

11. Credit Reduction, enter amount from line 3 of Schedule A (940)..... 0.00

**Part 4: Determine your FUTA tax and balance due or overpayment.**

12. Total FUTA tax after adjustments..... 0.00

13. Total FUTA tax deposited for the year:..... 0.00

14. Balance Due:..... 0.00

15. Overpayment:..... 0.00

☐ Apply to next return ☐ Refunded

**Part 5: Quarterly FUI Tax Liability:**

Liability, 1st Quarter: 0.00

Liability, 2nd Quarter: 0.00

Liability, 3rd Quarter: 0.00

Liability, 4th Quarter: 0.00

Total Liability for Year: 0.00

Update Tax Liability Adjust Tax Liability

**Part 6: Third Party Designee:**

Designee's Name:

Designee Phone #:

Personal ID Number:

**Part 7: Signature**

Your Name:

Title:

Date: / /

Phone Number:

**Print Position:**

Horizontal Offset: 0.00

Vertical Offset: 0.00

List Payments Preview Print Setup Print Cancel

To complete the form, enter the following:

**Year to Print**

Enter the 4 digit tax year for which you are printing the form.

**Calculate Totals**

Click on this button to calculate the report totals. If you have a large number of employees, this might take a few minutes.

**One State Only**

**More than one state (Multi-state employer)**

The state will automatically be entered for you when you click on the Calculate button, if you have wages in a single state. If you need to report wages for multiple states, the box will be checked to indicate that you are multi-state employer.

**Wages in state subject to Credit Reduction**

This box will be checked automatically if there is a Credit Reduction rate in the State Tax Rate Table for the year you are reporting. If you are in a Credit Reduction state and this box is not check marked add the rate in the State Tax Rate Table and then re-calculate the Form 940.

**Payments Exempt from FUTA Tax**

If there is any exempt payment amount, you need to check one or more boxes to indicate that nature of the exempt payments.

**Part 3 Adjustments**

If you have any adjustments for lines 9 and 10, enter the amounts here. See the instructions for information about these adjustments.

**Credit Reduction, amount from Schedule A (940)**

If you have paid any wages in a credit reduction state, and you have the credit reduction rate entered in the state tax rate file, the program will calculate the tax due, enter it here, and print the Schedule A(940).

**Total FUTA Tax Deposited For the Year**

Enter the total amount of taxes you have deposited for the year.

You can get a list of tax deposits by using the vendor check inquiry screen to list the payments you have made. Be sure to include only payments for Form 940.

**Overpayment Disposition**

If there is an overpayment, check the appropriate box to indicate whether you want the overpayment "Apply to Next Return" or "Refunded".

**Quarterly FUI Tax Liability**

Your tax liability for each quarter should appear here. If it does not, you may not have printed the Tax Liability Report for the year. You can calculate the tax liability by clicking on the Update Tax Liability button.

If the Total Liability for Year does not equal Line 8, and the difference is due to rounding, or due to an amount due for the credit reduction, you can click on the Adjust Tax Liability button to adjust the tax liability.

Any Credit Reduction taxes that are due are deemed to be a liability in the 12<sup>th</sup> month of the, and that is how the program will adjust.

**Third Party Designee**

If you wish to designate an employee or other individual to discuss this return with the IRS, enter their name and personal ID number.

**Signature Information**

Enter the name and title of the person signing the return, the date and phone number.

**Print Position**

In some rare cases, we have seen printers that do not print the items in the correct locations on the form. If this happens, you can enter a positive or negative offset (in inches) for both the horizontal and vertical positions. This will reposition the information printed on the form. In most cases, you will not need to make any adjustments.

You can now print the form. If you have a duplexing printer, pages one and two can be printed on one sheet. Pages three and four must be printed on separate sheets.

## Print W-2's

The following window will open when you select the Print W-2's option on the Year End Tax Reporting sub-menu:

Print W-2's

Year to Print:

Top Margin:

State to Select:

Type of Employees:

- ☒ Regular (941)
- ☐ Agricultural (943)

Printer Type:

- ☒ Laser/Ink Jet
- ☐ Dot Matrix

Type of W-2's:

- ☒ 2 per Page
- ☐ 3 per Page
- ☐ 4 per Page
- ☐ Employer Copy

Employees to Print:

- ☒ All
- ☐ Single
- ☐ Resume Printing
- ☐ Multiple

Print Order:

- ☒ Alphabetical
- ☐ Account #
- ☐ Social Security #

☐ Exclude Employees With Invalid S.S. #'s (No W-3)

Account #:  Name Key:

Name:

### Year to Print

Enter the year to print W-2's for here. Employee YTD totals must have already been archived.

### Top Margin

The default value of 0.6667" should work on most printers. If the W-2 information is printing too high on the forms, try increasing this number. If the information is too low, try decreasing this number.

### State to Select

If you need to print W-2's for multiple states, you can enter the state to print here. Otherwise, leave this entry blank.

### Type of Employees

Select either Regular or Agricultural employees.

### Printer Type

Select either laser/ink jet or dot matrix. Depending on the selection here, the type of W-2's will change.

If you are printing on a dot matrix printer, you must have an entry in the Forms Printer table for the W-2 printer.

**Note: W-2 printing on dot matrix printers is no longer supported, and W-2 features that may be needed for 2012 and following years are not implemented.**

### **Type of W-2's**

For laser printers, you can select either 2 per Page, 3 per Page, or 4 per Page forms. You also have the option of printing an Employer Copy of the W-2 on blank paper. This is the only copy that the program will print the form for you, and cannot be used for any of the employee copies or the S.S.A.'s copy. Printing W-2's on dot matrix printers is still possible; however this option is no longer supported as of 2011. The only format supported for dot matrix printers is single wide. The next time the W-2 form is changed by the IRS, we will no longer support W-2's on dot matrix.

### **Employees to Print**

You can print W-2's for all employees, a single employee, resume printing at a specific employee account if W-2 printing was interrupted, or select multiple employee accounts to print.

### **Print Order**

Select the order you want to print W-2's in.

### **Exclude Employees With Invalid S.S. #'s (No W-3) Account #/Name Key**

If you are printing a single W-2 or resuming printing, enter the employee account here to print/start printing at.

### **Preview**

Click on this button to see a preview of the report on the screen. The preview option is only available if you are printing W-2's on a laser or ink jet printer.

### **Print Setup**

Click on this button to select a printer to use for printing W-2's. If you do not select a printer, the report will automatically be printed to the current default printer. To see the current printer, you can move the mouse pointer over the button and a tool tip will appear showing the printer name and port.

### **Print**

Click on this button to print the report to the current printer. To see the current printer, you can move the mouse pointer over the button and a tool tip will appear showing the printer name and port.

### **Cancel**

Click on this button to close the window.

### **Printing**

When you are printing all employees or resuming printing at a specific employee account, the program will ask you if you want to print the W-3 when all of the W-2's have been printed.

If you need to print the W-3 only, you can use the Preview button to display the W-2's in the Preview window, close it, then the W-3 will be previewed in a separate window.

### **W-2 Printing Tips**

First, make sure that you have enough W-2 forms for all your employees. To help determine how many forms you will need, click on ***Payroll, Year End Tax Reporting, Count Employees with YTD Wages***. This option will provide you with the minimum number of W-2's to order. You should have some additional forms in case of printer problems, or employees that need another copy.

### **Printing Single Sheet W-2's on Laser or Ink Jet Printers**

First, make sure which way you need to feed the forms into the printer. This will depend on the printer you have. Some printers may require the form to be face down, others face up. If you aren't sure, experiment on blank paper first.

Some customers have reported problems with their laser and ink jet printers not feeding the W-2 forms correctly. The printer pulls the form in at an angle, resulting in the page being skewed, and possibly some amounts not printing within the correct boxes. If you suspect that this is happening to you, try printing a W-2 on a blank piece of paper and compare how it prints to what is printed on the W-2 form. Sometimes, the printer will feed blank paper in ok, but not the W-2 forms. Since this is a problem with the sheet feeder mechanism on the printer, our software cannot do anything to prevent this. Have the printer serviced by your dealer to correct the problem.

You may need to adjust the top margin setting for the W-2's to line up properly. This is due to variations between different printer drivers, models and manufacturers. You can print a test W-2 on blank paper before printing them for all employees, by selecting a single employee to print, or by previewing the W-2's to the screen and printing only page one.

In our testing, the default top margin setting of  $\frac{2}{3}$ " (0.6667) for the 2 per page W-2's worked correctly on two different models of HP Inkjet printers. The same setting used on three different laser printers resulted in the W-2's printing too high on the page (each of the three laser printers in fact, printed the W-2's in a slightly different position). In this case, the top margin setting needed to be increased by a different amount for each printer.

These differences in how W-2's print out on different makes and models of printers are due to differences in printer drivers that are beyond our control. If you find the W-2's start printing too high on the page, try increasing the top margin. If the W-2's start printing too far down on the page, decrease the top margin.



### Restarting W-2 Printing

In some cases, you may need to stop printing W-2's and restart at a later time. For instance, the printer may be running out of toner, you run out of W-2 forms, or you need to print payroll checks, etc.

If this happens, you can restart printing right where you left off. Be sure to make a note of the last employee that printed, and also what the printing order that you are using. When you are ready to start printing again, select the **Resume Printing** option for the Employees to Print. Then select the employee account that printing needs to resume with. You can enter either the account number or name key. If you are not sure what the next employee account should be, use the lookup. Find the employee account that printed last, then change the lookup order to match the print order that you were using. You can then see which employee should come next.

Print W-2's

Year to Print:

Top Margin: 0.6667

State to Select:

Type of Employees:

☒ Regular (941)

☐ Agricultural (943)

Printer Type:

☒ Laser/Ink Jet

☐ Dot Matrix

Type of W-2's:

☒ 2 per Page

☐ 3 per Page

☐ 4 per Page

☐ Employer Copy

Employees to Print:

☒ All

☐ Single

☐ Resume Printing

☐ Multiple

Print Order:

☒ Alphabetical

☐ Account #

☐ Social Security #

☐ Exclude Employees With Invalid S.S. #'s (No W-3)

Account #:  Name Key:

Name:

### FAQ

#### When an employee has worked in multiple states, will he get a W-2 for each state?

Currently, if an employee works in two different states, the program will print a single W-2 listing both states. The W-2 will list the wages, withholding, and local tax (if any) for both states.

The program does not currently print a separate W-2 if the employee works in three or more states for each state. If you have employees that have worked in three or more states, contact Datatech Customer Support.

#### How do I print an amount for moving expense reimbursements on the W-2?

Certain amounts are printed in box 12 on the W-2. There are spaces for up to four different amounts. In box 12, there is space for a letter code and an amount. The letter code identifies what the amount is for. The letter codes are identified on the back of the W-2 form given to the employee.

Letter codes for some items, such as deferred compensation plan contributions, are handled automatically by the software. Other codes may not be. In these cases, the customer may at this time use a typewriter to enter the letter code and amount on box 12. As long as the amount does not get reported on the W-3/electronic filing, it can simply be added to the W-2 after it is printed.

Excludable moving expense reimbursements are printed in box 12 using the "P" letter code. These amounts are not totaled on the W-3 and can be added manually. At some point in the future, we may add fields for entering other amounts that need to be reported in box 12 to the YTD employee archive file.

## Arizona AR-1 Information Return

The screenshot shows a software window titled "Arizona Form A1-R Information Return". At the top, there are two checkboxes: "Amended Return" and "Address Changed", both of which are unchecked. To the right of these is a "Tax Year:" label followed by a yellow rectangular input field. Below this, there are ten numbered items, each with a text label and a numerical input field. Items 1 through 5 are on the left, and items 6 through 10 are on the right. All numerical fields contain the value "0.00" or "0". At the bottom of the window, there are four buttons: "Update Tax Liability", "Preview", "Print Setup", and "Print".

Item Number	Item Description	Value
1.	Total ARizona Tax Withheld Per Federal Forms W-2.....	0.00
2.	Total Wages paid to Arizona Employees.....	0.00
3.	Number of Arizona Employees.....	0
4.	Number of Federal Forms W-2 submitted.....	0
5.	Information Return Penalty.....	0.00
6.	1st Quarter Tax Liability.....	0.00
7.	2nd Quarter Tax Liability.....	0.00
8.	3rd Quarter Tax Liability.....	0.00
9.	4th Quarter Tax Liability.....	0.00
10.	Total WHT reported.....	0.00

This Arizona report is printed annually, to reconcile with the W-2's printed.

Although there is a separate option on the year-end menu to print this, the W-2 printing program will automatically go to this screen and fill in the totals when you print any W-2's that include Arizona wages.

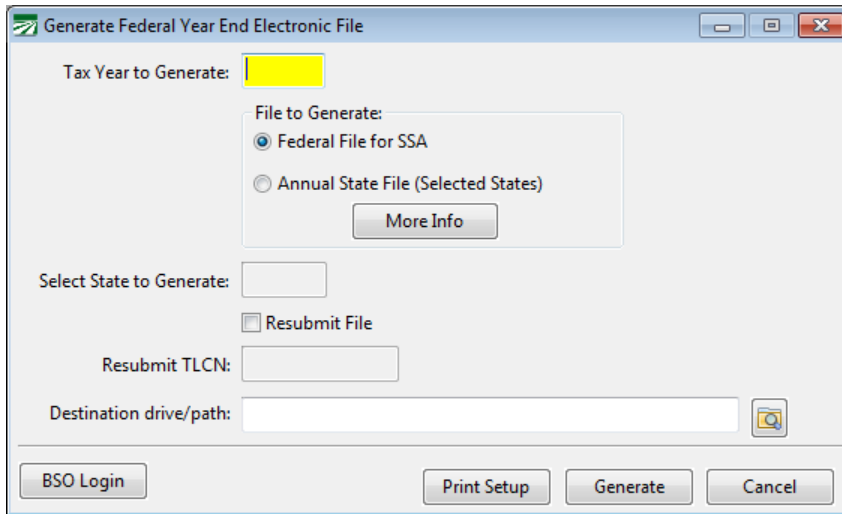
If you need to print this separately, you will need to enter the tax year as well as the totals for items 1 through 5.

Items 6 through 10 will come from the tax liability file. If they are not filled in automatically, click on the Update Tax Liability button.

## Generate Year End Electronic File

If you have over 250 employees, you need to send in your year to date wage report electronically instead of on paper W-2 forms. The Electronic File option creates the file for reporting your wages for the year to the Social Security Administration.

When you select the Generate YTD Electronic File option on the Year End Reporting sub-menu, the following window will open:



### Tax Year

Enter the tax year that you are reporting. When you enter the year, the Destination drive/path will be generated automatically for you.

### File to Generate

Select either Federal File for SSA, or Annual State File. The Annual State File is used ONLY for submission to certain states, and the file must not be used for the SSA.

### Select State to Generate

\* If running for a state, select the state from the drop down list. Click on More Info to see a current list of supported states.

### Resubmit File

If there was a problem with your original submission, check this box to indicate that you are resubmitting the electronic file.

### Resubmit TLCN Destination drive/path

This will be automatically generated by the program. We recommend using the default path, but you can change it if necessary.

### BSO Login Print Setup

Click on this button to select the default printer.

### Generate

Click on this button to start generating the file. Before the file is generated, the program will display the following window for you to enter your employer and submission information:

After entering and verifying the information, click on the Ok button to continue.

Magnetic Media Transmitter Information

Submitter Information:

Name: LABOR CONTRACTING

Suite #:

Address: P.O. BOX 1357

City/State/Zip: SOLEDAD CA 93960

Federal ID #: 45-3122737

PIN Number:

Contact Name:

Contact Phone: Ext:

Contact Email:

Notify Method: Postal Service

Preparer Code: Self-Prepared

Employer Information:

Name: LABOR CONTRACTING

Suite #:

Address: P.O. BOX 1357

City/State/Zip: SOLEDAD CA 93960

Federal ID #: 45-3122737 State ID #:

Ok

After the file has been generated, a preview window will open listing the totals for the wage report file.

The wage report file will be named W2REPORT.TXT and it will be compressed into a file called W2REPORT.ZIP. You can upload the ZIP file to the Social Security Administration's web site. The upload time will be shorted because the information has been compressed.

You can click on the BSO Login button at the bottom left corner of the window to open your web browser and go directly to the BSO login page.

Once you have logged in, you can upload your annual wage report file.

### Use Accuwage to check the W-2 file

The Social Security Administration has a program called "Accuwage" that will read the electronic file and verify that the format of the file is valid. A new version of AccuWage is released each year and a link to download it is included in the

Help menu.

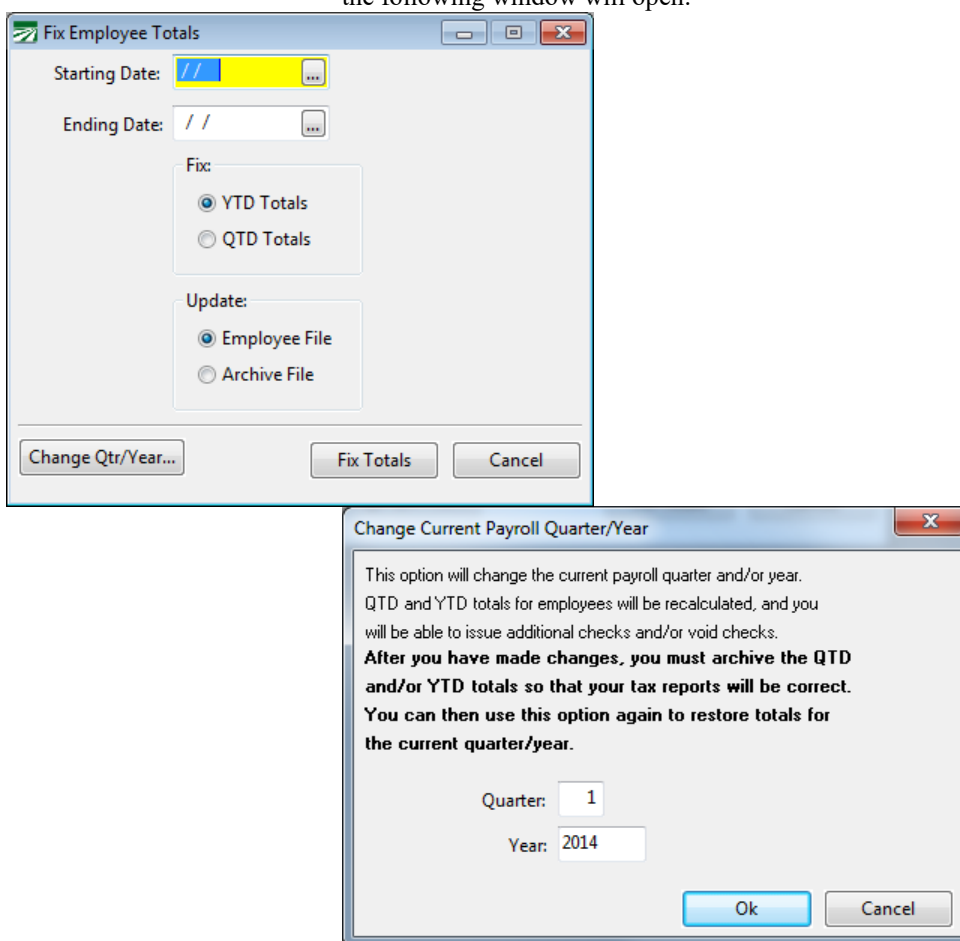
When using Accuwage to verify your file, make sure you select the W2REPORT.TXT file, not the W2REPORT.ZIP file. Although you can upload the ZIP file to the SSA, Accuwage does not know how to decompress the ZIP file and read the W2REPORT.TXT file that it contains.

A link to download the Accuwage program is accessible from the Year End Help menu.

## Changing the Current Quarter/Year

The payroll system keeps track of the current payroll quarter and year and uses this information to make sure that dates you enter when printing checks are correct. In some cases, you may have closed the quarter or year and discover that you need to write additional checks or void checks in the prior quarter/year. Because you have closed the quarter and/or year, the program doesn't let you date transactions in the prior quarter: a new quarter/year has been started, and totals have been zeroed out for the new quarter/year.

The Fix Employee Totals option can be used to recalculate employee totals for any quarter/year. A new option has been added to make re-opening a quarter and/or year a single-step process. To re-open a quarter/year, go to **Payroll | Utilities | Fix Options | Fix Employee Totals**. The following window will open: Click on the Change Qtr/Year button in the bottom left corner of the window and the following window will open:



This window will show the current payroll quarter and year. Enter the quarter/year that you want to re-open then click on the Ok button. The program will add up all of the checks in the quarter/year that you selected and save the totals to the employee accounts. This process may take some time, depending on how many checks you have written. A progress bar will appear at the bottom of the program window two times (once for the quarter to date totals and once for the year to date totals) indicating how far along the process is.

After you have re-opened a quarter, you can issue additional checks or void checks in that quarter.

### After Corrections Are Done

Once you have finished making changes, you can archive the quarter to date totals (and year to date totals, if necessary). You can then print tax reports for the quarter/year that include the changes you have made.

Keep in mind that if you have already filed quarterly or annual reports and then make changes, you will need to file amended or corrected reports with state and federal agencies. The program does not keep track of the changes that you make, so you will need to do this and know the procedures and requirements for filing amended reports.

Of course, if you have not filed any reports yet, you will not need to worry about filing amended or corrected reports.

After you have re-archived the quarter and/or year to date totals, you will need to use this option again to change back to the current quarter/year. Otherwise, you will not be able to issue current payroll checks. For this reason, it is also important for companies that use the payroll system on a network to coordinate with other users. For instance, if you need to make adjustments in the prior quarter and change back to that quarter, other users cannot print checks in the current quarter until you are done.

**Example:**

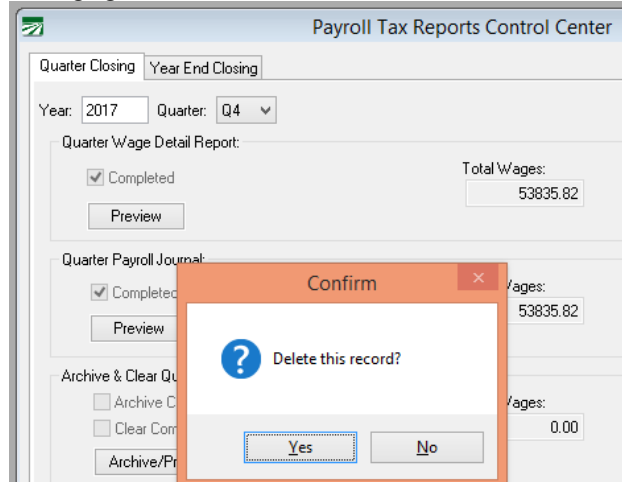
**In January 2006, Monica discovers that a payroll check in December was issued to the wrong employee account. The employee account that the check was written to had the same name, but it was the wrong account number. The employee went ahead and cashed the check, so she doesn't need to re-issue a check to him. However, the employee's W-2 totals and total wages on her quarterly report will be wrong.**

**To correct this, first she changes the current quarter back to 4 and the current year to 2005 using the Change Qtr/Year button on the Fix Employee Totals window. Next she voids the check that was issued to the wrong account, and selects the correct account to re-issue the check to. She prints the re-issued check on blank paper (because the employee doesn't need a replacement check), then she prints and finalizes the Payroll Journal. Then she archives the quarter to date totals and the year to date totals, so that her quarterly report and W-2's will be correct. Finally, she goes back to the Fix Employee Totals option and uses the Change Qtr/Year button to change the current quarter back to 1 and the current year back to 2006. This restores the totals for the checks that have been issued so far in January.**



### Re-closing through the Payroll Tax Reports Control Center

If you have re-opened the Quarter/Year and want to re-close through the Payroll Tax Reports Control Center. Enter the Year & Quarter to re-close. Press the Shift key and F2. Select Yes to Delete the closing record and you can run through the closing again.



# Payroll Topics

## Employee File Utilities

Two handy tools are available from the Employee File Utilities (Payroll > Utilities):

- 1) Set employees to Inactive by the last check date received
- 2) Update Pay Rates

## Upload DE-9 & DE-9C to EDD e-Services

In California, starting in 2017, employers with more than 10 employees will be required to submit their DE9 & DE9C reports electronically. This process is new to many small businesses.

Because of recent changes to the edd website, we have posted a video of the submission process. You can watch that from our support/training page on our website.

This site to upload the files is: <https://eddservices.edd.ca.gov/>

## Troubleshooting Guide/Frequently Asked Questions

### What to do if the Wage Detail Report and the Payroll Journal do not agree:

The Payroll Journal is totaling all employee check records, while the wage detail report is totaling the amounts from the employee file. By comparing the two totals, you can make sure that the totals are correct. If the reports do not agree, then either the employee file may not have been updated correctly, or the payroll journal is not picking up all checks. (In most cases, the employee file has not been updated correctly and the total of the checks from the payroll journal is correct.) Follow these steps:

1. Double check the payroll journal. Check to make sure you are looking at the Check Total column on the Payroll Journal. A common mistake is to look at the Regular Wages column. Also, make sure you have entered the correct dates for the payroll journal. For example, make sure you entered the 31st for the ending date if the month is 31 days.
2. Review the Wage Detail Report. Make sure you did not enter a date in the **Checks Issued After** field and that you have left the state blank. Also, if you are comparing year to date totals, make sure that the **Select Wages** is set to **Year to Date**.
3. Re-index the Payroll Check file. Go to the Tools, Sort Files, and then check file number 36, PRJNLHDR. Run the Payroll Journal report again and check the total again.  
Fix Employee Totals. This is a program that will recompile employee totals based on the checks issued. ***Payroll, Utilities, Fix Options, Fix Employee Totals***

Enter the dates for the quarter or year you need to fix, select whether these are Quarter to Date (QTD) or Year to Date (YTD) totals. If you have not archived, select Employee file. If you have archived, select Archive file.

It is recommended when you need to use this option that you call Datatech for additional guidance.

This fix should correct any discrepancies. If it does not, then try each of the steps below.

4. Print the Earnings Records. ***Payroll, Reports, Earnings Records.*** Print all employees, uncheck the "Print Each Check" option so that only totals print for each employee. Compare the total of this report to the total of the Payroll Journal and the Wage Detail Report. If the Earnings Record agrees with the Wage Detail Report, then reprint the totals-only Payroll Journal and see if its total now matches the Wage Detail Report. If the reports now match, you may continue closing the quarter.

If the Earnings Record is different than the Wage Detail Report, compare the totals for each employee account on the two reports to find the employee account(s) that do not match.

Print an Earnings Record report for each employee whose totals do not match, with the "Print Each Check" option checked. Review each employee to verify that the Earnings Record lists all checks that were issued to each employee.

If you find that checks are missing, contact Datatech for further assistance.

#### **The quarter and/or year end reports are printing zero totals.**

The quarterly and year end reports print from the Archive file. If you have not archived, do so and then print the report again.

On the Quarterly State Reports you must enter the abbreviation for the state in all capital letters. Make sure that you have entered CA for California, AZ for Arizona, etc.

#### **How do I figure out payments for the DE-9, 940, 941 & 943 reports?**

If you have issued the tax deposit checks through the accounting system you can run a Vendor Inquiry to get a list of payments. You will need to subtract any payments for the prior quarter (941) or year (940, 943, DE-7). Also subtract any penalties or other charges that are not tax payments.

If you do not issue the checks through the program you will need to figure the payments from your own checkbook, tax deposit coupon book, or contact the IRS or EDD for a list of payments you have made. In the future you should enter all tax payments in the program.

If you make tax deposits to your bank it will be easier in the future if you set up a separate vendor for tax payments only. This way you will not need to sort through the payments to get a total.

#### **I need to issue more checks and/or void a check in a prior quarter/year that I have closed.**

A new button has been added to the Fix Employee Totals window that will handle changing the current quarter and year to a prior quarter. All employee totals will be recalculated to the totals at the end of that quarter/year. You can then issue additional checks for that quarter or void checks that were issued in that quarter, close the quarter/year again, and new totals will be archived for your quarter and year end reports.

Note that if you have already submitted quarterly or year-end reports, you will need to file amendments to your reports. The procedures for filing amendments are beyond the scope of this manual.

#### **How do I handle pay periods that span two quarters or years?**

The quarter or year the check is reported in is determined by the check date. If the check date will be in the later quarter you will need to close before the checks can be printed.

### **Can I start a new year's payroll before installing the year end update?**

We **do not** recommend starting payroll for the new year before installing the update. It is important to note that the new tax rates will not go into effect until the current quarter totals have been archived and cleared, and the year to date totals have also been archived and cleared. The program may install the tax rates, and you can see them in the tax rate file, but until you perform these steps (which moves the current payroll year forward), the tax rates for the next year do not go into effect.

When payroll checks are entered into the Batch Payroll Check window, the program will use the tax rates for the current year. It is possible to enter checks that will be dated in the new year prior to closing the current year, but the program will use the current year to calculate taxes. In most cases, issuing one check that was calculated with older tax rates will not cause a problem. Tax tables do not change too much, and any taxes that are computed on a percentage basis (FICA, Medicare, SDI) will be recalculated for the next check, so if these rates change, an adjusted withholding amount will be calculated on the employees' next checks to compensate for the check that was calculated with the old rate.

You must be aware, however, that if a payroll is completed before new tax rates are installed, the accrued totals in the liability accounts and displayed in the Tax Deposit window are not correct. You should calculate the amounts you owe based on the new tax rates and make the adjustment in the Rounding Column (see Auditing the Tax Deposit totals for more information). This is common when the SUI rate is not changed before the first payroll.

For Daily Payroll, the same applies, except that it is during the Create Checks process when taxes are computed. So if you enter payroll time in the Daily Payroll window, install the year end update with the new tax rates, enter your new year's SUI rate and then Create Checks, the new tax rates will be in effect.

### **My W-2's won't print**

Check the Year to Print. The date must be entered with four digits (2004).

Check the Type of Employees to print. If you are an Ag company, select Agricultural (943), if you are a Regular company, select Regular (941).

If your W-2's stop printing in the middle of a batch you can select the Resume Printing option and select the employee to start with. Remember to select the same order you were printing in the first batch!

After selecting the Electronic File Test Printout option, click on the file button (Yellow folder) to select the file on the floppy drive. Select the Type of file that was created and preview.

My SUI rate changed, but I already did a few payrolls with the old rate.

If you have done payroll with the old rate the amounts accrued for your SUI liability are incorrect. You will need to manually calculate the difference and pay this amount (or take a credit) on your next tax deposit.

To find out the correct liability total, enter the correct rate in Payroll, Setup, State Tax Rate Tables. Then print a Taxable Wages by Quarter Report for the SUI tax by clicking on Payroll, Quarterly Tax Reporting, Taxable Wages by Quarter. This report will provide the correct tax liability based on the rate you entered in the State Tax Rate file. Then print a Journal Transaction report by G/L #. Enter the dates for the current year, the G/L #, and PR for the Source. Print the report.

The difference between the Taxable Wages report and the totals updated to the general ledger is the amount you need to add (or credit) on your next tax deposit. (See Rounding and Tax Deposits on page 37.) Another way to reconcile the Taxable Wages total and general ledger balance is to enter a journal entry to make the general ledger account match the total that should have been accrued.

