Datatech Accounting Software

Webinar Training

Day 6 – Payroll Reports & Supplemental Information

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Worker's Comp Report

The Worker’s Comp report is designed to assist you in determining your worker’s comp premiums. It can also be helpful in performing a worker’s comp audit.

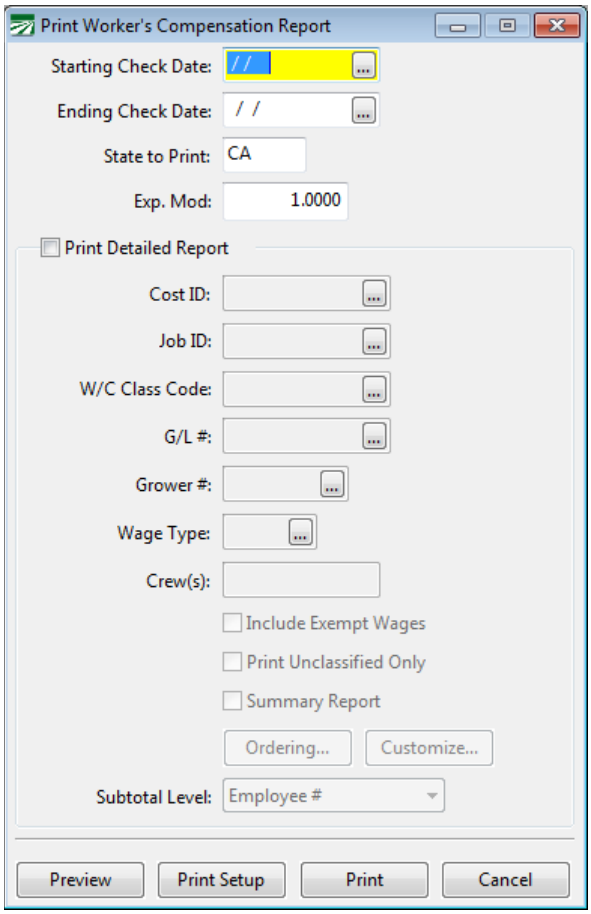
The Worker’s Comp Report will total and print wages based on the categories that you have set up in the Worker’s Comp Table. For instance, a farming operation may have a separate entry in the worker’s comp table for each field (cost center). This tells the program what rate should be used when employees work in different fields. By printing a total of wages for each entry in the worker’s comp table, you can see the total worker’s comp expense for each field.

If you have set up and assigned the worker’s comp class codes, then the report also produces a summary page listing the total wages by class codes. For instance, you may have several vineyards, each set up as a different cost center. Each cost center is assigned to the vineyard labor worker’s comp class code (0040). In addition, you have several orchards, also set up as different cost centers, and assigned to the worker’s comp class code for orchards (0016). The Summary by Worker’s Comp Code page will show you the total wages and calculate the premium for each of your worker’s comp classes.

In addition to the summary reports of wages, the Worker’s Comp Report can also print a detailed report that lists every line item of every check for the dates that you have requested. This detail report shows the worker’s comp premium for each line item. When printing the detail report, you can select individual cost centers, job codes, or worker’s comp classes to include on the report. You also have the option of selecting the order in which the detail is printed.

This detailed report may be helpful in a number of situations. For instance, your insurance company may request a detailed report that list the worker’s comp totaled by each check. Or you may print the detail for a specific cost center to determine on which checks that cost center was used.

To print the Worker's Comp Report, go to the Payroll menu, then select the Reports sub-menu, and select Worker's Comp Report.



Starting Date / Ending Date

Enter the date range you want to print the report for here. The report uses the check date to select payroll checks to include. The payroll period starting and ending dates are not used to determine whether a check will appear on the report.

State to Print

If you have employees in different states, you can print separate reports for each state. The State for Withholding entry on the employee file is used to select employees. If you leave this entry blank, all employees will print, regardless of what their State for Withholding entry is set to.

Exp. Mod

Print Detailed Report

Check this box if you want to print a detailed report, listing each line item on each check in the period you have requested. When printing a detailed report, you have additional options to select the detail that is included on the report.

Cost ID

Enter a cost center or select a cost center from the lookup by pressing [F4] or clicking on the lookup button. The report will only include line items that were expensed to the cost center you have selected.

Job

Enter a job code or select a job code from the lookup by pressing [F4] or clicking on the lookup button. The report will only include line items where the labor was expensed to the job code you have selected.

W/C Class Code

Enter a worker's comp class code or select one from the lookup by pressing [F4] or clicking on the lookup button. The worker's comp code must have already been set up on the Class Codes tab of the Worker's Comp Rate window.

G/L #

Grower #

Enter a grower account number here to print a worker's comp report that includes only labor for a specific grower. Leave this entry blank to print all growers.

Wage Type

Crew(s):

Enter one or more crew numbers to print a report that includes only labor for the specified crews. If you enter multiple crew numbers, separate each one with a comma, or enter a range of crew numbers using a dash. For instance, entering "1, 5, 10-12" would print a report that includes crews 1, 5, 10, 11 and 12.

Include Exempt Wages

Print Unclassified Only

Summary Report

Ordering

Click on this button to select the order that detail items will be printed in. For more details on changing the report order, see the section below.

Customize

Subtotal Level

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.

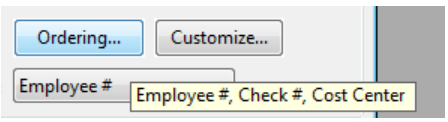
Cancel

Click on this button to close the window.

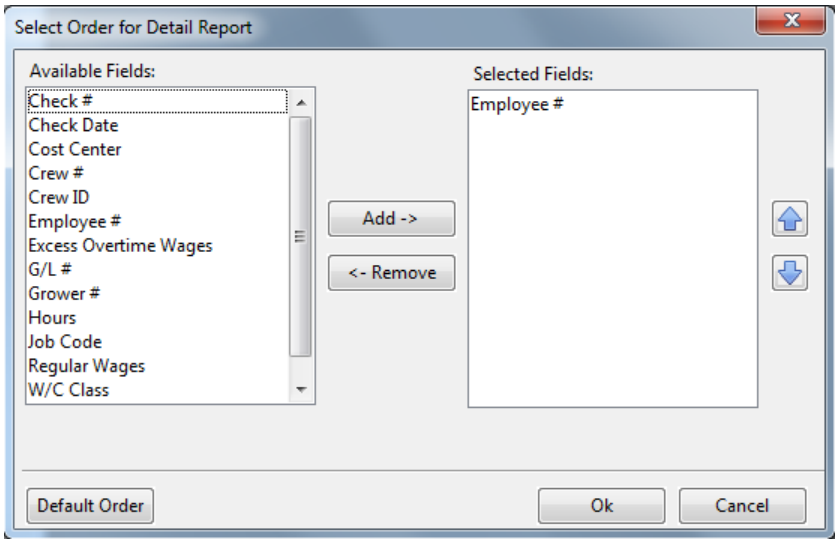
To learn more about the Worker's Comp Report, including how to read the report and hints for troubleshooting worker's comp problems, see the Worker's Compensation Insurance section in the Payroll Topics section of the manual.

Selecting the Order for the Worker's Comp Detail Report

When printing a detailed Worker's Comp Report, you have complete flexibility over the order that information is printed in. This can be very useful because you may want the detailed listed and subtotaled differently depending on the situation.



To see what the current report order is, place the mouse pointer over the Ordering button. A tooltip will appear that shows the fields that are currently use for the detail report order. To change the report order, click on the Ordering button, and the following window will open:



The list on the left side of the window shows you the fields that are available for ordering the report. The list on the right side of the windows shows you the fields that are currently selected for ordering the report.

To add a new field to the selected list, first highlight it, and then click on the Add button. To remove a field from the selected list, highlight it and then click on the Remove button.

If you want to change the order of the fields in the selected list, highlight a field in the list and then click on the Move Up and Move Down buttons.

The first field that appears in the Selected List is important: it is the *primary field* for ordering the report. The report will print a subtotal for the primary field. In the example above, the primary field is the Employee #. This means that the report will provide a subtotal that shows the worker's comp totals for each employee.

Here are some examples of how you could change the report order shown above in different situations:

Your worker's comp insurance company wants a detailed report that shows the total worker's comp for each check that you have issued. So that you can get a total for each check, the Check # field must be the primary field. Highlight the Employee # field in the Selected Fields list and click on the Remove button. This will move the Check # up to the first item on the list.

Your worker's comp insurance company wants a report that lists the detail by worker's comp class code, and shows a subtotal for each class code. Within each class code, the detail should be listed in check date, and for each check date, by check number. In this case, highlight the W/C Class in the Selected Fields list and click on the Move Up button until it is the first field in the list. Click on the Employee # field and then the Remove button. Highlight the Check Date field in the Available Fields list and click on Add. Then click on Move Up until the Check Date is the second field.

You want to see the detail reported by cost center, with a total for each cost center. Click on Cost Center in the Available Fields list and then click on the Add button. Click on the Move Up button until Cost Center is the first field. In addition, within each cost center, you want the detail listed in job code order. Click on Job Code in the Available Fields list, and then click on Add. Click on Move Up until Job Code is the second item.

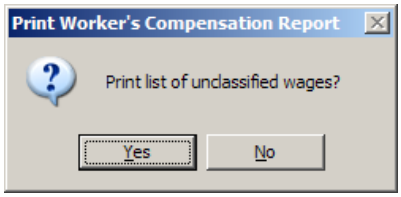
You want to see worker's comp totals for each day you did payroll in the month. In this case, add the Check Date field, and move it up to the top of the Selected Fields list. The subtotals will be printed for each check date in the month.

Troubleshooting Problems

Unclassified Wages

At times the report may be unable to identify an entry from the worker's comp table to apply a worker's comp rate/class to wages. Normally this will not happen because during check entry, the program makes sure an entry can be found in the table based on the general ledger account, cost center, and job code entered. However, it is possible to modify the table after checks have been entered, or make changes to the cost center or job code after a check has been finalized. If this happens, then when the Worker's Comp Report is run the program may not be able to find an applicable entry to determine the worker's comp rate.

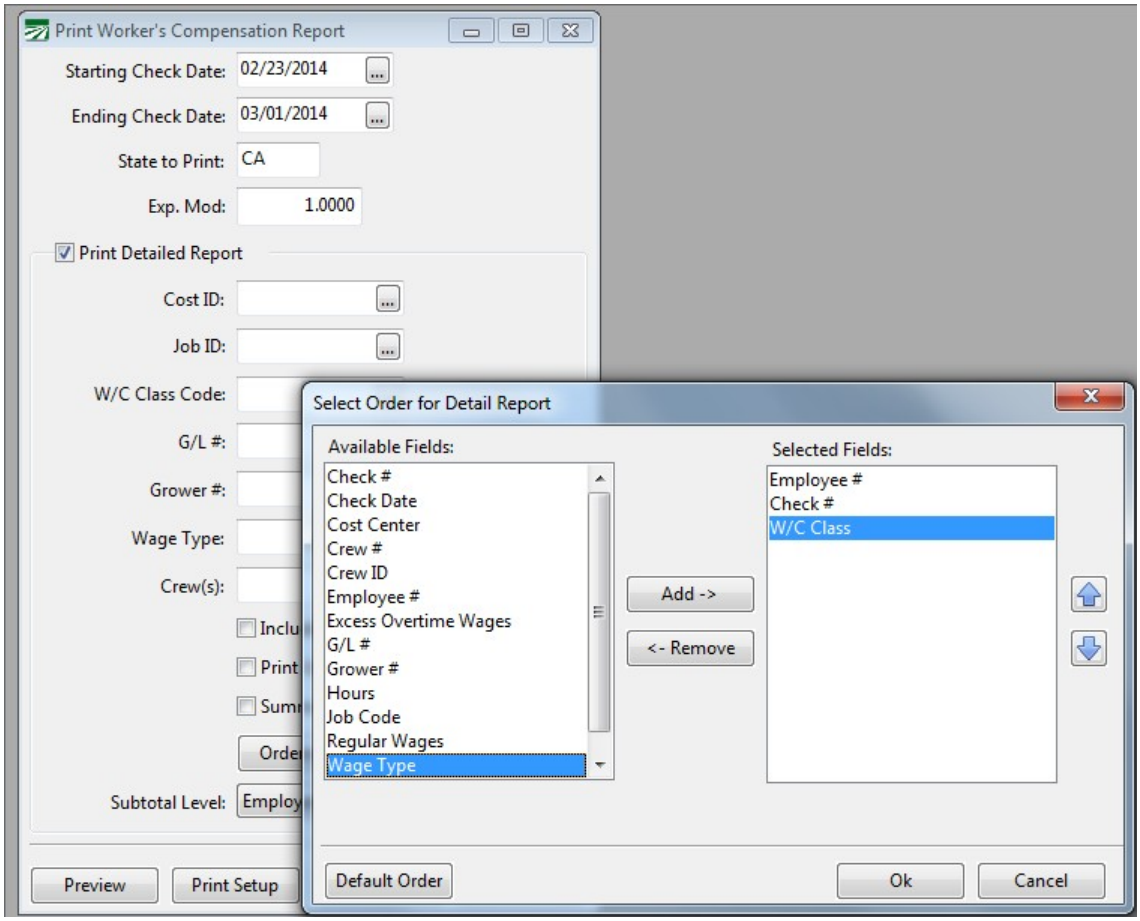
If there are wages that the report cannot determine a worker's comp classification for, the program will display the following message:



Answer yes and the last page of the Worker's Comp Report will list all checks that had unclassified wages, including the General Ledger account, Job code, and Cost ID used on those checks. Compare this information to your Worker's Comp Table, and determine if you need to add and edit any entries in this table to properly classify the wages.

Missing Worker's Comp Class Codes

If there are entries in your worker's comp table that are missing worker's comp class codes, a message will appear at the bottom of the report: "Worker's comp class code missing from worker's comp table entry". To determine which checks have wages that are missing class codes, check the Print Detailed Report. Click on the Ordering button and select W/C Class, Employee #, and Check # for the Selected Fields as shown below:



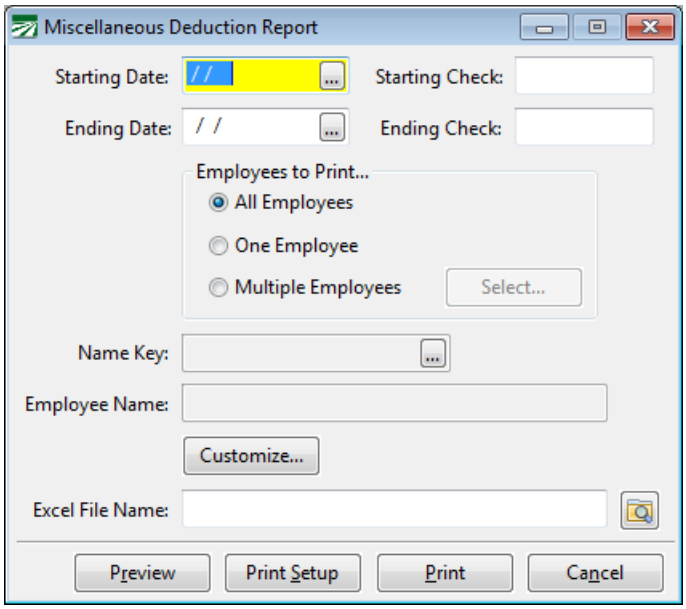
You can now run the report. Wages that don't have a worker's comp class code will be listed at the beginning of the detailed report. Once you have identified the check numbers, look them up through the Checkbook Register and see what cost centers, general ledger accounts, and/or job codes were used on the check. Review the worker's comp table to determine which entry is missing the class code.

Miscellaneous Deduction Report

This report will print totals for all miscellaneous deductions from each employees' checks for any given date range. The report is customizable; you can select one or more miscellaneous deduction types to include on the report, and the amount for each deduction type will appear in its own column.

Checks will be listed by employee in alphabetic order. When the report is printed for multiple check dates, each employee's checks will be grouped together and a subtotal printed for each employee.

When you select the Miscellaneous Deduction Report from the Payroll->Reports submenu, the following window will open.



Starting Date / Ending Date

Enter the date range to print the report for.

Starting Check / Ending Check

You can enter a range of check #'s to print if you want to only include checks in a certain check number range.

Employees to Print

Select either *All Employees*, *One Employee*, or *Multiple Employees*. When you select *One Employee*, the Name Key entry will be enabled and you can enter the employee account to print the report for. When the *Multiple Employees* option is selected, click on the **Select** button to choose which employees will be included on the report.

Name Key

Enter the name key or click on the lookup button to select an employee account to print the report for.

Customize

Click on this button to select which columns will appear on the report. This is how you select which miscellaneous deductions will appear on the report.

By default, the report will include the employee account number, social security number, name, crew number, check date and check number. You may add one or more miscellaneous deductions to the report. The report will only include checks that have those types of miscellaneous deductions.

You can enter a report title to save the custom report settings for use later. If you create a report definition named “Miscellaneous Deduction Report”, this definition will be used as the default report when the window is opened.

Excel File Name

To export the report to an Excel spreadsheet, enter a file name here or click on the folder button to the right.

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.

Garnishment Report

The Garnishment Report will help you keep track of amounts withheld from your employee's checks that you must remit, such as child support or back taxes owed.

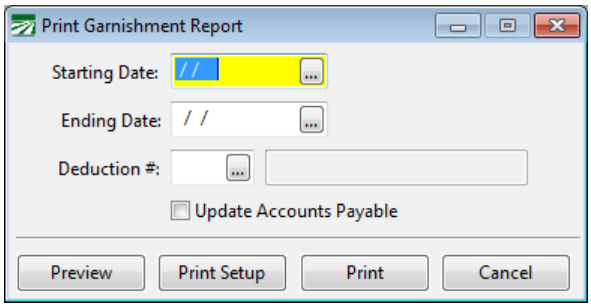
To use the Garnishment Report, you must have a miscellaneous deduction set up on an employee account with a Case or Reference Number, as well as a vendor account. These items are entered in the Miscellaneous Deductions area on the Employees window.

If you need to keep track of multiple garnishments for a single employee, then you need to set up a separate miscellaneous deduction for each one. For instance, if an employee has two child support orders, you would have two miscellaneous deductions, each with their own case # (and possibly different vendor accounts, if the child support payments are remitted to two different agencies).

The garnishment report will print all miscellaneous deductions for which a case # and vendor account has been entered for all checks in a requested date range. A total will be printed for each case #.

If you are using the Accounts Payable module, you may also automatically create a vendor invoice for the total amounts withheld. A separate vendor invoice will be created for each case #/vendor #.

To print the Garnishment Report, go to the Payroll, Reports menu, and select Garnishment Report. The following window will open:



Starting Date / Ending Date

Enter the date range that you want to print the report for.

Deduction #

Update Accounts Payable

Check this box if you would like to create vendor invoices for the amounts withheld. Once created, you can issue checks for the amounts withheld using either the Payables Check option on the Checkbook Register, the Batch Payables Check Printing, or the Automatic Check Printing option.

When this box is checked, you will be automatically prompted to print an Invoice Journal after the report has completed. You can print the Invoice Journal at a later time if you want. It is necessary to print and finalized the Invoice Journal before using the Automatic Payables Check option to issue checks for the garnishments that appear on this report.

Note: This option is not available on the Small Farm Edition or Payroll Only Edition of The Farmer's Office or the Payroll Only Edition of The Labor Contractor's Office.

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 andport.

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

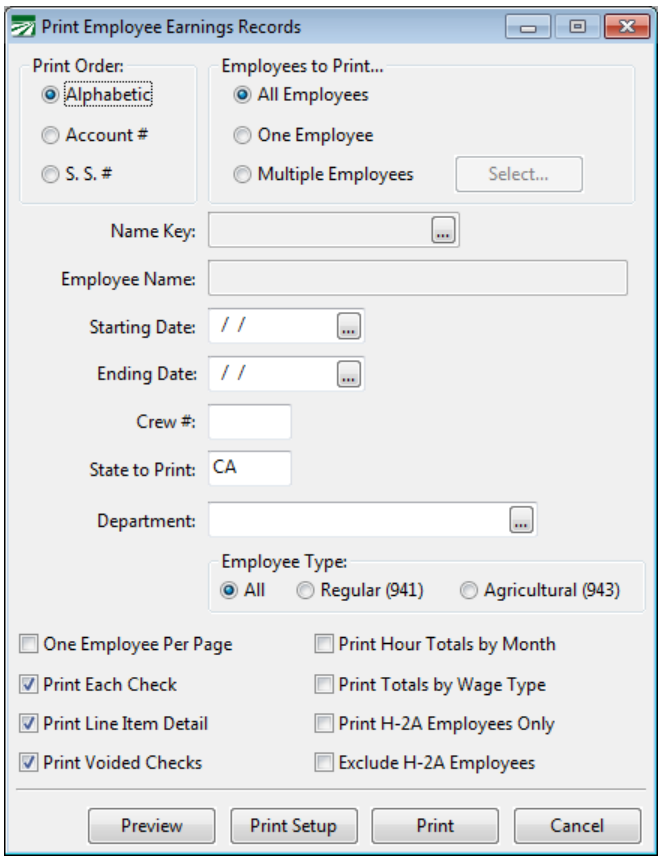
Click on this button to close the window.

Employee Earnings Records

An Earnings Record is a list of all checks issued to an employee for a specified period of time. You can select the starting and ending dates, and can print earnings records for all employees or just one selected employee. The Employee Check Detail Report is similar to this report, but it prints in a different format that is usually much shorter.

The earnings record provides a permanent hard copy record of the employee's earnings. In addition you can print an earnings record at any time for use in unemployment insurance or welfare employment requests.

The checks that appear on an earnings record are selected by the starting and ending dates that you enter. You can print the earnings record for any period, including partial months. The date selection is based on the Check Date, not the payroll ending date.



Print Order

When you are printing all employees, this will determine the order in which they appear on the report.

Employees to Print

Select whether you want to print all employees, a single employee, or select multiple employees to appear on one report. When you select the multiple

employees' option, click on the **Select** button. The employee lookup will open and you can select the employee accounts to include on the report.

Name Key / Employee Name

If you are not printing all employees, an earnings record report for a single employee can be printed. Enter the employee's name key here, or click on the lookup button (or press [F4]) to get the employee selection list.

Starting Date / Ending Date

Enter the date range to print the report for.

Crew #

You can select employees for a single crew by entering a crew number here. The selection is made based on the crew number that each employee is assigned to, not the crew number that was used during payroll entry.

State to Print

Leave this entry blank to print all employees, or enter the two letter abbreviation of the state you want to print. The report selects employees based on the State for Withholding entry, not the state in the employees' mailing address.

Department

Employee Type

One Employee Per Page

Print Each Check

Normally this box is checked; however, if you only want to see the employee totals on the report instead of the check detail, uncheck this box.

Print Line Item Detail

If you uncheck this box, the detail for each check will not be printed, making the report shorter.

Print Voided Checks

If you uncheck this box, checks which have been voided and the void entries will not appear on the report.

Print Hour Totals by Month

If you check this box, a summary for each employee (and the entire report) will be printed listing for each month the total regular, overtime, doubletime, sick pay, vacation, and holiday hours for each month included by the starting and ending dates.

Print Totals by Wage Type

Print H-2A Employees Only

Exclude H-2A Employees

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.

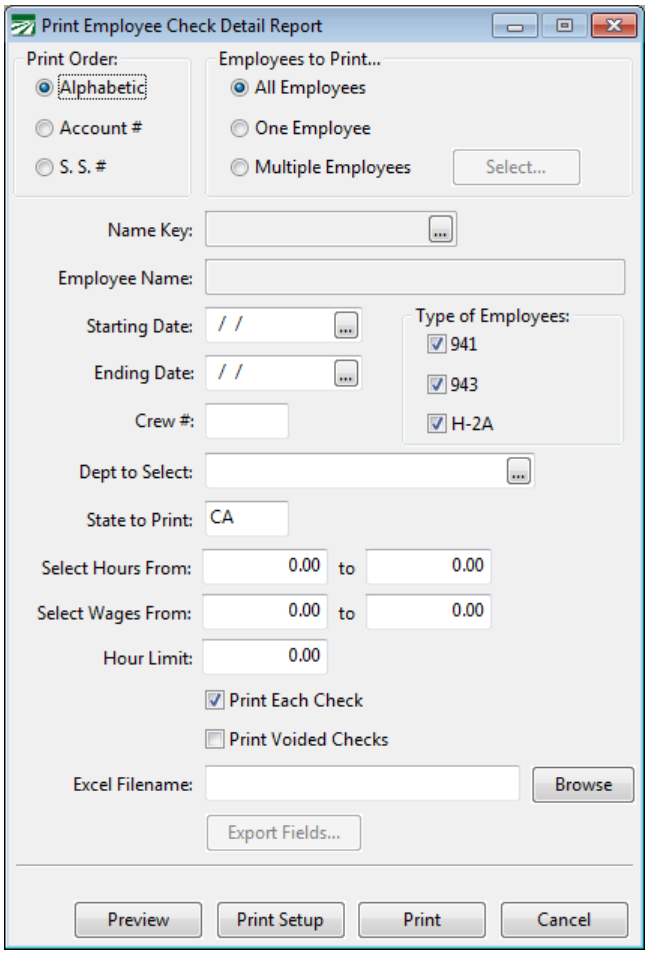
Cancel

Click on this button to close the window.

Employee Check Detail Report

The Employee Check Detail report will print a summary of checks and totals by employee for a date range you specify.

To open the Print Employee Check Detail Report window, go to the Payroll menu, select the Reports option, then select the Employee Check Detail option.



Print Order

When you are printing all employees, this will determine the order in which they appear on the report.

Employees to Print

Select whether you want to print all employees, a single employee, or select multiple employees to appear on one report. When you select the multiple employees' option, click on the **Select** button. The employee lookup will open and you can select the employee accounts to include on the report.

Name Key

Enter the name key of the employee you want to print the report for, or click on the lookup button to select an employee. (You can also press [F4] to activate the lookup.)

Starting Date / Ending Date

Enter the date range to print the report for.

Crew #

If you want to print all employees assigned to a specific crew #, enter the crew # here. Otherwise leave this entry blank.

Type of Employees

Dept to Select

State to Print

Leave this entry blank to print all employees, or enter the two letter abbreviation of the state you want to print. The report selects employees based on the State for Withholding entry, not the state in the employees' mailing address.

Select Hours From

You can enter a range of total hours here. The report will only include employees whose total hours for the report fall within this range.

Select Wages From

You can enter a range of total wages here. The report will only include employees whose total wages for the report fall within this range.

Hour Limit

This entry allows you to specify an hour "cutoff". A check will not print on the report if it exceeds the number of hours you enter here.

Print Each Check

Check this box to print each check one a separate line. Uncheck the box to print only a single total line for each employee.

Print Voided Checks

Insurance Report

If you are printing this report to determine eligibility for health insurance, you can enter a filename here and the program will create a spreadsheet in Microsoft Excel listing the employees that are eligible.

Click on the Browse button to select a filename from the "Save As" dialog window. Note: if you do not enter a filename with a ".XLS" extension, the program will add it automatically for you.

You can customize the spreadsheet that will be created by clicking on the Export Fields button. This allows you to select what information will be exported into the spreadsheet. See the section below for more information about customizing the Excel export.

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 andport.

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

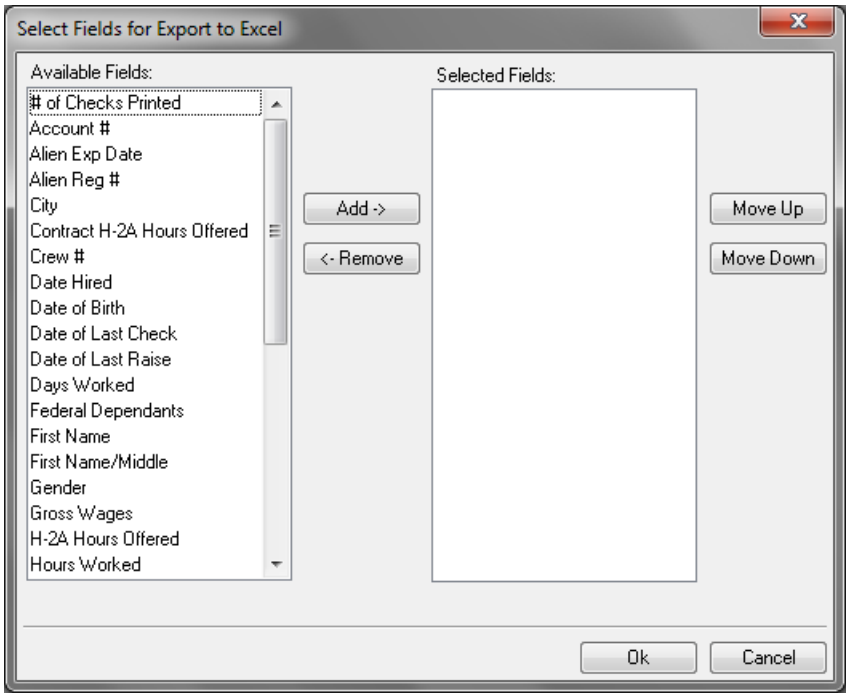
Click on this button to close the window.

Customizing the Excel Export

By entering a filename in the Insurance Report entry, the report will export a list of the employees that appear on the report to Excel. By default, the spreadsheet will include seven columns: Location, Last Name, First Name, SSN #, Address, City/State/Zip, and Hours. (The Location column is constant and will always be "01".)

If you are using the export for other purposes or you need additional information included, you can click on the Export Fields button to select which fields from the employee file will be added to the spreadsheet. This option also allows you to select in what order the columns will appear.

When you click on the Export Fields button, the following window will appear:



The list on the left side of the window will show what fields are available for export. The list on the right shows which fields have been selected to be exported. To change the order of the selected fields, highlight an entry in the list and click on the Move Up or Move Down buttons. Click on the Ok button when you are done selecting the fields, or click Cancel if you do not want to use the changes that you have made.

The program will save the fields you have selected for export to Excel. The next time you use this option, you will not need to reselect the fields.

In addition to fields from the employee file, there are two fields calculated from the report that you can add to the spreadsheet: Hours Worked and Report Wages.

Labor Analysis Report

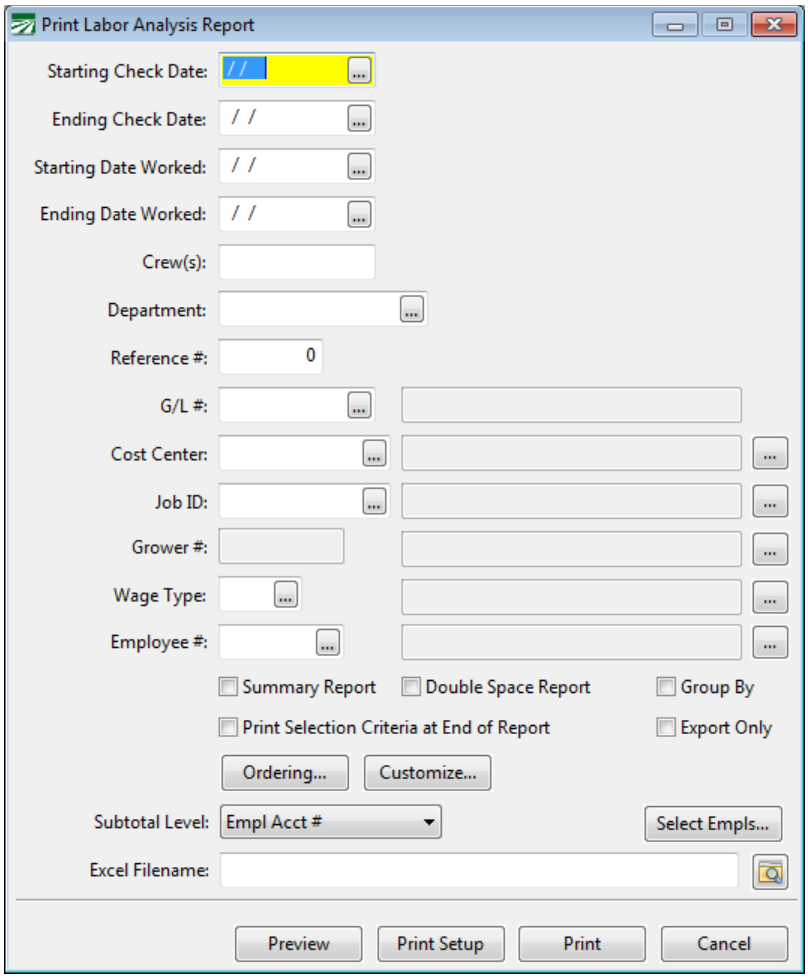
The Labor Analysis Report can be used to analyze the payroll check detail for any date range. This report allows give you a wide range of selection criteria and lets you select the ordering of the report, which subtotals will be printed, and whether the report is printed in summary or detail mode.

The key to this report's flexibility is the ordering selection. You can select any of the fields that appear on the report for the order and use multiple fields. After selecting the fields for the report order, you can choose which of those fields you want the report to print subtotals for.

This means that this one report can be used to answer many different questions. For instance, you might run this report in Cost ID, Job ID order, with subtotals printed for both fields, to see how your labor is allocated across each cost center and job code. Another time, you might want use the report to analyze piecework wages and print the report using the Hourly Rate field for the order (this will list employees from least productive to most productive). If you want to find out which employees have required minimum wage adjustments on their checks, you could select the MW wage type and print the report in Employee, Check Date order.

These are just a few of the possible uses for this report. If you have a question about your payroll, it's very likely this report can give you an answer.

The Labor Analysis Report option is located on the Payroll Reports submenu. The following window will open when you select it:



Starting Check Date / Ending Check date

Enter the starting and ending date range to select the checks to print. Keep in mind that the check date is used to select checks, not the pay period starting and ending dates. Click on the lookup button or press [F4] to select a date from the calendar popup.

Starting / Ending Date Worked

Crew(s)

Enter the crew number(s) to print. You can enter a single crew number, a list of crew numbers (separated by commas), a range of crew numbers (two crew numbers separated by a dash), or a combination of a list and range(s) of crew numbers.

If you have employees that worked on multiple crews in the same pay period, the report will select only the detail lines that match the crew number(s) you enter.

Department

Reference #

G/L #

Enter a labor expense account to select for this report. Press [F4] or click on the lookup button to use the lookup to select an account. Leave this entry blank to select all detail lines.

Cost Center

Enter a cost center to select for this report. Press [F4] or click on the lookup button to select a cost center from the lookup. Leave this entry blank to select all detail lines.

The lookup button to the right of the cost center description can be used to select multiple cost centers to print the report for. You can also press [F12] to activate the multi-select lookup

Job

Enter a job code to select for this report. Press [F4] or click on the lookup button to select a job code from the lookup. Leave this entry blank to select all detail lines.

The lookup button to the right of the job code description can be used to select multiple job codes to print the report for. You can also press [F12] to activate the multi-select lookup.

Grower #

If you are a farm labor contractor, you can enter a grower account number here to select for this report. Press [F4] or click on the lookup button to select a grower account from the lookup. To select detail lines for all growers, leave this entry blank.

The lookup button to the right the grower name can be used to select multiple grower accounts to print the report for. You can also press [F12] to activate the multi-select lookup.

Wage Type

If you want to print the details lines for a specific wage type, enter the wage type here. Click on the lookup button or press {F4] to select a wage type from the lookup. Leave it blank to select detail lines for all wages types

Employee #

Summary Report

Check this box if you only want the subtotals and don’t want to see all of the detail lines on the report. Leave it unchecked to see all of the detail on the report.

Double Space Report

Group By

Print Selection Criteria at End of Report

Export Only

Ordering

Click on this button to select the order that you want to print the report in. See the section Selecting the Order for the Labor Analysis Report for more information.

Customizing

Subtotal Level

This setting allows you to pick which field(s) the report will print subtotals for. Each field that has been added to the ordering sequence for the report will appear here, in the order that you selected.

The report always includes subtotals for any fields that come before the field you select as the Subtotal Level. For example, if the report order is Crop Center, Job ID, Check Date and you select Job ID as the Subtotal Level, the report will print subtotals by Job ID and by Cost Center.

If the report order is Crop Center, Job ID, Wage Type, Rate and you select Wage Type as the subtotal level, you will get a report with subtotals for Wage Type, Job ID, and Cost Center.

Select Employees

Excel Filename

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 andport.

Print

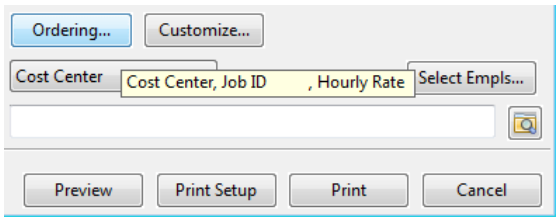
Click on this button to print the report to the current printer. To see the current printer, you can move the mouse pointer over the button and a tool tip will appear showing the printer name and port.

Cancel

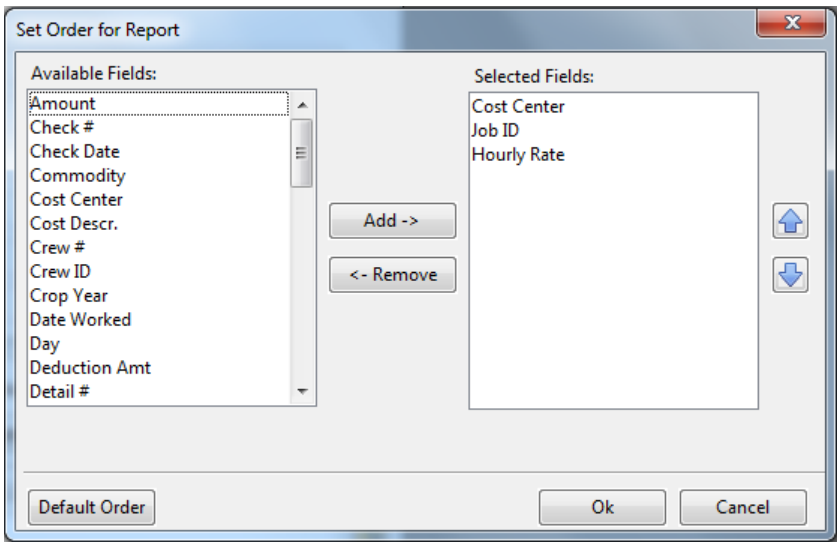
Click on this button to close the window.

Selecting the Order for the Labor Analysis Report.

To see what the current report order is, place the mouse pointer over the Ordering button. A tooltip will appear that shows the fields that are currently use for the detail report order.



To change the report order, click on the Ordering button, and the following window will open:



The list on the left side of the window shows you the fields that are available for ordering the report. The list on the right side of the windows shows you the fields that are currently selected for ordering the report.

To add a new field to the selected list, first highlight it, and then click on the Add button. To remove a field from the selected list, highlight it and then click on the Remove button.

If you want to change the order of the fields in the selected list, highlight a field in the list and then click on the Move Up and Move Down buttons.

Tax Liability Report

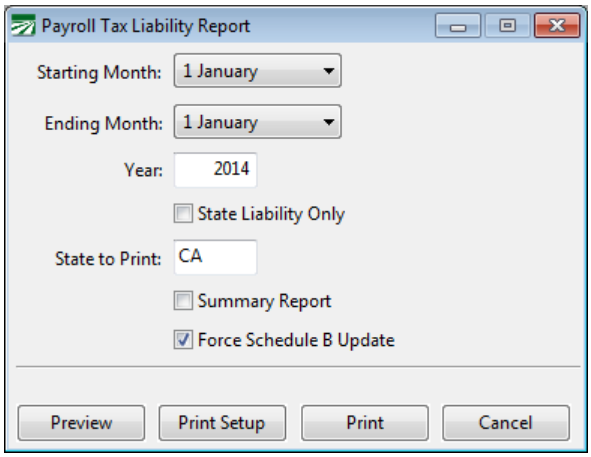
The Tax Liability Report provides detailed information on your Federal and State payroll tax liabilities. This is needed because the IRS, as well as the State of California, requires that you make periodic deposits of payroll taxes when the amounts reach a certain limit.

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 for each of eight periods within each month.

This report will provide the breakdown you need by these eight periods for each month.

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

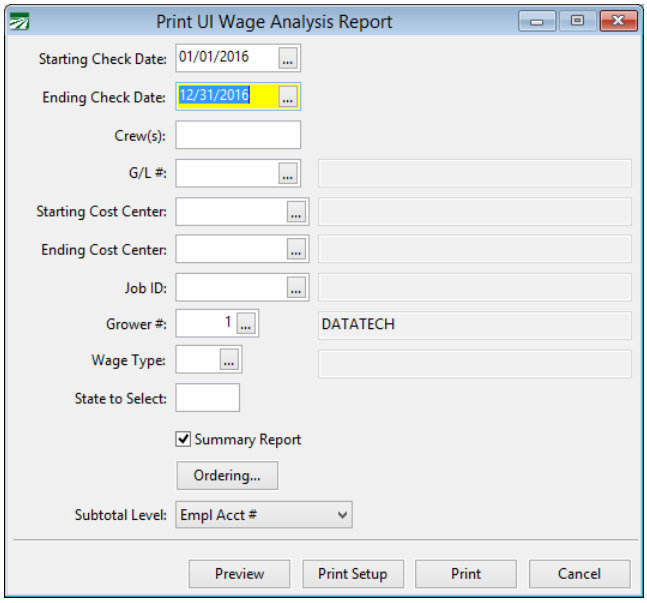
Click on this button to print the report to the current printer. To see the current printer, you can move the mouse pointer over the button and a tool tip will appear showing the printer name and port.

Cancel

Click on this button to close the window.

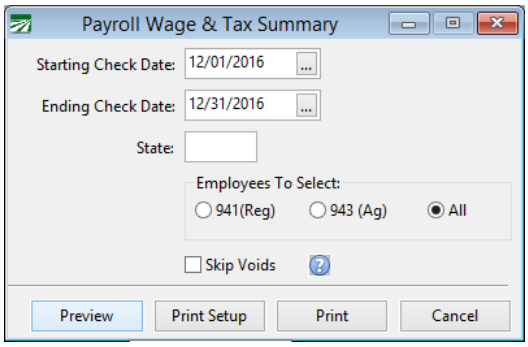
UI Wage Analysis

The UI Wage Analysis was designed to provide UI taxability by Cost Center and/or Grower.



Wage & Tax Summery / Report by Employee

These reports were designed to provide the taxable wages base that determines the tax liability.



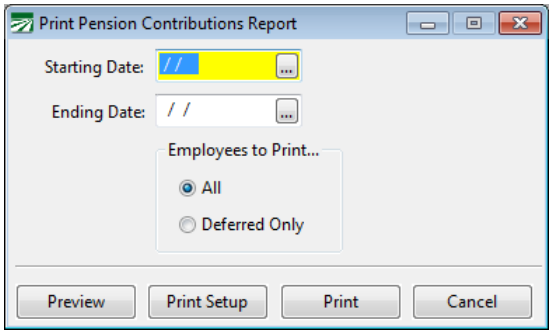
Summary – The summary provides a recap of the Gross Wages, Deductions and Net Check for the Date(s) that you run the report for. It also include the Taxable Wages, Employer and Employee portion as well as the total current liability.

Report by Employee – The report by Employee shows the Taxable wages by employee. This was requested by a customer that wanted to check the taxable wages to account for pre-tax deductions.

Pension Contributions Report

The Pension Contributions Report will show all 401(k) or SIMPLE IRA deductions for any date range as well as any employer contributions.

To print the 401(k) Report, go to the Payroll, Reports submenu, and select the Print 401(k) Report option. The following window will open:



Starting Date / Ending Date

Enter the date range to print the report for.

Employees to Print

Select either All or Deferred Only. The Deferred Only option will only print employees who had and amount withheld on their checks for a 401(k) plan.

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 andport.

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.

Wage Type Setup

The 401(k) Report looks for specific information in the wage type setup to determine which amounts were deducted for the 401(k)/Simple IRA plan. The wage type must either be “4K” (which is a default wage type set up by the program), or the wage type description must include “401” or “IRA”.

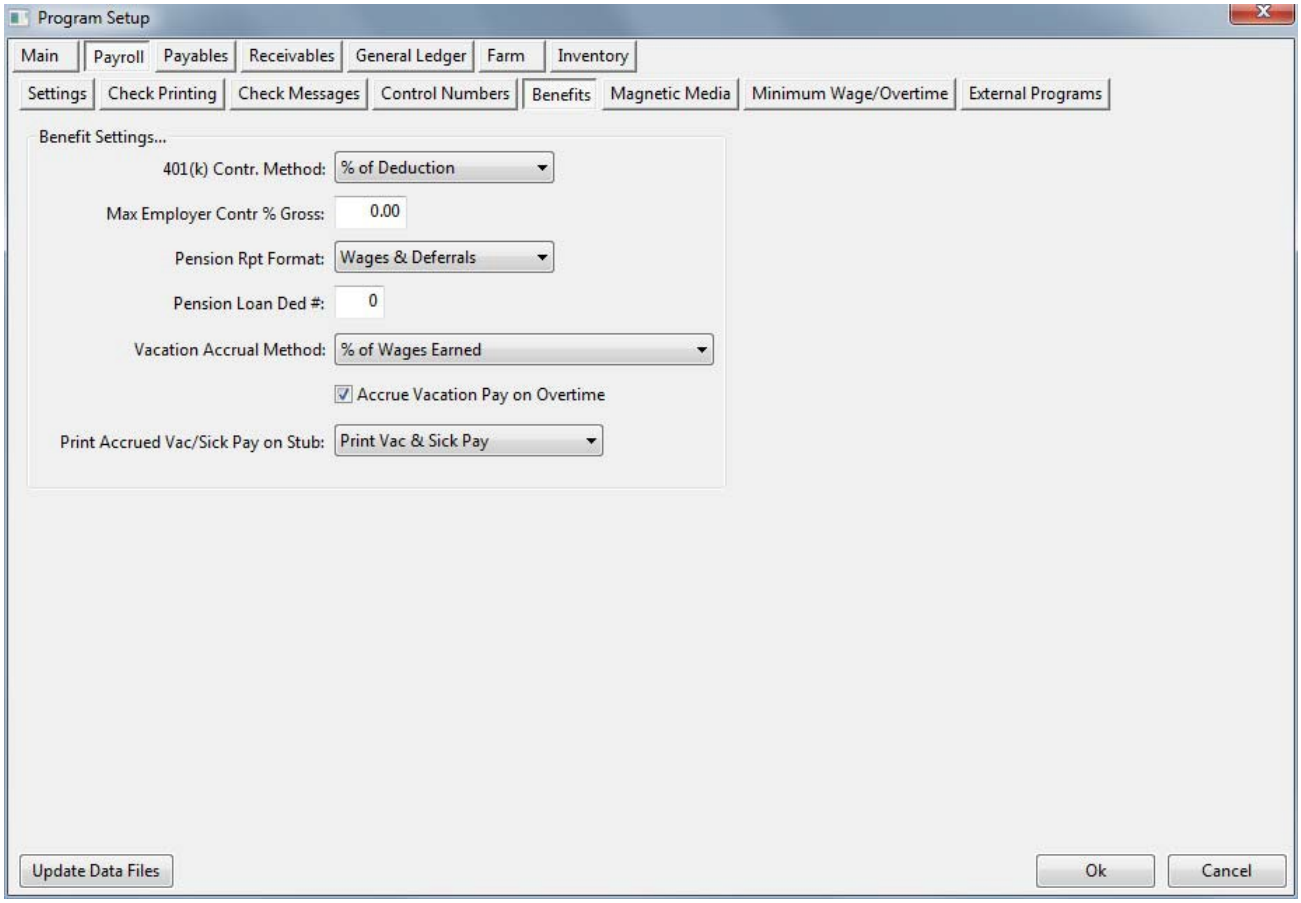
Setting Up Employer Contributions

The program will calculate the employer’s contribution to a 401(k) or Simple IRA plan for each payroll check. The calculations are controlled by three settings.

On the Program Setup window under Payroll, Benefits, the **401(k) Contribution Method** setting tells the program whether the employer's contribution is going to be calculated as a percentage of the 401(k) deduction or as percentage of the wages.

There are two options when calculating the employer contribution as a percentage of wages. The **% of Wages** setting will calculate it as a straight percentage. The **% of Wages/Match** setting will calculate the lesser of actual deduction amount and the percentage of wages. Say for instance the employer contribution is set on the employee accounts to 3%. If an employee is withholding 3% or more of his gross pay, the employer contribution will be 3%. If an employee is withholding less than 3% of his gross pay, then the employer contribution will match the amount that the employee is withholding for the 401(k)/IRA plan.

The Contribution Method setting in Program Setup controls how the calculation is performed for all employees.



In addition, on the Employee entry window on the History/Benefits tab page, there are two settings in the Employer 401(k) Contributions group: **Percentage** and **Max. Contribution/Year**. Here you can enter the percentage that the employer will contribute (of either the wages or the deduction) and the maximum amount that the employer will contribute in one year. Each employee may have a different percentage and/or maximum contribution amount.

Employees

Account #: Name Key: S.S. #: Active

Employee Info | Deductions | Totals | History/Benefits | Check Profile | Archive | Direct Deposit

Employee History:

Date	Type	Notes/Descr/Job Title	Pay Rate	Per
	A			

Vacation/Sick Pay:
Vacation Rate:
Sick Pay Rate:
Accrued Vacation:
Accrued Sick Pay:

Notes:

Employer 401(k) Contributions...
Percentage:
Max. Contribution/Year:
YTD Contributions:

Emergency Contacts:

Name	Relationship	Phone #1

Insurance Coverage Through:
Check Stub Message:

Add...

Clear Message After Printing on Check

Terminate | Rehire | Print | Save | Delete | Clear

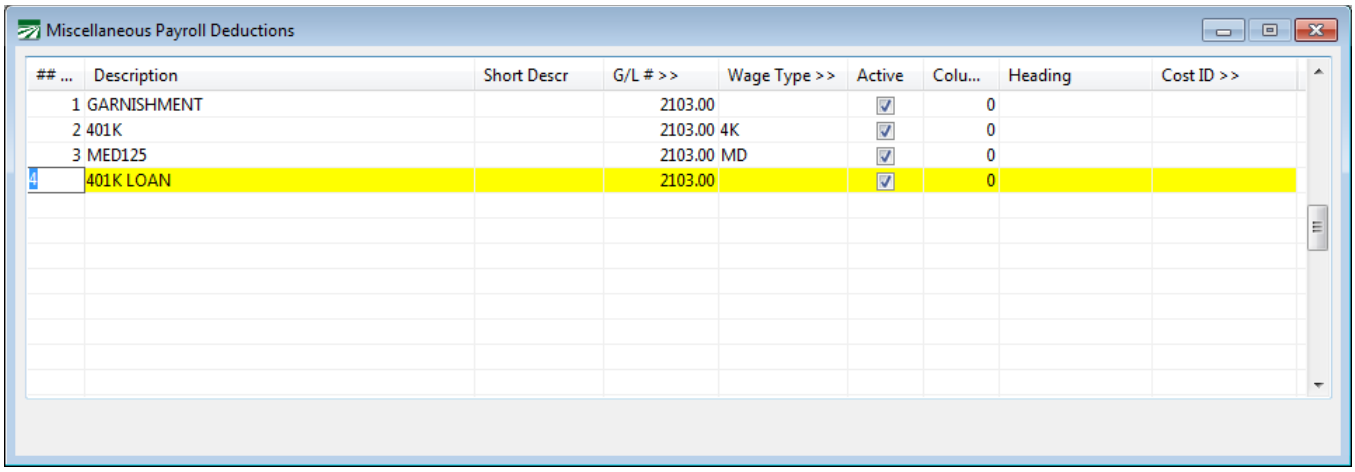
Here are some examples of how these settings can be applied:

L & S Produce Distributing contributes 3% of wages to their employee's SIMPLE IRA plan, up to a maximum of $4,000. On the Program Setup window under Payroll, Benefits, they set the 401(k) Contr. Method to *% of Wages*. On their employee accounts, the Employer 401(k) Contribution Percentage is set to 3.00 and the Max. Contributions/Year is set to $4,000 (both of these settings are on the History/Benefits tab page.)

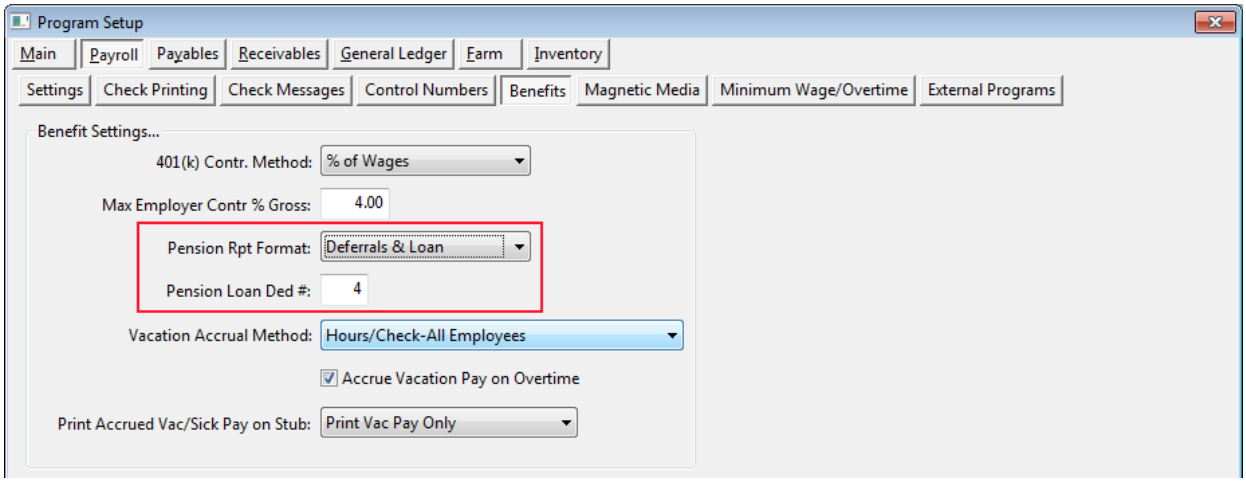
Progressive Farming, Inc. has a 401(k) plan where the company matches 100% of deductions for corporate officers up to $10,000. For other employees, the company matches 50% of deductions up to $5,000. In this case, the 401(k) Contr. Method on the Program Setup window should be set to *% of Deduction*. On the employee accounts of the corporate officers, the Employer 401(k) Contribution Percentage would be set to 100, while the Max. Contributions/Year should be set to $10,000. Other employees participating in the 401(k) would have their percentage set to 50 and the maximum contributions set to $5,000.

401(k) Loans

Employees can take a loan from their 401(k) accounts and pay it back through deductions made from their payroll checks. To track loan repayments, first set up a deduction in the Miscellaneous Deduction file:



Next, set up the deduction on the employee account with the amount that the employee wants taken out of each check. Then enter the Deduction Number for 401(k) Loans on the Program Setup window under Payroll->Benefits, and select the "Deferrals & Loans" option for the Pension Report Format, as shown here:

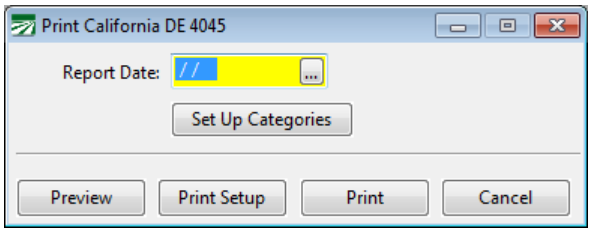


When you print the Pension Contributions Report, a column will appear on the report showing the amount of the 401(k) loans repaid deduction.

California DE 4045 Report

We have added a new report to assist in filling out the DE 4045, the monthly California Agricultural Labor Report. Not all employers are required to file this report. The new report option will make it much easier to complete this report.

The new report is found on the Payroll, Reports sub-menu. The following window will appear when you select the **California Ag Labor Report (DE 4045)** option:



Report Date

Enter the date to print the report for. This is normally the 12th of the month that you are filing the report for. The program will automatically find all of the checks where the pay period includes the 12th.

Setup Up Categories

Click on this button to define the categories that employees are to be reported under. The category each employee is reported on is determined by the G/L number and/or the job code used on the employee's check. The setup normally should only need to be done once, but if you add additional job codes or general ledger accounts to use on payroll checks, you might need to update the category table.

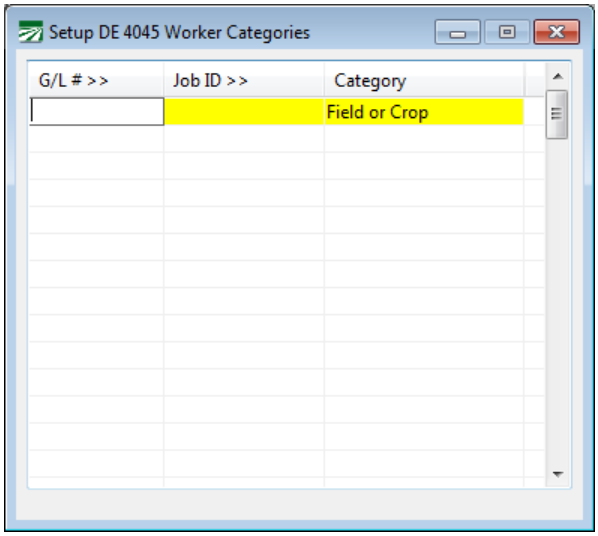
See the section below for more information on setting up your categories and how the program uses the category table.

Click on the Preview or Print buttons to run the report. For each category, the program will print the number of employees and total wages for employees that received hourly wages only, piecework wages only, or both hourly and piecework wages. Transfer these totals to your DE 4045 form.

Category Setup

The DE 4045 requires you to report the number and wages of employees in five different categories. The category an employee is reported under will depend on either the general ledger account or job code (or a combination of the two) used on that employee's check. Because every customer's chart of accounts is different, a lookup table is needed so that you can tell the report which category each employee's wages should be reported in.

When you click on the Set Up Categories button, the category setup table window will open:



For each line in the table, enter a general ledger account number and/or a Job ID, and the category that you want employees reported under for that line. The five categories that are used for this report are Field or Crop, Livestock, Supervisory, Other, and Non-Production.

In this example, Job ID's are not used to determine the category to report employees under, only the general ledger account number is. There are separate labor expense accounts defined for office workers (the other category), supervisors, and two different general ledger accounts used for field workers.

The DE 4045 report will check this table first to see if there is an entry where both the general ledger account and the job ID match what was entered on a check. If an entry is not found, then it will look for an entry that only has a matching general ledger account number and no job ID. If it doesn't find a matching entry by general ledger number, then it will look for an entry that just has a matching Job ID and no general ledger number.

If the program is unable to find a matching entry in this table, then it will list the employee's name and check number on the report. Examine that employee's check to see if you need to add a new category to this table.

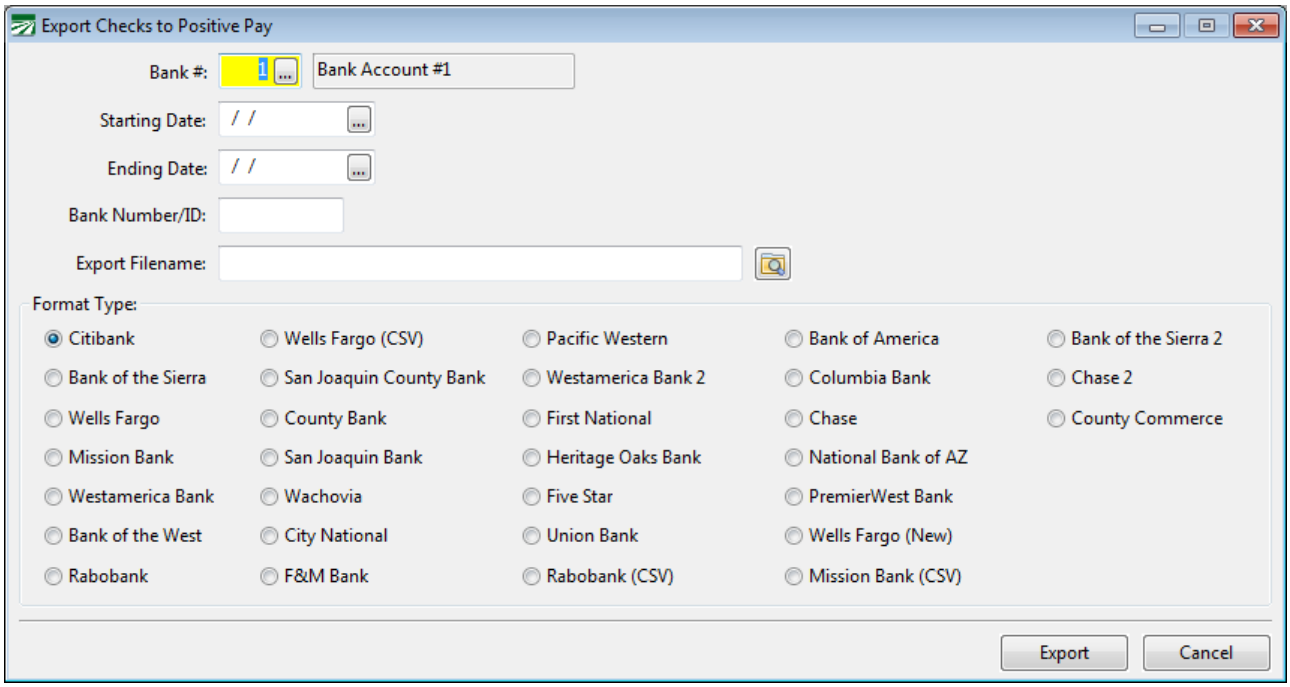
Export Checks to Positive Pay

Positive Pay is a system used by many banks to catch fraudulent checks sooner. After you have printed checks, you can generate a file to upload to your bank containing the check details, typically including the payee, check number, amount, and date.

The Positive Pay Export is an extra cost option and will not appear on your menu unless you have purchased this option.

Each bank has their own format. The program currently supports over twenty different file formats. If your bank is not on the list of supported formats, we can work with your bank to create a format compatible with their systems.

To use this option go to Payroll->Checks->Export Checks to Positive Pay. The following window will appear:



Bank #

The default payroll bank account will appear here automatically. Change this if you have issued checks from a different account.

Starting Date / Ending Date

Enter the starting and ending check dates for the checks that you want to export.

Bank Number/ID

Some banks require a bank number or ID code to be included in the file. If your bank needs this, enter it here. It will appear automatically the next time you generate a Positive Pay file.

Export Filename

Enter the path and filename to export the Positive Pay information to. This is the file that you will upload to your bank.

Format Type

Select your bank from the list. The program will remember your bank, so the next time you use the option it will be selected for you automatically.

Export

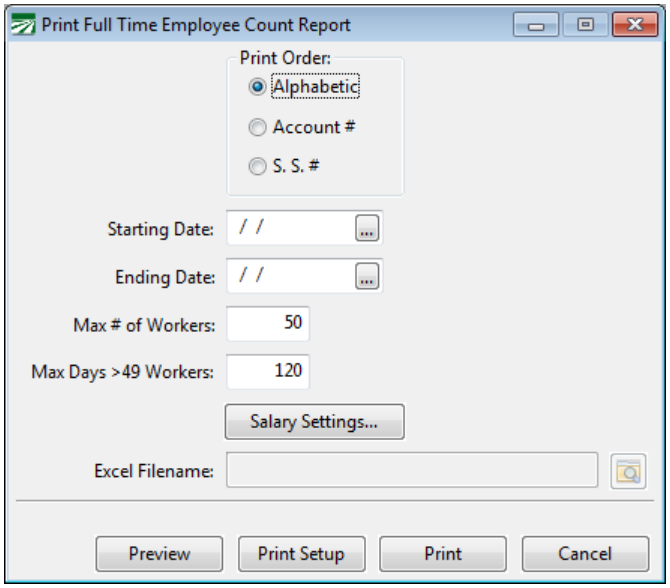
Click on this button to generate the file. After the file has been generated, the program will display a message telling you how many check were included in the file.

Bank Specific Setup Information

The following banks require a Bank Number/ID:

Full Time Employee Count Report

This report is used to determine the average number of employees to assist you in determining your status under the PPACA. To run the Full Time Employee Count Report, go to Payroll->Reports->PPACA Full Time Employee Count Report. The following window will open:



Print Order

This allows you to select in what order the employee section will be printed.

Starting Date/Ending Date

Enter the date range to print the report for. Normally this will be a full calendar year. For the 2014 coverage year, the IRS has granted "transition relief" allowing the report to be run for six or more months.

Max # of Workers

Max Days >49 Workers

This will default to 120 days and should not be changed. If you are running the report for a shorter time frame than a full calendar year and the IRS has provided guidance specifying the maximum number of days a seasonal employee may exceed the 50 employee limit, you can change this entry based on that guidance.

Salary Settings

Click on this button to enter the default number of hours per work week that should be credited for salaried employees. If a salaried employee has hours entered on their account, those settings will be used instead.

Excel Filename

At this time, the Excel export option is disabled. If you need Excel export capability for this report, please contact Datatech Customer Support.

Click on the Print or Preview button to run this report.

The report will print either one or two sections, depending on the result of the average employee count. The first section will list each employee that worked during the date range that you request the report for. The total days worked by each employee will be listed, along with the hours worked for each calendar month and in the last column the total hours worked for the report period.

After listing all of the employees, the total number of full time workers per month are listed, then the total number of full-time equivalent workers per month. These numbers are totaled and the totals by month are averaged out. The average number of workers per month is printed in the bottom right of the report, as shown below:

Page #: 4

Full Time Employee Count Report
05/17/2013 9:34

Starting: 01/01/2012
Ending: 12/31/2012

Acct #	Employee Name	Days Worked	January	February	March	April	May	June	July	August	September	October	November	December	Total
312	TICE	2	0	0	0	0	0	0	0	0	47	0	0	0	47
135	TIDEY	7	0	0	0	0	0	0	0	0	154	147	0	0	302
52	TIFFANY	6	0	0	0	0	0	0	0	0	135	111	0	0	246
90	VICKERS	43	130	211	107	209	309	237	173	229	229	316	114	0	2,264
278	VOLIVA	41	121	232	243	100	168	252	215	113	148	121	43	16	1,773
277	VOLIVA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
306	WALSH	7	0	0	0	0	0	0	0	0	137	103	0	0	240
290	WELSH	20	135	202	145	28	0	0	0	0	143	132	0	0	784
416	WERNETTE	4	0	0	0	0	0	0	0	0	0	126	0	0	126
33	WHEELER	39	105	67	170	226	336	238	239	190	231	302	28	0	2,132
288	WHITE	22	52	222	154	10	0	0	0	0	118	150	44	0	750
386	WHITNEY	3	0	0	0	0	0	89	0	0	0	0	0	0	89
320	WHORTON	14	0	156	142	0	0	117	187	0	0	0	0	0	603
395	WILLIAMS	1	0	0	0	0	0	0	10	0	0	0	0	0	10
351	WILLIS	2	0	0	0	0	0	15	0	0	0	0	0	0	15
13	WILTON	44	151	203	182	166	218	180	190	227	234	290	44	0	2,085
34	WILTON	18	102	226	182	185	54	0	0	0	0	24	0	0	773
35	WRISLEY	37	120	149	161	120	305	187	126	114	227	317	101	0	1,927
Total # of Full Time Employees:			16.0	29.0	36.0	29.0	35.0	57.0	47.0	23.0	56.0	57.0	0.0	0.0	
Full Time Equivalent Employees:			14.8	10.8	14.2	7.2	1.5	14.9	22.4	9.6	14.9	13.3	19.3	2.5	
Total Full Time Employees:			30.8	39.8	50.2	36.2	36.5	71.9	69.4	32.6	70.9	70.3	19.3	2.5	44 Average FTEs

If the average number of workers is under the 50 employee limit, then nothing else will print. If the total is 50 or over, then a second section will print. This section will list all of the dates worked by employees. For each date worked, the total number of workers on that date will be listed, and a calculation will be done for the total number of Full Time Equivalent workers for both Seasonal and Non-Seasonal workers.

It is important to note that the accuracy of this section entirely depends on how you have entered payroll. If you have not entered payroll on a daily basis, in other words, if you have combined hours worked on different days onto one line item on employee's checks, the report will not be able to generate an accurate picture of which employees worked on each day of the report period.

On dates where the combined total of FTEs (that is, the total Seasonal FTEs and Non-Seasonal FTE's) exceeds 50, the combined total will be printed in red bold numbers:

Page #: 8

Full Time Employee Count Report
05/17/2013 10:08

Starting: 01/01/2012
Ending: 12/31/2012

Total Workers by Day:

		Seasonal					Non-Seasonal					
Date	Total Workers	Total F.T.	P.T. Hrs	P.T. Empls	P.T. FTE's	Total FTE's	Total F.T.	P.T. Hrs	P.T. Empls	P.T. FTE's	Total FTE's	Combined FTE's
08/13/2012	55	53	0.00	0	0	53	1	6.00	1	1	2	**55**
08/14/2012	51	50	0.00	0	0	50	1	0.00	0	0	1	**51**
08/15/2012	54	53	0.00	0	0	53	1	0.00	0	0	1	**54**
08/16/2012	54	53	0.00	0	0	53	1	0.00	0	0	1	**54**
08/17/2012	55	53	0.00	0	0	53	1	2.50	1	0	1	**54**
08/18/2012	50	50	0.00	0	0	50	0	0.00	0	0	0	50
08/19/2012	27	26	6.00	1	1	27	0	0.00	0	0	0	27
08/20/2012	51	50	0.00	0	0	50	1	0.00	0	0	1	**51**
08/21/2012	50	49	0.00	0	0	49	1	0.00	0	0	1	50
08/22/2012	51	49	6.00	1	1	50	1	0.00	0	0	1	**51**
08/23/2012	51	49	0.00	0	0	49	1	6.00	1	1	2	**51**
08/24/2012	52	50	0.00	0	0	50	1	2.50	1	0	1	**51**
08/25/2012	48	48	0.00	0	0	48	0	0.00	0	0	0	48
08/26/2012	26	24	6.00	1	1	25	0	5.50	1	0	0	25
08/27/2012	53	50	0.00	1	0	50	1	1.00	1	0	1	**51**
08/28/2012	49	48	0.00	0	0	48	1	0.00	0	0	1	49
08/29/2012	52	50	6.00	1	1	51	1	0.00	0	0	1	**52**
08/30/2012	51	49	0.00	0	0	49	1	4.50	1	0	1	50
08/31/2012	52	50	0.00	0	0	50	1	2.50	1	0	1	**51**
09/01/2012	50	49	6.00	1	1	50	0	0.00	0	0	0	50
09/02/2012	16	16	0.00	0	0	16	0	0.00	0	0	0	16
09/03/2012	40	38	0.00	0	0	38	1	5.00	1	0	1	39
09/04/2012	38	36	0.00	0	0	36	1	3.00	1	0	1	37
09/05/2012	42	40	0.00	0	0	40	1	1.50	1	0	1	41
09/06/2012	40	38	0.00	0	0	38	1	6.00	1	1	2	40
09/07/2012	41	40	0.00	0	0	40	1	0.00	0	0	1	41
09/08/2012	39	39	0.00	0	0	39	0	0.00	0	0	0	39
09/09/2012	25	25	0.00	0	0	25	0	0.00	0	0	0	25
09/10/2012	52	51	0.00	0	0	51	1	0.00	0	0	1	**52**
09/11/2012	51	50	0.00	0	0	50	1	0.00	0	0	1	**51**
09/12/2012	52	51	0.00	0	0	51	1	0.00	0	0	1	**52**
09/13/2012	52	51	0.00	0	0	51	1	0.00	0	0	1	**52**
09/14/2012	54	52	0.00	0	0	52	1	2.50	1	0	1	**53**
09/15/2012	52	51	0.00	0	0	51	0	1.00	1	0	0	**51**
09/16/2012	27	26	0.00	0	0	26	0	6.00	1	1	1	27
09/17/2012	54	52	0.00	0	0	52	1	1.00	1	0	1	**53**
09/18/2012	51	50	0.00	0	0	50	1	0.00	0	0	1	**51**
09/19/2012	52	50	6.00	1	1	51	1	0.00	0	0	1	**52**
09/20/2012	53	51	0.00	0	0	51	1	5.50	1	0	1	**52**
09/21/2012	54	52	0.00	0	0	52	1	3.00	1	0	1	**53**
09/22/2012	51	50	6.00	1	1	51	0	0.00	0	0	0	**51**
09/23/2012	15	13	5.00	1	0	13	0	6.00	1	1	1	14
09/24/2012	54	52	0.00	0	0	52	1	1.00	1	0	1	**53**
09/25/2012	52	51	0.00	0	0	51	1	0.00	0	0	1	**52**
09/26/2012	52	50	6.00	1	1	51	1	0.00	0	0	1	**52**

If the following conditions are satisfied, then the employer may qualify for a seasonal employer exception:

1. There can be no more than 120 days in a calendar year where the combined FTEs exceeds 50 employees.
2. On days that the combined FTEs exceed 50 employees, those employees over the limit must be seasonal employees (i.e. you cannot employ more than 50 non-seasonal employees on a given day).

After printing the totals for each work day, the program will tell you how many days exceeded 50 employees, and whether or not the conditions are met for the exemption, as shown below in the red box:

Page #: 11

Full Time Employee Count Report
05/17/2013 9:53

Starting: 01/01/2012
Ending: 12/31/2012

Total Workers by Day:		Seasonal					Non-Seasonal					
Date	Total Workers	Total F.T.	P.T. Hrs	P.T. Empls	P.T. FTE's	Total FTE's	Total F.T.	P.T. Hrs	P.T. Empls	P.T. FTE's	Total FTE's	Combined FTE's
12/28/2012	5	4	0.00	0	0	4	1	0.00	0	0	1	5
12/29/2012	4	4	0.00	0	0	4	0	0.00	0	0	0	4

114 days with more than 50 employees.
This is under the maximum number of days for the seasonal exception: 120
Non-seasonal workers do not exceed 50 employees on any single day.
Based on these results, your company may qualify for the Seasonal Worker Exemption and may not be an applicable large employer.

If you exceed the limit of 120 days over 50 combined FTEs or there are more than 50 Non-Seasonal FTEs, different messages will be printed indicating this.

Since there are other factors outside the scope of the payroll system that may affect whether or not your company is considered an "applicable large employer" (such as common ownership issues and successor companies) this is not the final answer. Also, keep in mind that the analysis of the data in your payroll system can only be as good as the data itself. If you are close to the limit, it would be a good idea to carefully double check the results of the report.

Daily FTE Calculation

The following will only be of concern to employers that are close to the 120 day limit for the seasonal exemption. If you are well under the 50 employer limit or well over the 120 day limit for seasonal employers, do no bother reading any further.

4980H(c)(2)(E) specifies that "full-time equivalents" are to be used in determining whether an employer is an applicable large employer under paragraph 4980H(c)(2), and it specifies a method for calculating full-time equivalents on a monthly basis. Since the exemption for seasonal employers falls under this paragraph (4980H(c)(2)(B) details the seasonal exemption) we have interpreted this exemption to be based on the number of FTEs. We have found other references explaining this provision that agree with this interpretation.

The problem is that neither the law nor the Proposed Rules published in the Federal Register on 1/2/2013 specify the method for determining FTE's on a daily basis. They are quite clear as to the method for determining FTEs on a monthly basis. However to meet the exemption criteria, you must calculate the size of your "workforce" on a daily basis to determine whether or not your workforce exceeded 50 employees on more than 120 days.

Since there is no guidance from the IRS, we have adopted the following method of determining FTEs each day:

1. For each check that the employee receives, a determination is made as to whether the employee was a full time or part time employee for that pay period. This depends on the pay type and pay cycle for that employee. If an employee is set up as a Salaried employee, the employee is assumed to be full time. Otherwise, the pay cycle is used to determine the employees status based on hours of service for each check. If the employee is set to a weekly pay cycle, under 30 hours is part time, 30 or more hours is full time. If the employee is set to a biweekly pay cycle, under 60 hours is part time, 60 hours or over is full time. And if the employee is set to a

monthly pay cycle, under 130 hours is part time and 130 hours or more is full time.

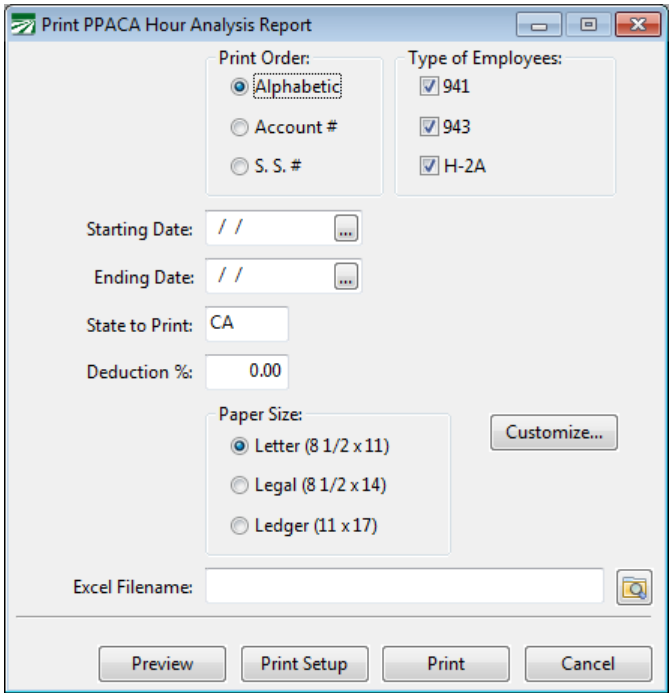
2. If an employee is determined to be full time for that pay period, he or she is added to the total count of full time employees for each day that he or she worked. A separate count is maintained for seasonal and non-seasonal workers. This is the number that prints in the "Total F.T." column.
3. If an employee is determined to be part time for that pay period, he or she is added to the total count of part time employees. This is the number that prints in the "P.T. Empls" column. The employees hours worked for that day are added into a part time total hours worked amount. This is the number that prints in the "P.T. Hrs" column. No more than six hours per day are added into this total for part time employees. Separate amounts are maintained for seasonal and non-seasonal workers.
4. After the total part time hours for each day is determined, the hours are divided by six to determine the number of full-time equivalents for that day. This is the number that prints in the "P.T." FTEs" column.
5. The total full time workers and full time equivalents are added together. This is printed in the "Total FTEs" column for both seasonal and non-seasonal employees.
6. Finally, the total FTE's for both seasonal and non-seasonal employees are added together. This is the number that prints in the "Combined FTEs" column, and is used as the basis for determining the size of your workforce on a daily basis.

These methods are based on scaling down the FTE calculations from a weekly and monthly basis to a daily basis.

If new regulations are issued that specify a different method for determining FTEs, we will update the program accordingly. Until then, if the Full Time Employee Count report indicates that you are very close to the 120 day limit, you may want to consult with the IRS or a lawyer that specializes in PPACA compliance to make sure that the daily workforce calculations made by this report are acceptable for determining your company's status as a large employer.

PPACA Hour Analysis Report

This report will print the total hours of service by calendar month for your employees, and prints a column with the average hours per week. This report can assist you in determining the measurement periods that you want to use for determining health insurance eligibility for seasonal and variable hour employees. To run this report, go Payroll->Reports->PPACA Hour Analysis Report. The following window will open:



Print Order

Select the order in which you want employees to be printed on the report.

Type of Employes

This selection allows you to include or exclude 941, 943 and H-2A employees from the report.

Starting Date/Ending Date

Enter the date range that you want to print the report for. A separate column will be printed for each month in the date range that you enter here.

Since this report is for insurance hours purposes, the date range that you enter select hours based on the date worked.

State to Print

You can filter employees based on their State for Withholding setting by entering a two letter state abbreviation here. Leave blank to print all employees regardless of state.

Deduction %

This is an optional entry. If you enter a percentage here, the program will calculate the total deduction amount based on this rate from the employees

gross wages. Generally, the deduction for health insurance is not to exceed 9.5% of your employees' W-2 income, so that would normally be the maximum percentage rate that you would enter.

If you do not enter a deduction percentage, the program will not print a column for the deduction amount.

Paper Size

Select the paper size for the report. Generally, 12 months will fit on standard letter size paper. If you print the report for a longer period, use legal or ledger size paper so that all of the columns will fit on the page.

Customize

Excel Filename

Enter a filename to export the report information to an Excel spreadsheet. Click on the folder button next to this enter to use the Open File dialog to enter a filename and location to save the file to.

The Excel spreadsheet will include all columns on the report regardless of whether or not they fit on the paper size that you select.

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 andport.

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.

Salaried Employees

Depending on how you enter payroll for salaried employees, you may or may not record the hours worked on their checks. If hours are not entered on salaried employees' checks, this report will use the standard salary hours that are set up either on the Full Time Employee Count report or on the Profile tab of the employee account setup window. (PPACA topics in the Payroll Topics section go into complete detail about how this works.)

Gross Wages

The Gross Wages column that prints on this report includes wages from checks with pay periods that fall into the date range that you request this report for. It does not calculate wages earned solely in the calendar months that you request the report for. Because of this, you cannot compare the total wages for the entire report or for any one employee to other reports in the system that print based on the check date.

Up/Edit Sick Pay Balances.

Assigning Sick Pay Plans to New or Returning Employees

When new employees are hired (or returning employees are rehired) after the initial assigning of sick pay plans, you must assign them through the *Employee Entry*. This will be the main way to assign plans on a day-to-day basis.

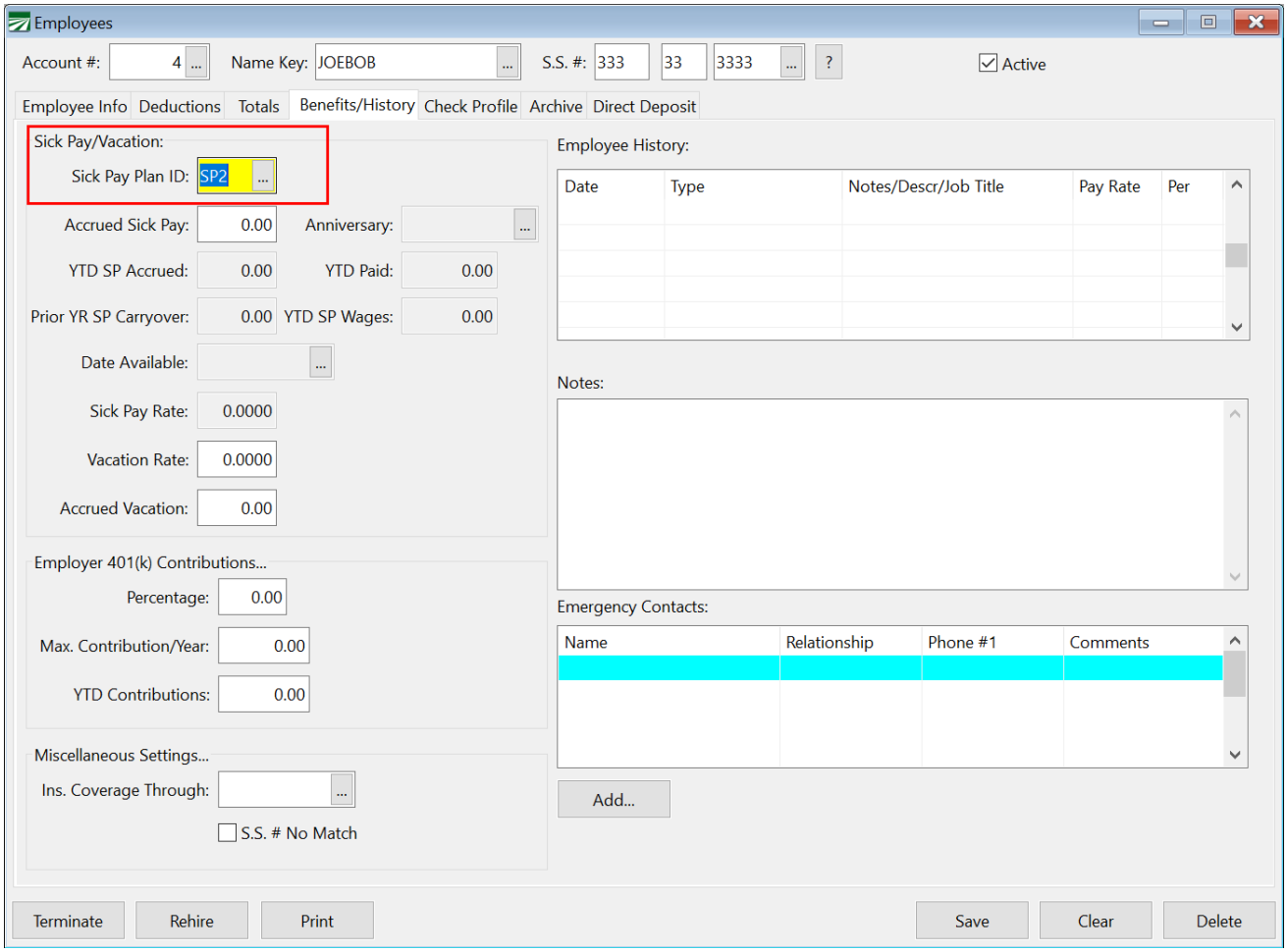
If you have not done the initial assigning of sick pay plans, see the section: *Initial Assignment of Sick Pay Plans.*

There are two methods of assigning plans through the employee entry depending on whether or not it is a returning employee. This section will discuss both methods.

Assigning New Employees to Sick Pay Plans

When entering a new employee account, you must assign a sick pay plan for employees in California, Oregon, Arizona, and Washington.

This is done by entering the sick pay plan on the History/Benefits tab in the *Payroll Employee Entry Screen* as seen below.



Select the Plan ID that you wish to assign to that employee. You can press [F4] or use the lookup button to access a list of your sick pay plans.

However, if you are using the quick entry or the HR employee entry window, the location of this setting is in different places.

The quick entry screen has the Sick Pay Plan in the Employee Information section, highlighted below.

Employees Quick Setup

Personal Information:

Account #: 4 ...

Active

Name Key: JOEBOB ...

S.S. #: 333 - 33 - 3333 ... ?

Last Name: JOE

First Name/Initial: BOB

Mailing Address:

City/State/Zip:

Phone #:

Date of Birth: ...

Gender: Male

I9 Alien Reg. #:

Exp. Date: ...

Need I9 Alien Reg. #

Employment Information:

Crew ID: ...

Default G/L #: 0.00 ...

Pay Type: Hourly

W/C Class Code: ...

Pay Rate: 15.00

Sick Pay Plan ID: ...

Date Hired: 08/02/2016 ...

Chk. Stub Language: <Undefined>

Tax Information:

Type: Regular (941)

Marital Status: Married

Pay Cycle: Weekly

State for Wht.: CA ...

State Rate: 0.00

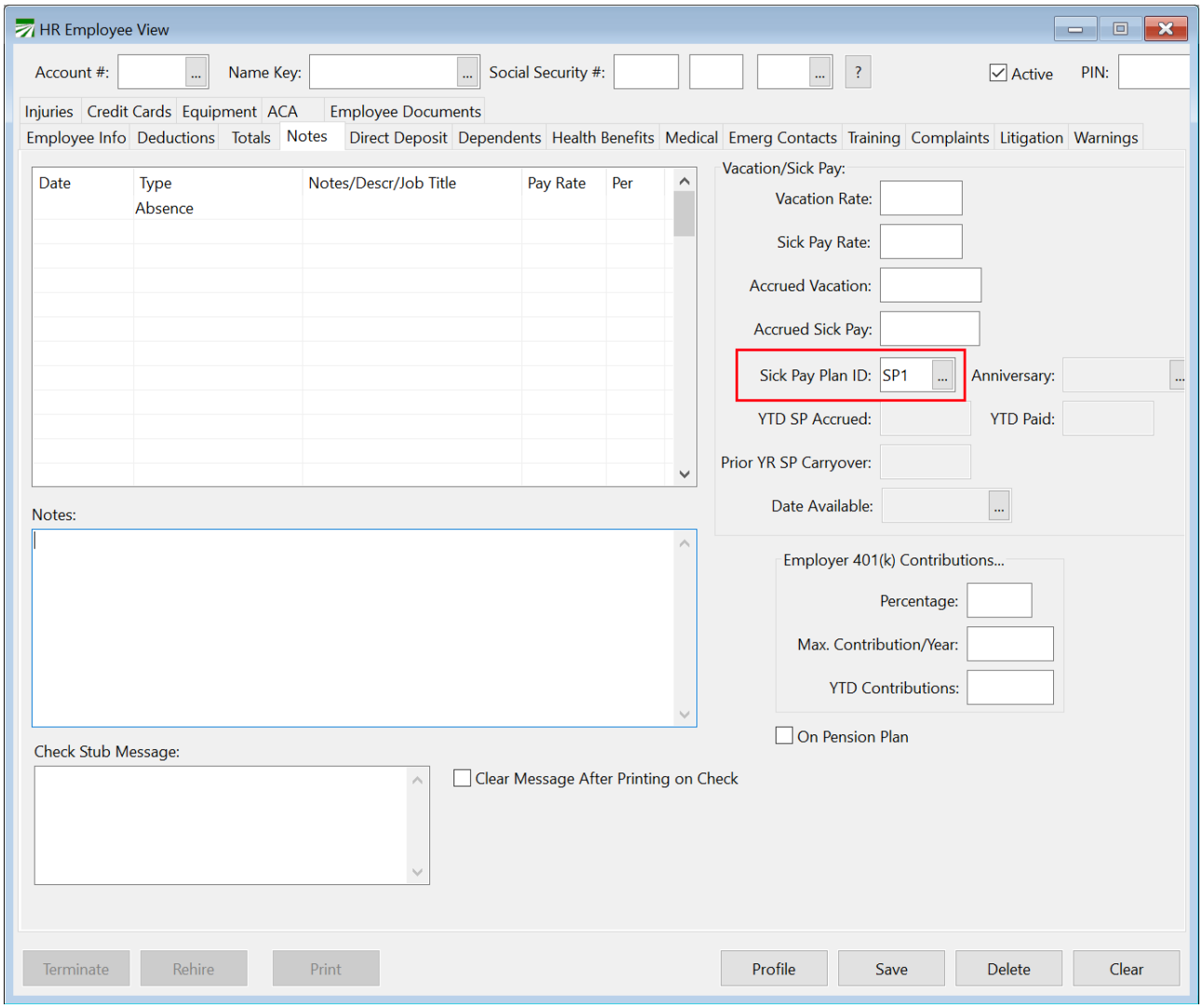
State for UI: CA ...

Federal Allowances: 0

State Allowances: 0

Rehire | Print | Save | Delete | Clear

If you are using the HR Employee entry screen, this entry is in the Notes tab, highlighted below



It is not necessary to enter any other information than the Sick Pay Plan. The Anniversary Date and Date Available will be set up when you enter the first check for the employee, or generate a check from daily payroll entries.

Assigning Rehired Employees to Sick Pay Plans

We strongly recommend the use of the Terminate and Rehire functions to properly set the status of employees.

When you use the Rehire button on the employee screen, you can check to make sure that the employee has a sick pay plan selected, and the program will check to see if sick pay will be carried over or discarded, and whether or not the anniversary date and date available need to be updated.

When you click on the rehire button on the employee entry screen, with an employee displayed, the following screen will appear:

Rehire Employee

Name: BOB SMITH

Notes:

Date Rehired: / /

Code: Rehired

Description:

Crew #: 0

Pay Rate: 0.00 Hourly

Request ID Badge

Sick Pay Plan ID: SP2 Sick Pay Status

Sick Pay Anniversary:

Sick Pay Available:

Prior Yr Carryover: 0.00

Sick Pay Accrued: 0.00

Sick Pay Used: 0.00

Unused Sick Pay: 0.00

Ok Cancel

Enter the rehire information, as you normally would, including the rehire date, code, description and pay rate.

If the sick pay plan ID is not correct, select the correct plan.

Next, click on the Sick Pay Status button. This status screen will appear:

Rehire Sick Pay Status

Rehire Date: 7/17/2017

Days To SP Available: 0

Previous Sick Pay Accrual: 0.00

Not eligible for sick pay carryover.

Date sick pay is available is 10/15/2017.

New Anniversary Date: 07/17/2017

New Available Date: 10/15/2017

Sick Pay Accrued & Carried Forward: 0.00

Sick Pay Discarded: 0.00

Ok

As you can see, the program will set the anniversary date, as well as the date available. It will also check the last day previously worked (if this is

a previous employee) and determine whether or not previously accrued sick pay will be carried forward or discarded.

Click on *Ok* to return to the rehire screen.

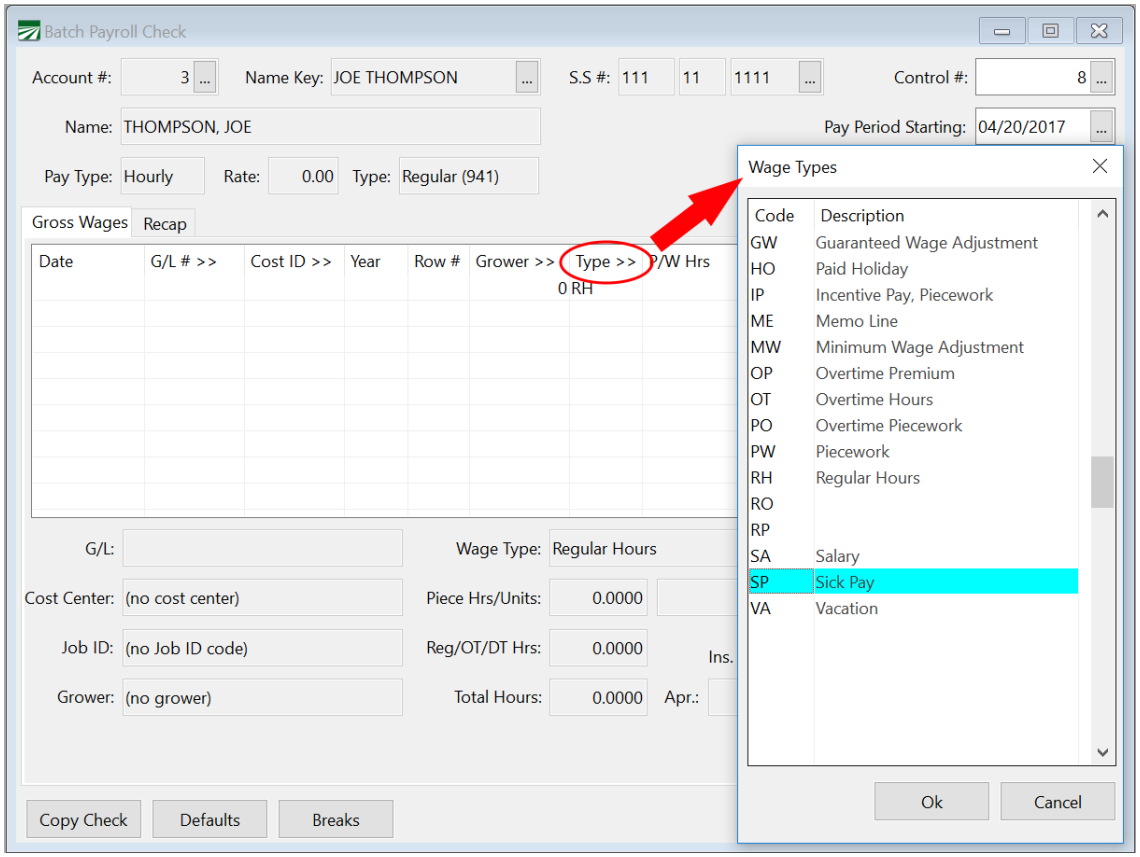
When you click *Ok* on the rehire screen, the sick pay information for this employee will be updated.

Using and Paying Out Sick Pay

Now that the plans are created and assigned. It is now possible to pay out sick pay for the employees that have any available. There are a number of things to keep in mind when paying out sick pay. This section will discuss exactly what goes into that.

Paying an Employee Sick Pay

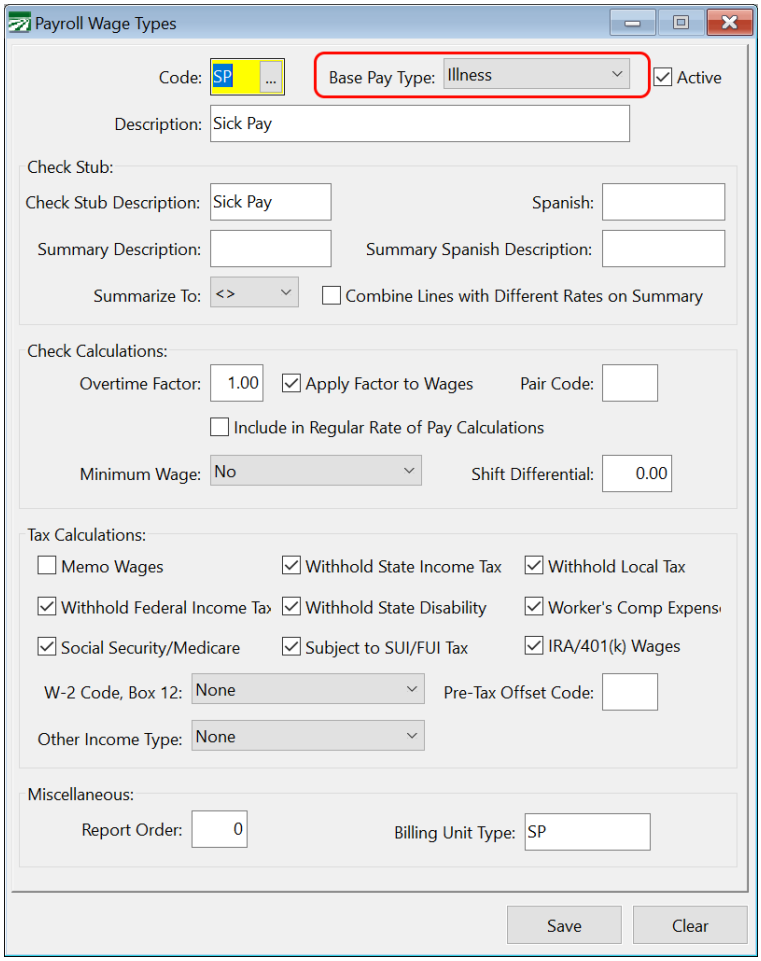
Using the Sick Pay system, you pay an employee using sick pay wages just like you would pay them normally. The only difference is the Wage Type that you would use. Datatech software comes preloaded with an "SP" wage type. This is the wage type to use with sick pay. This will have those hours go against their recorded sick pay. Select this wage type by clicking on the "Type" header in the Batch Payroll Check Entry window. Then select the Sick Pay Wage type. This can be seen in the screenshot below.
You can set up additional wage types for sick pay. This is discussed in the following section.



Wage Type to Use for Sick Pay

The wage type file that is distributed with Datatech payroll software includes the wage type "SP", to be used for sick pay. In order to track this as sick pay

wages, the Base Wage Type must be set to “Illness” as highlighted in the screenshot that follows. If it is not, these wages will not be subtracted from the employee’s accrued sick pay.
The wage type file is distributed with this setting, but you should make sure that it has not been changed after the software was installed. Here is a screen shot of the sick pay wage type setup:



If you need to create additional sick pay wage codes, you may do so, and the program will correctly track the payments as long as the **BASE PAY TYPE** is “Illness”.

How is Available Sick Pay Determined?

The amount of sick pay available is determined by:

1. Total accrued sick pay through the last check issued, less any amounts previously paid, and subject to the total annual limit.
1. Sick pay is only available if the date available in the employee file is on or before the ending date of the payroll period.
2. In the batch check entry screen, you cannot enter more sick pay hours than are available.
3. If you are entering sick pay hours using daily payroll entry, the entry screen will not stop you from entering multiple lines of sick pay that may exceed the available hours. However, when checks

are created, an exception report will print if any sick pay wages exceed the available hours.

Making Adjustments to Sick Pay

There may be situations that require editing the sick pay information. You may need to add or subtract manually from an employee's hours, increase their accrual, need to change the anniversary date, or fix an employee's available date.

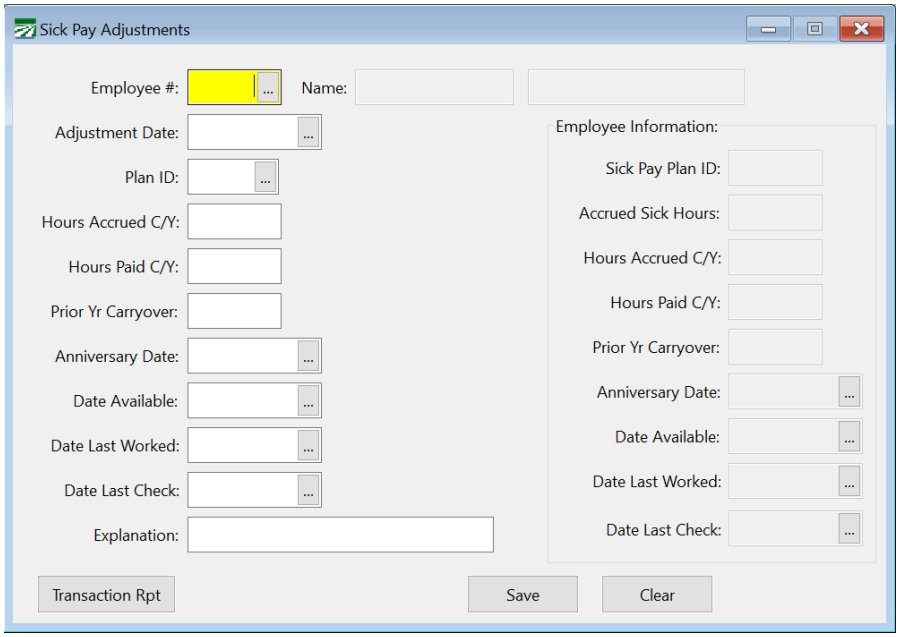
There is a number of different ways to adjust sick pay. This section will tell you how to use them and which methods to use in any given situation.

Sick Pay Adjustments

Some employers have asked about crediting an employee with additional hours carried over from a previous sick pay plan. Or, an employee may be set up as an 8 hour employee with a maximum payment of 24 hours, but begins working 10 hour days and you need to adjust the current accrual hours in addition to changing the sick pay plan. In situations like these, use the **Sick Pay Adjustments** window.

This screen will allow you to make adjustments in the total sick pay accrual, anniversary date or date available.

Find the Sick Pay Adjustments window by navigating to **Payroll->Utilities->Sick Pay Adjustments.**



After selecting the employee to edit, you can start making adjustments. This is done by entering the actual adjustment you want to make. Aside from dates, DO NOT put the final value you want, put the amount that needs to be added or subtracted to the current value. The current value is seen in the column to the right.

Adjustment Date

Enter the date of the adjustment.

Plan ID

Select the sick pay plan ID you want to use.

Hours Accrued Current Year (C/Y)

If you are adjusting this value, enter the quantity of the adjustment in hours. DO NOT enter the new total you want the employee to have, just the adjustment that needs to be added or subtracted from the current value shown at the right.

Hours Paid Current Year (C/Y)

If you are adjusting this value, enter the quantity of the adjustment in hours. DO NOT enter the new total you want the employee to have, just the adjustment that needs to be added or subtracted from the current value shown at the right.

Prior Year Carryover Hours

If you are adjusting this value, enter the quantity of the adjustment in hours. DO NOT enter the new total you want the employee to have, just the adjustment that needs to be added or subtracted from the current value shown at the right.

Anniversary Date

If you need to change the anniversary date, enter the new date. If not, leave it blank.

Date Available

If you need to change the date available, enter the new date. If not, leave it blank.

Date Last Worked

If you need to change the date last worked, enter the new date. If not, leave it blank.

Date Last Check

If you need to change the date of their last check, enter the new date. If not, leave it blank.

Explanation

Enter the reason for the adjustment.

When you click on the Save button, the program will update the employee totals on the right side, based on the entries you have made. If they are correct, you can save the changes.

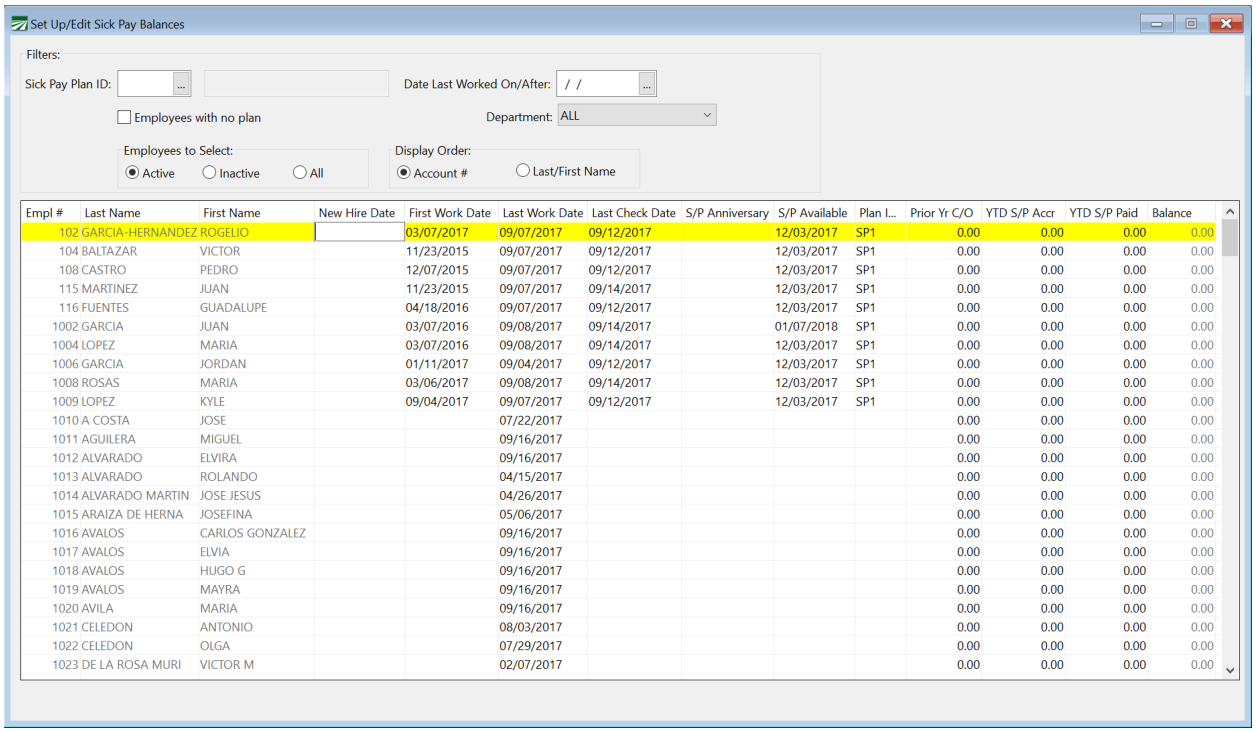
If you make a mistake, you will need to make another entry to correct it. Each adjustment that you make will be saved in a transaction audit file so that all adjustments can be tracked to the date and user that entered them.

Set Up/Edit Sick Pay Balances Window

Find this window at **Payroll->Sick Pay Setup/Maintenance->Set up/Edit Sick Pay Balances.**
This window allows you to quickly view and edit sick pay information. This window displays the employee info, Hire Date, Work Dates, Check Dates, Sick Pay Anniversary, Sick Pay Available, Plan, Carryover, Accrued, Paid and current balance.
Important Note: The main use of this window is to adjust S/P Available dates after using the Assign Sick Pay Plan, New Company window. It is recommended that all other changes be made through the Sick Pay Adjustment screen.

Using this Window to Make Adjustments

This window can be used to adjust sick pay, but as mentioned earlier, we recommend using the Sick Pay Adjustments screen in most cases. The main purpose of this window is to quickly make changes to the S/P Available and Anniversary dates. Everything else should be done through the Adjustment screen.
To make an adjustment, simply highlight the employee you want to change, tab over to the column you want to adjust, make the adjustment, then tab through that employee's row to save the changes.
These changes are recorded in the audit log and displayed in the Adjustment Inquiry.



Empl #	Last Name	First Name	New Hire Date	First Work Date	Last Work Date	Last Check Date	S/P Anniversary	S/P Available	Plan I...	Prior Yr C/O	YTD S/P Accr	YTD S/P Paid	Balance
102	GARCIA-HERNANDEZ	ROGELIO		03/07/2017	09/07/2017	09/12/2017		12/03/2017	SP1	0.00	0.00	0.00	0.00
104	BALTAZAR	VICTOR		11/23/2015	09/07/2017	09/12/2017		12/03/2017	SP1	0.00	0.00	0.00	0.00
108	CASTRO	PEDRO		12/07/2015	09/07/2017	09/12/2017		12/03/2017	SP1	0.00	0.00	0.00	0.00
115	MARTINEZ	JUAN		11/23/2015	09/07/2017	09/14/2017		12/03/2017	SP1	0.00	0.00	0.00	0.00
116	FUENTES	GUADALUPE		04/18/2016	09/07/2017	09/12/2017		12/03/2017	SP1	0.00	0.00	0.00	0.00
1002	GARCIA	JUAN		03/07/2016	09/08/2017	09/14/2017		01/07/2018	SP1	0.00	0.00	0.00	0.00
1004	LOPEZ	MARIA		03/07/2016	09/08/2017	09/14/2017		12/03/2017	SP1	0.00	0.00	0.00	0.00
1006	GARCIA	JORDAN		01/11/2017	09/04/2017	09/12/2017		12/03/2017	SP1	0.00	0.00	0.00	0.00
1008	ROSAS	MARIA		03/06/2017	09/08/2017	09/14/2017		12/03/2017	SP1	0.00	0.00	0.00	0.00
1009	LOPEZ	KYLE		09/04/2017	09/07/2017	09/12/2017		12/03/2017	SP1	0.00	0.00	0.00	0.00
1010	A COSTA	JOSE			07/22/2017					0.00	0.00	0.00	0.00
1011	AGUILERA	MIGUEL			09/16/2017					0.00	0.00	0.00	0.00
1012	ALVARADO	ELVIRA			09/16/2017					0.00	0.00	0.00	0.00
1013	ALVARADO	ROLANDO			04/15/2017					0.00	0.00	0.00	0.00
1014	ALVARADO MARTIN	JOSE JESUS			04/26/2017					0.00	0.00	0.00	0.00
1015	ARAIZA DE HERNA	JOSEFINA			05/06/2017					0.00	0.00	0.00	0.00
1016	AVALOS	CARLOS GONZALEZ			09/16/2017					0.00	0.00	0.00	0.00
1017	AVALOS	ELVIA			09/16/2017					0.00	0.00	0.00	0.00
1018	AVALOS	HUGO G			09/16/2017					0.00	0.00	0.00	0.00
1019	AVALOS	MAYRA			09/16/2017					0.00	0.00	0.00	0.00
1020	AVILA	MARIA			09/16/2017					0.00	0.00	0.00	0.00
1021	CELEDON	ANTONIO			08/03/2017					0.00	0.00	0.00	0.00
1022	CELEDON	OLGA			07/29/2017					0.00	0.00	0.00	0.00
1023	DE LA ROSA MURI	VICTOR M			02/07/2017					0.00	0.00	0.00	0.00

Navigating this Window

This window does not have a search function; however, you can use your Page Up and Page Down keys to scroll through the list quickly.
You can also use a combination of the following filter entries to help navigate this window quickly.

Sick Pay Plan ID

See employees that are assigned to a certain sick pay plan by selecting one in this entry. Enter the ID or press [F4] to access the lookup.

Date Last Worked On/After

Only display employees after a certain work date by entering a date in this entry.

Employees With No Plan

Checking this box will display only employees that are not assigned to a plan.

Department

Select a certain department to see only employees in that department.

Employees to Select

Select whether you want to see *Active, Inactive* or *All* employees.

Display Order

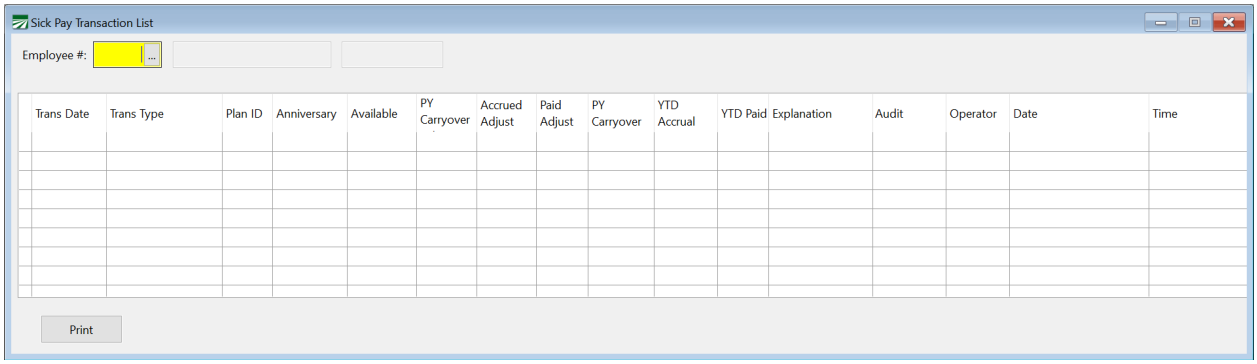
This option will change the order in which the employees are sorted. Either by account # or last name.

Sick Pay Adjustment Inquiry

Find this window at **Payroll->Sick Pay Setup/Maintenance->Sick Pay Adjustment Inquiry.**

This inquiry allows you to look at all of the adjustments made on a certain employee. This window does not allow for any editing. Its purpose is to provide a quick look at adjustment history. It displays transaction dates/types, plans, anniversary/available dates, if it will be included in the audit report, and the operator who made the adjustment.

To use this window, select the employee by entering the employee # or press [F4] to access the lookup. It also allows you to print the *Sick Pay Transaction Report* using the Print button at the bottom.



Sick Pay Anniversary Update

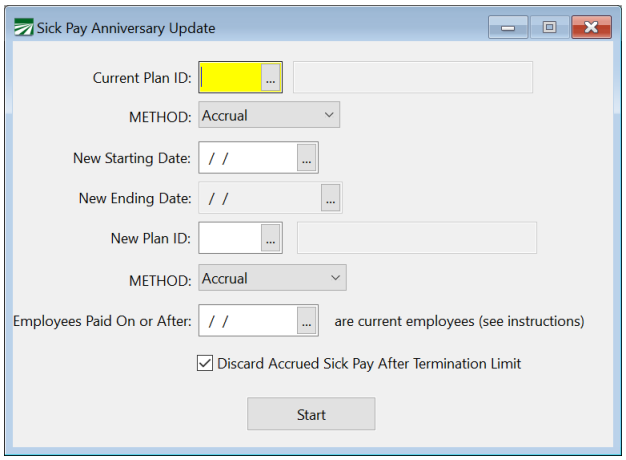
Find this window at **Payroll->Sick Pay Setup/Maintenance->Sick Pay Anniversary Update.**

This window can be used to switch from one sick pay plan to another. This allows you to switch starting dates and, in some cases, the methods used (Accrual versus Lump Sum).

To do this, the sick pay plan that you want to switch to must be created using the *Sick Pay Plan Setup* prior to using this window. That could mean that you create a new plan then use this window or you already have another plan made and simply want to switch from one plan to another.

This will switch all employees using the original plan to the selected new

plan with the new starting date entered.
Important Note: The **program cannot handle changing from Lump Sum to Accrual**. Due to the laws in place, the program cannot easily make those changes. There are ways to make that transition but **we do not recommend it.** For more information on this topic, call Datatech Customer Support.



In order to make changes to current sick pay plans, fill out the following prompts.

Current Plan ID

Enter (or select using [F4]) the ID of the sick pay plan you want to modify.

Method (Top)

This entry simply shows you what the selected plan's method is. DO NOT modify this dropdown menu as it is only for informational purposes.

New Starting Date (New Ending Date)

Enter the starting date for the new plan.

New Plan ID

Select the plan that you are switching to. This plan must be made in advance using the *Sick Pay Plan Setup*.

Method (Bottom)

Like the pervious METHOD dropdown, this is just to inform you what method that plan uses. DO NOT make changes to this dropdown.

Employees Paid On or After…are current employees

This entry determines which employees are current. Only employees that are current will have their sick pay plan switched.

Discard Accrued Sick Pay After Termination Limit

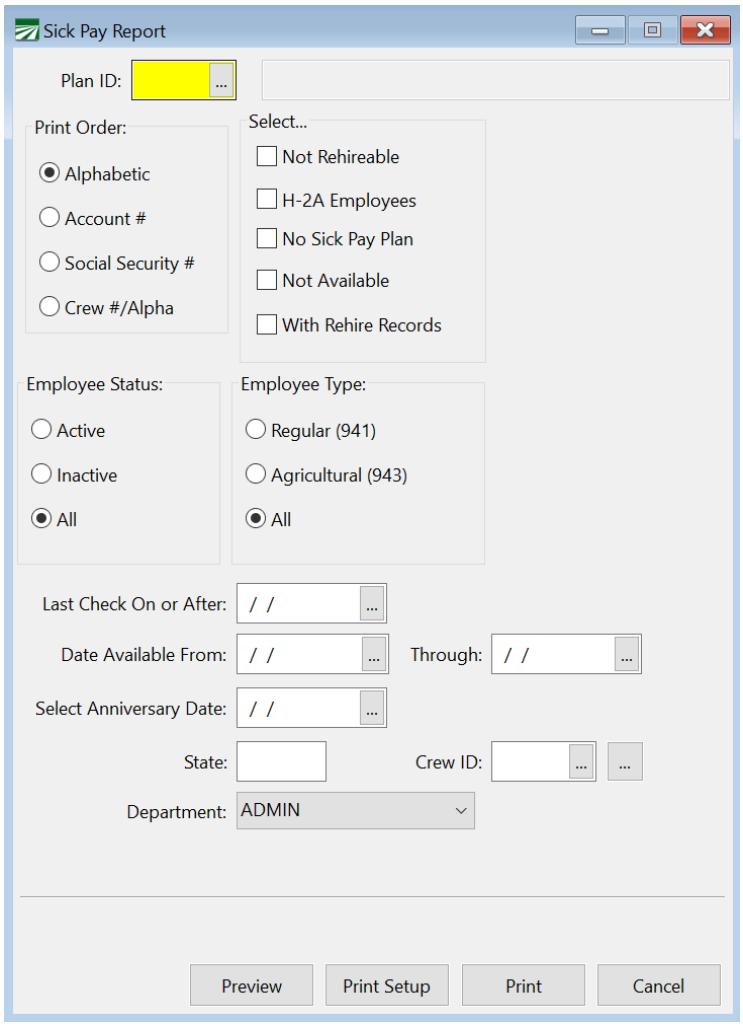
This box is checked by default and will ensure that accrued sick time will be discarded after the sick pay plan's termination limit is reached.

Sick Pay Reports

In order to access the sick pay information stored within the program. A number of reports have been created. Each one performs a different function and knowing how to use these reports may prove to be beneficial.

Sick Pay Report

This report is found by navigating to **Payroll > Employee Lists > Sick Pay Report.**
The Sick Pay Report is the basic report for viewing all of the sick pay information. This report lists the Plan ID, Method, Anniversary, Available Date, Carryover, Accrual Amounts, Paid Amounts, and other information pertaining to the sick pay plans. This information is displayed by employee and is filterable by a number of options. Such as active employees, crews, or departments.



Plan ID

Select the Plan ID for this report. If you leave this blank, and you have multiple sick pay plans, all employees will print regardless of plan.

Print Order

Select the print order. This can be *Alphabetic, by Account #, Social Security #,* and *Crew #/Alphabetical.*

Employee Status

Select employee status. This is either *Active* or *Inactive.*

Select…

These options can filter which employees are shown based on various parameters.

Not Rehireable

If you check this box, only employees that have been marked Not Rehireable will be printed.

No Sick Pay Plan

If you select this box, only employees without a sick pay plan assigned to them will be displayed.

Employee Type

Select employee type. This is either *Regular (941)* or *Agricultural (943) employees.*

Last Check On or After

If you want to print the report for only employees who received a check on or after a certain day, enter that date here.

Date Available From / Through

Enter a date range here if you want to see employees who have sick pay available to them for that particular range.

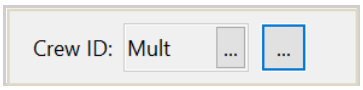
State

See employees from only a certain state by entering the 2-letter State abbreviation here.

Crew ID

If you only want employees on a specific crew printed, enter the crew number here. Otherwise, leave this entry blank to print all crews.

You can also select multiple crews by clicking the button to the far right of the Crew ID entry. Select your crews and click Ok. The entry will then show 'Mult'.



Department

To print the report for a particular department, select the department here.

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.

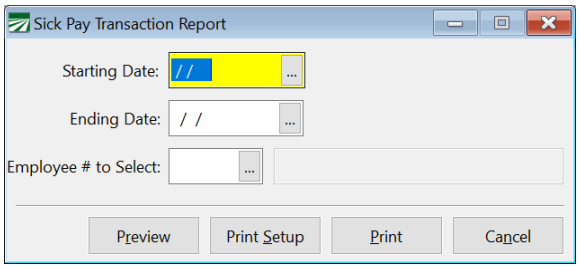
Cancel

Click on this button to close the window.

Sick Pay Transaction Report

This report is found by navigating to **Payroll->Utilities->Sick Pay Transaction Report.**

This report will detail any changes made to an employee's sick pay information. These will be changes that were automatically made by the program and manual adjustments made by the user. There are only a few entry parameters as seen in the screenshot below. Usually, you will want to enter a value for all three and run this report for particular employees.



Starting / Ending Date

Enter the date range that you would like to see on the report. If you would like to see the entire history for an employee, leave these blank.

Press [F4] to access a date picker.

Employee # to Select

Select the employee here. Press [F4] to access the employee lookup.

Transaction Types Seen on the Report

There are many different types of transactions that can be seen on this report. Some are automatically performed by the program, others are done after running various reports, and others are performed when making sick pay adjustments. The various types are listed below.

PROCESS_1/DISCARD

Employee has not worked for the length of the Discard Period (as set up in the *Sick Pay Plan* window), existing accrual balances are discarded. If the rehire dialog was used for the employee, then this would normally handle the discard process; however if the employee is not rehired before a check is entered/created, the program will discard balances at that time.

PROCESS_2/AVAILADJUST

Employee has a gap in their work history equal to or more than the sick pay work gap that determines whether or not the available date should be pushed out. The previously calculated available date will be pushed out by the number of days that the employee missed during the initial waiting period before sick pay is available to be used.

PROCESS_3/SETDATES

Either the anniversary date or the available date are blank. If one or both of these dates have not been determined by the time a check is entered/created, the program will calculate the dates and update the employee account.

AUDIT

Accrual totals on the employee account were updated based on the *Sick Pay Audit Report.*

EDIT/REHIRE

Employee accruals were either directly edited by a user or updated as a result of the Rehire function.

ANNIVERSARY

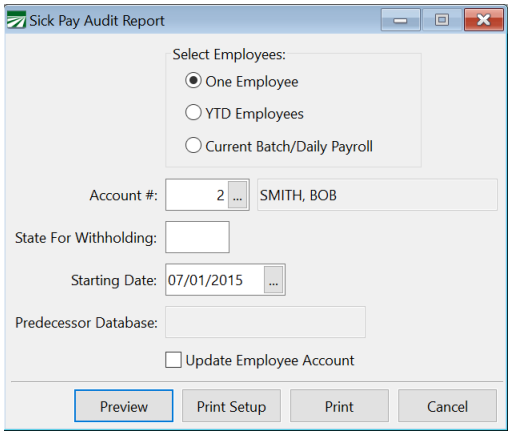
A check was entered/created with a starting pay period date in a new sick pay plan year. The employee's prior accrual balance is rolled over to the prior year carryover balance and the YTD accrued/paid balances are zeroed out. The anniversary date is moved forward a year.

SETUP

Initial set up of a sick pay plan on an employee account. All balances start out at zero.

Sick Pay Audit Report

Find this report by navigating to **Payroll->Utilities->Sick Pay Audit Report.** The Sick Pay Audit Report is used to find and correct discrepancies within the sick pay system. This report will list each check paid to an employee and how much has been accrued, used, available, and the anniversary/rollover date. This report can also correct any miscalculations in sick pay. Over time, errors can occur in accrual, running this report with the update box checked, can correct those errors.



Select Employees

Select which employees will be included in the report. This can be: *One Employee*, *YTD Employees*, or employees in the *Current Batch/Daily Payroll.*

Account #

If selecting one employee, enter the account number for that employee here. Or use [F4] to access the employee lookup.

Starting Date

Enter the date on which to start the report. Press [F4] to access a date picker.

Update Employee Account

Check this box if you would like to enable the report to make changes to the Employee's account.

Sick Pay State Requirement Reference Chart

The following chart has been compiled to help you decide how to create your sick pay plan. IT contains most of the major parameters that are required in each state. However, this is only to provide quick information. This is not legal advice and it is up to each employer to determine what is needed for their own sick pay plans.

State	Arizona	California	Michigan	Oregon	Washington
Effective Date	July 1, 2017	July 1, 2015	March 29, 2019	January 2016	January 1, 2018
Method	Accrual or Front Load	Lump Sum[i] or Accrual	Accrual or Front Load	Accrual or Front Load	Accrual or Front Load
Accrual Rate/ Lump Sum Amount	**Accrual**: 1 hour sick pay/ 30 hours worked **Front Load:** Large Companies *(15 employees or more)*:40 hours Small Companies*(14 employees or less)*: 24 hours	**Accrual**: 1 hour sick pay/ 30 hours worked **Lump Sum:** Employers can choose to give a lump sum of 3 days' pay[ii.]	**Accrual:** 1 hour sick pay/ 35 hours worked **Front Load:** 40 hours**,** this amount can be prorated for new employees.	**Accrual:** 1 hour sick pay/ 30 hours worked **Front Load:** 40 hours	**Accrual:** 1 hour sick pay/40 hours worked **Front Load:** No specific amount is stated, but any amount front loaded must meet the same standards as accruing.
Waiting Period to Accrue	**None:** Either from July 1, 2017 or on their hire date, whichever one is later.	**None:** Legally, each employee starts accruing as soon as they start working.	**None:** Time begins to accrue on the effective date or date of hire, whichever is later.	**None**	**None**
Maximum Waiting Period to Pay	If the employee was hired after July 1, 2017, employees can institute a 90-day waiting period.	Employers can institute *up to* a 90-day waiting period.	Employers can institute *up to* a 90-day waiting period.	Employers can institute *up to* a 90-day waiting period.	Employers can institute *up to* a 90-day waiting period.
Discard Sick Pay Accrual After…[iii]	9 Months	12 Months	There is no time-frame for this state.	180 Days	12 Months
Sick Pay Accrual Cap	**Large companies:** Capped at 40 hours/year. **Small companies:** Capped at 24 hours a year.	The lowest employers can limit accrual to is 48 hours or 6 days' pay[ii]	The lowest employers can limit accrual is 40 hours per benefit year. Employers *can* limit accrual to 1 hour per week.	The lowest employers can limit accrual is 40 hours a year.	No accrual cap is instituted, however only 40 hours can be carried over to the next year.
Sick Pay USE cap	**Large companies:**	As low as 3 days/year	As low as 40 hours/year	As low as 40 hours/year	No cap defined (pending final

	40 hours/year. **Small companies:** 24 hours a year.				ruling)
How to Calculate Pay Rate for Sick Pay	See footnote[iv]	Calculate the regular, non-overtime rate of pay for the workweek in which they used paid sick leave, whether or not they actually worked overtime in that workweek or divide the total compensation for the previous 90 days (excluding overtime premium pay) by the total number of non-overtime hours worked in the full pay periods of the prior 90 days of employment	The Act requires an employer to pay an employee at a pay rate equal to the "greater of either the normal hourly wage or base wage for that eligible employee or the minimum wage rate" ($9.45/hour as of 03/29/19). An employer is not required to include overtime pay, holiday pay, bonuses, commission, supplemental pay, piece rate pay or gratuities in this calculation.	The wages the employee would have been paid, if known, for the period of time in which sick time is used; or the weighted average of all regular rates of pay during the previous pay period.	For each hour of paid sick leave used, an employee shall be paid the greater of the minimum hourly wage rate Or his/her normal hourly compensation.
Website Links	**Arizona Sick Pay FAQ**	**California Sick Pay FAQ**	**Michigan Sick Pay FAQ** **Michigan Sick Pay Summary**	**Oregon Sick Pay FAQ**	**Washington Sick Pay FAQ**

The information presented in this document should not be construed as legal, accounting or tax advice. Our employees are not accountants or lawyers and they also do not provide accounting, tax or legal advice. You should consult with a professional advisor familiar with your particular factual situation for advice concerning specific accounting, tax or legal matters before making any decisions.

[i] Lump Sum is paying the equivalent of what the employee will accrue at the beginning of the year. Very similar to the "Front Load" options in other states. The terms "Frontload" and "Lump Sum" are used interchangeably in this document and in our program.

[ii] California law states that the employee is entitled to 3 days' sick pay (Minimum of 24 hours). It commonly uses the phrases such as "24 hours or 3 days." According to the DLSE Opinion letter of 08/07/2015 (An official response from the state government), those phrases mean whichever is more. Most times this is 24 hours, however, if an employee works longer than 8-hour days on average, they are entitled to more sick pay. For example, if an employee works 10 hours/day, they are entitled to 30 hours of sick pay.

[iii] If employment is resumed within this time frame, the sick pay is also reinstated as if the employee hadn't left.

[iv] Taken from the Arizona State Website: "In the absence of statutory and judicial guidance, the Industrial Commission is proposing rules consistent with the following methods for determining hourly wage rate:

- **For employees with a single hourly rate**. For employees paid on the basis of a single hourly rate, an employer is required to pay the employee the same hourly rate that the employee would have earned for the period of time in which sick time is used. For example, if an employee's hourly rate is $15 per hour, the employer is required to pay the employee $15 for each hour of earned paid sick time.
- **For employees with multiple hourly rates.** If known, an employer is required to pay a multi-rate employee the actual hourly wages that the employee would have been paid for the period of time in which sick time is used. If unknown, an employer must pay an hourly rate equivalent to the weighted average of all hourly rates of pay during the previous pay period.
- **For salaried employees.** Employers must pay a salaried employee an hourly rate equal to the employee's total wages earned during the pay period covered by the salary divided by the number of hours agreed to be worked in the pay period for which the salary is intended to compensate. If a salaried employee's hours of work vary from work week to work week, for the purpose of calculating the same hourly rate to be used for the payment of earned paid sick time, the employee is presumed to work 40 hours per workweek.
- **For commissioned, piece-rate, or fee-for-service employees**. Such employees' hourly rates are determined in the following order of priority:
  1. The hourly rate of pay agreed upon by the employer and the employee, if an hourly rate of pay was previously established.
  2. The wages that the employee would have been paid, if known, for the period of time in which earned paid sick time is used.
  3. A reasonable estimation of the wages that the employee would have been paid for the period of time in which the earned paid sick time is used.
  4. The weighted average of all hourly rates of pay during the previous 90 days, if the employee worked regularly during the previous 90-day period."

Sick Pay Frequently Asked Questions (FAQ)

The following is a list of frequently asked questions. These have to do mostly with using our software but it will touch on state law on occasion. This is not meant to be legal counsel, but instead, only bringing up the law when it has to do with our software.

If you are looking for more information on your state's laws, we suggest looking at the following state websites:

California:
https://www.dir.ca.gov/dlse/Paid_Sick_Leave.htm
Oregon: http://www.oregon.gov/boli/TA/Pages/T_FAQ_OregonSickTime.aspx
Arizona:
https://www.azica.gov/frequently-asked-questions-about-wage-and-earned-paid-sick-time-laws
Washington:
http://www.lni.wa.gov/WorkplaceRights/LeaveBenefits/VacaySick/PaidSickLeave.asp

Q: How is the 90 day waiting period determined for rehired employees?

A: When an employee is rehired, or there is a time gap in the employee's checks, the program will check to see if the employee has worked in the last year, using the Date Last Worked entry in the employee file. If it is more than one year, all prior accruals are discarded and the program will calculate a new 90 day waiting period as if this was a new employee.

If the employee has worked within the last year, the program will calculate the time worked, from the starting payroll date of the first check to the ending date of the last check. The number of days will then be used to calculate when the sick pay will be available to the employee. (90 minus prior days worked = days to complete waiting period. New starting date plus days to complete waiting period = new date available.)

If there are gaps in the employee's prior employment during the year, the program will eliminate those days from the calculation. By default, a gap in employment of 30 days or more will be eliminated. If you want to shorten this time gap, you can do so in the payroll setup screen. We recommend using a time gap of no less than 10 days, but there may be some legal questions about this calculation. What time period not working due to lack of work constitutes an interruption in continuous employment?

Q: What is the Plan Anniversary Date?

A: This date is set up when an employee first gets set up with sick pay. This date is used for rollover, restarting the YTD usage and accruals, and for resetting the available if using the lump sum method.

If assigning the plan to existing employees, the anniversary is set manually by you on the *Assign Sick Pay Plan to Employees* window. However, if assigning the sick pay plan to new employees, this date will be set automatically when you enter their first payroll check.

When displaying this date in the program, it shows the last anniversary date in the past, not the one coming up. For instance, there is an employee whose anniversary date is shown as 7/1/2017 although the current date is actually 9/20/17. That is because the last anniversary that has been passed is 7/1/2017. Many people expect this number to display as the next year (in this case, 7/1/2018). The rollover happens when 365 days have passed since the Anniversary date. Then the anniversary is brought forward to the current date and the process starts over.

Q: What determines an employee's Plan Year?

A: All four states that require sick pay, use yearly calculations and limits. (Such as Oregon requiring 40 hours of sick pay use a year.) However, since an employee requires coverage/accrual as soon as they're hired, it makes it difficult to use a calendar year or a fiscal year as a basis for their Plan Year. Therefore, the program currently uses the employee's ***Anniversary Date*** as a basis for these calculations.

Q: Why does the law require accruing sick pay to 48 hours, when you can limit the amount paid in any one year to 24 hours? (California)

A: By requiring the accrual to 48 hours, then mandating that any unused sick pay roll over to the next year, the employee is provided with up to 24 hours of sick pay that are available on the first day of the new year, regardless of what the current year accrual happens to be. See ***the Usage Cap vs Accrual Cap*** section for more information.

Q: I'm an employer in California, how do I determine if I need to give more than 24 hours of sick pay usage (or more than 48 hours accrual)?

A: The Labor Commission is very clear on this point. The law states you can cap the usage at 24 hours or 3 days. However, the Labor Commission has stated that this means that you *must* choose whichever one goes in favor of the employee.

For instance, a part time employee works 6 hours per day. Would the amount of sick pay they can use be 18 hours (3 days @ 6 hours) or 24 hours? The Labor Commission says 24 hours, meaning they will actually get 4 days of sick pay.

How about an employee that works 10 hours per day, common in agriculture? In this case, they would be eligible, not for the hour limit of 24, but 3 days at 10 hours per day, 30 hours.

How will the software handle this?

In the first case, (the part time employee) the standard sick pay plan of 24 hours will work just fine, the same plan you would use for full time (40 hour) employees, as well as salaried.

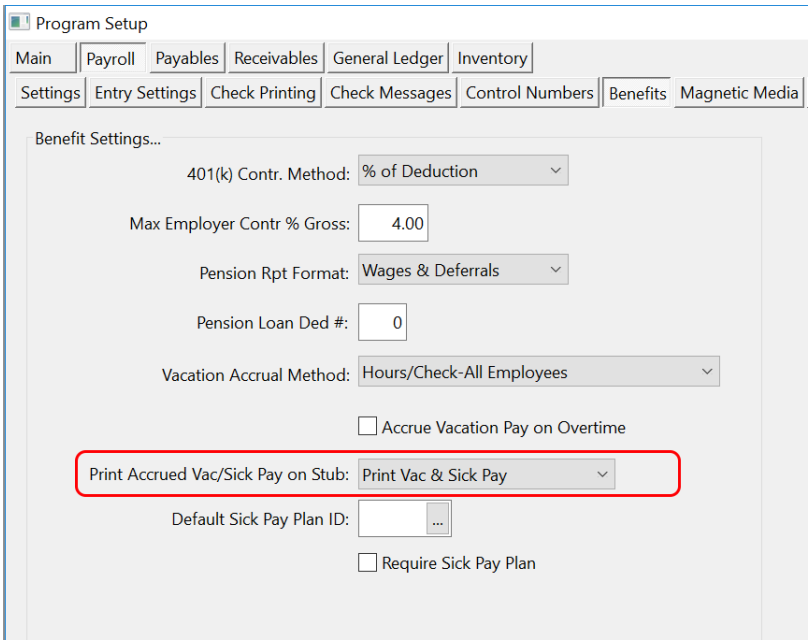
However, in the second case, where employees are working 10 hours per day, you would need to set up a separate sick pay plan that they would be assigned to, which would have a 30 hour payment limit (and a 60 hour accrual limit).

Q: How do I display sick pay information on check stubs?

A: Two settings are required to do this. One in the system settings and one on the Sick Pay Plan Setup window.

The system setting is found at **Tools->Program Setup->Payroll->Benefits.**

The setting is highlighted in red in the screenshot below.

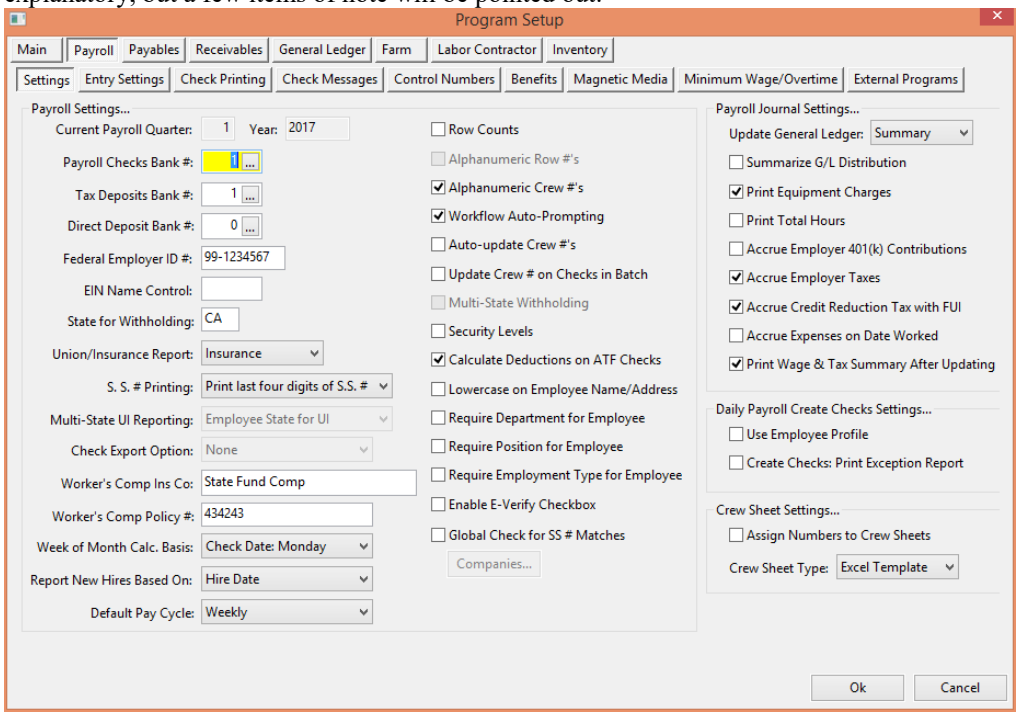


This setting needs to be set to an option that prints sick pay.
After the system setting is configured, **there is also a print option on the sick pay plan setup window. Both of these settings need to be set to print the information.**

Payroll Topics

Program Setup

Not every item in the Program Setup will be covered here, most are self-explanatory, but a few items of note will be pointed out:



Week of Month Calc. Basis
This setting identifies which method you want to use for the Weeks entry on the Employee Deductions. Prior to adding this option, the weeks was based on the pay period, as that was the only identifier at the time of entry. You may now set the weeks based on Check Date and identify which day of the week you print checks, so the program can determine the week #.

Report New Hires
This setting determines whether employees will be reported on the New Hire report based on hire date or first worked date. This may be helpful if you have employees submit applications/register but don't ever start work.

Entry Settings

Program Setup

Main | Payroll | Payables | Receivables | General Ledger | Farm | Labor Contractor | Inventory

Settings | Entry Settings | Check Printing | Check Messages | Control Numbers | Benefits | Magnetic Media | Minimum Wage/Overtime | External Programs

Daily Payroll Entry Settings...

- [ ] Enable Crop Year
- [ ] Enable Equipment ID's and Rate Entry
- [ ] Require Time Sheet #
- [x] Enable Minimum Wage Warning During Entry
- [ ] Four Decimal Places for Piece Counts on Crew Entry Wizard
- [ ] Automatically check for duplicate entries on other time sheets

Employee Entry: Account #

Memo Column Position: After Rate/Amount

Time Sheet Column: Disabled

Time Entry: No

Batch Check Entry Settings...

- [ ] Enable Job Entry
- [ ] Show Multiplier for OT/DT

Line Item Date Entry: Date

Global Entry Settings...

- [ ] Enable Memo Column
- [ ] Enable Production Units Column
- [ ] Enable Days Worked Column
- [x] Enable G/L Account Column
- [x] Show Employee Notes During Entry
- [ ] Allow Zero Pay Rates
- [x] Require Active Employee to Enter Wages

- [ ] Use zero grower # on Cost ID as default
- [ ] Enable Hours Offered (H-2A)

Memo Column Label: Ticket#

Grower Entry: Account #

Ok | Cancel

Check Printing Settings

Program Setup

Main | Payroll | Payables | Receivables | General Ledger | Farm | Labor Contractor | Inventory

Settings | Entry Settings | Check Printing | Check Messages | Control Numbers | Benefits | Magnetic Media | Minimum Wage/Overtime | External Programs

Payroll Check Printing Settings...

Check Style: CUSTOM

Check/Stubs: Top Check/2 Stubs (Page)

Top Margin, Checks: 0.00

Name/Address Offset: 0

- [ ] Letter Quality (Impact Printers)
- [x] Ag Check Stub
- [ ] Print Piecework Totals
- [ ] Print Union/Insurance Hours
- [x] Summary by Type/Rate
- [ ] Print Loan Balance on Stub
- [x] Print YTD Totals on Stub
- [ ] Print Company Phone # on City/St/Zip Line
- [x] Print Marital Status/Dependents on Stub
- [ ] Require Crew # Selection When Printing Checks
- [ ] Warn If Employee Already Received Check on Same Date
- [x] Print Fringe Benefits/Tip Totals on Stub
- [ ] Print Days Worked on Salary Lines
- [ ] Print Hours Worked on Stub
- [ ] Print Misc Deduction Balances on Stub
- [ ] Print Employee Address on Stub
- [ ] Print Name Key Instead of Account #
- [x] Print # Days Worked at Bottom of Stub
- [x] Print Grower Name and Address
- [ ] Print Employer 401(k) Contribution on Check Stub
- [x] Print Check Vouchers for Overflow Checks During Check Printing
- [x] Print subtotals for tax/miscellaneous deductions

Print Crew # on Stub: Print at top

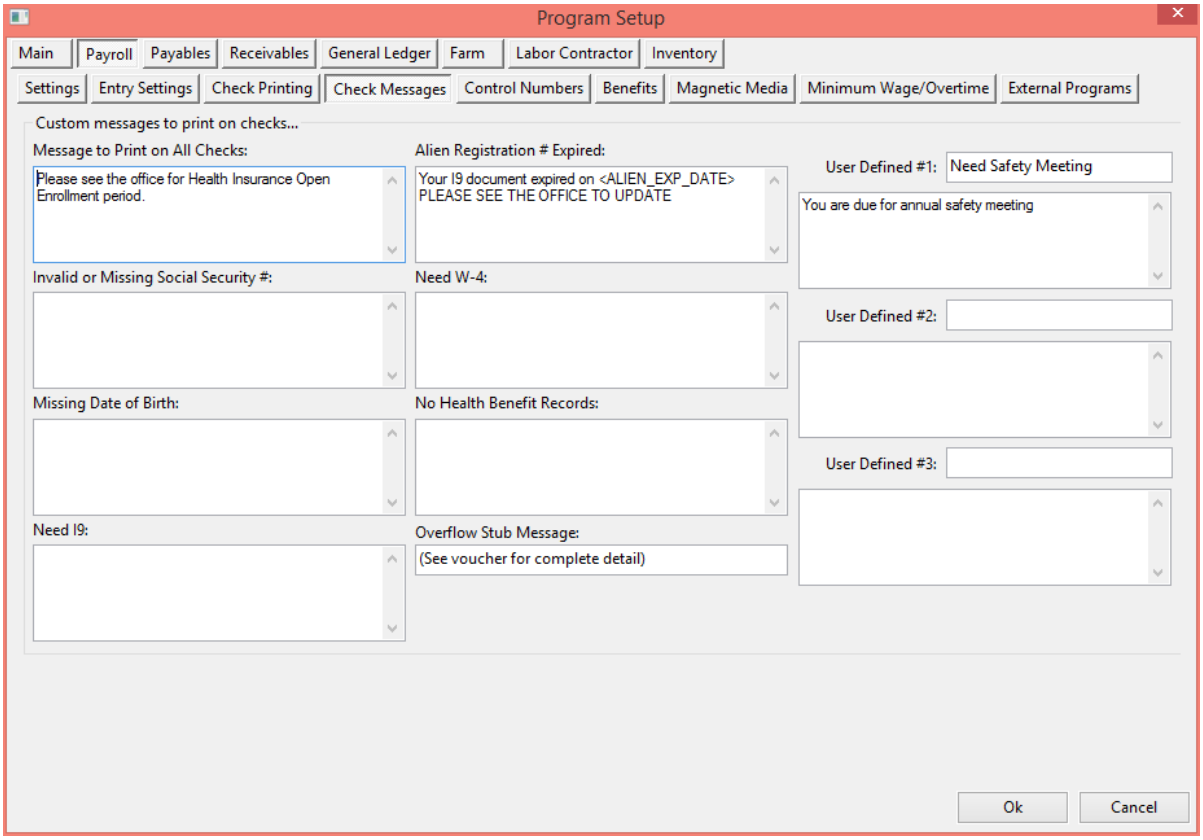
Print Sick Pay/Holiday/Vac. Hours Under: Hours

Payroll Check Printer: Toshiba Copier | Click to Select Printer | # Checks/Print Job: 0 | # Copies to Print: 1

Payroll Voucher Printer: Toshiba Copier | Click to Select Printer

Ok | Cancel

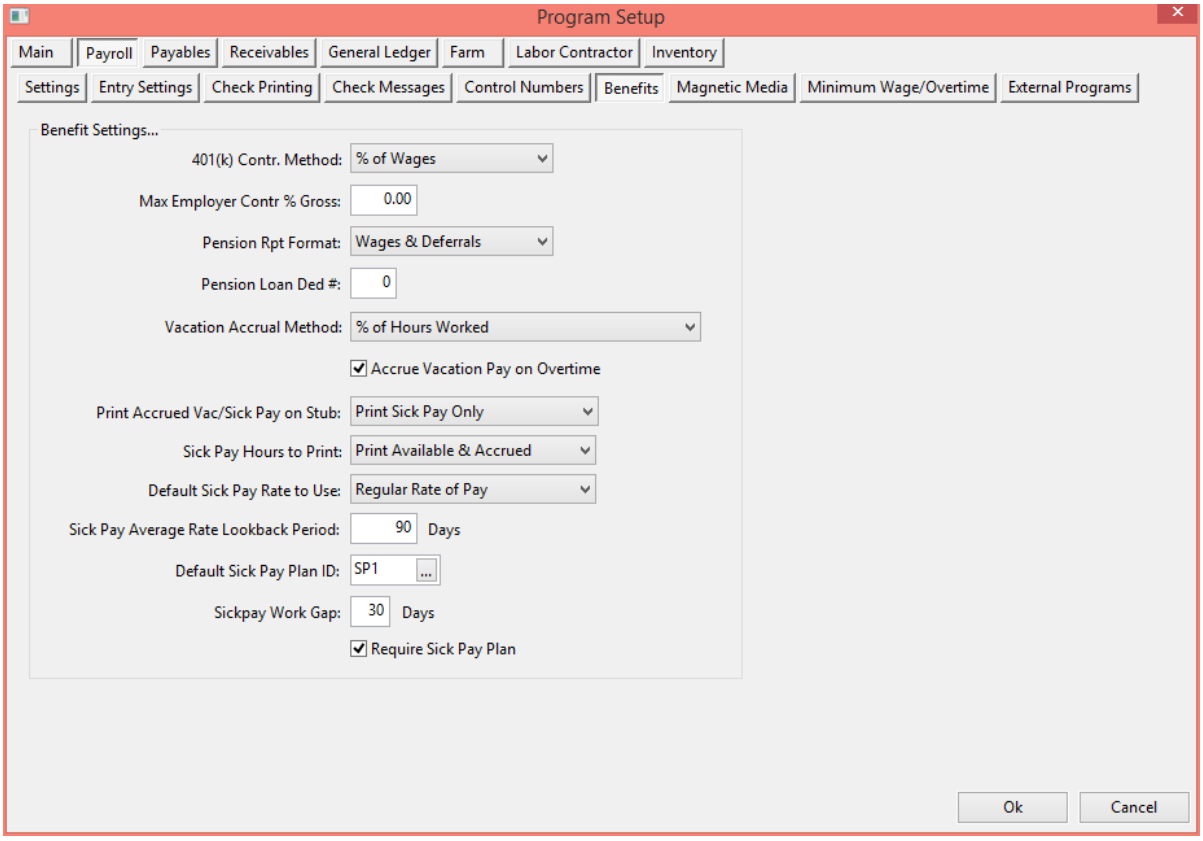
Check Messages



Field Name	Description
NAME_KEY	Employee name key.
CREW_NUM	Crew number that the employee is assigned to.
LAST_NAME	Employee's last name
FIRST_NAME	Employee's first name and middle name/initial
MAIL_ADDRESS	Employee's mailing address
ALIEN_REG_NUM	I-9 number
ALIEN_EXP_DATE	I-9 expiration date
PHONE_NUM	Employee's telephone number
DATE_BIRTH	Employee's date of birth
DATE_HIRE	Date employee was originally hired
DATE_TERM	Employee's termination date
REASON_TERM	Reason for termination
MARITAL_STATUS	Marital status for tax calculation purposes (M or S)
FED_DEP	Number of exemptions claimed for federal withholding
STATE_DEP	Number of exemptions claimed for state withholding
ADDL_FED_WHT	Additional federal withholding amount requested
ADDL_ST_WHT	Additional state withholding amount requested
PAY_TYPE	Type of pay: H=Hourly, P=Piecework, S=Salary
PAY_RATE	Employee's default pay rate
DATE_LAST_RAISE	Date of employee's last raise
VAC_RATE_NUM	Employee's vacation accrual rate
SICK_RATE_NUM	Employee's sick pay accrual rate
LOAN_AMOUNT	Current balance of employee's loan/advance
LOAN_DEDUCTION	Default deduction for loan/advance
ACCT_NUM	Employee's account number
PIN	Employee's PIN

LICENSE_NUM	Employee's driver's license number
DL_EXP_DATE	Employee's driver's license expiration date
INSURANCE_DATE	Insurance coverage thru date
LAST_MED_EXAM	Date of employee's last medical exam
POSITION	Name of employee's position
DEPARTMENT	Name of department employee is assigned to
CELL_PHONE	Employee's cell phone number
PAGER_NUM	Employee's pager number
EMAIL_ADDRESS	Employee's email address
H2A_HRS_OFFERED	Number of hours offered to H-2A workers

Benefits



Minimum Wage/Overtime

Program Setup

Main | Payroll | Payables | Receivables | General Ledger | Farm | Labor Contractor | Inventory

Settings | Entry Settings | Check Printing | Check Messages | Control Numbers | Benefits | Magnetic Media | Minimum Wage/Overtime | External Programs

Minimum Wages...

Federal Minimum Wage: 7.25

State Minimum Wages:

Sta...	Name	Min Wage	Starting On	Min Wage	Starting On
CA	California	10.00	01/01/2016	10.50	01/01/2017

☑ Enable Exempt from State Minimum Wage Status

Verification Settings...

Minimum Wage Method: Standard

Verification Basis: Daily

On mimimum wage makeup lines, use the following:

Wage Type: MW ... Job ID: ...

Guaranteed Wage Method: Standard

Legacy Combine Lines Setting: Check combined lines

On guaranteed wage makeup lines, use the following:

Wage Type: GW ... Job ID: ...

Overtime Premium:

Overtime Wage Type: OP ...

Doubletime Wage Type: DP ...

Regular Rate of Pay Calculation: Weekly Basis

Default Wage Types...

Regular Hours: RH

Overtime Hours: OT

Doubletime Hours: DT

Salary: SA

Piecework: PW

Overtime Piecework: PO

Base Hours: BH

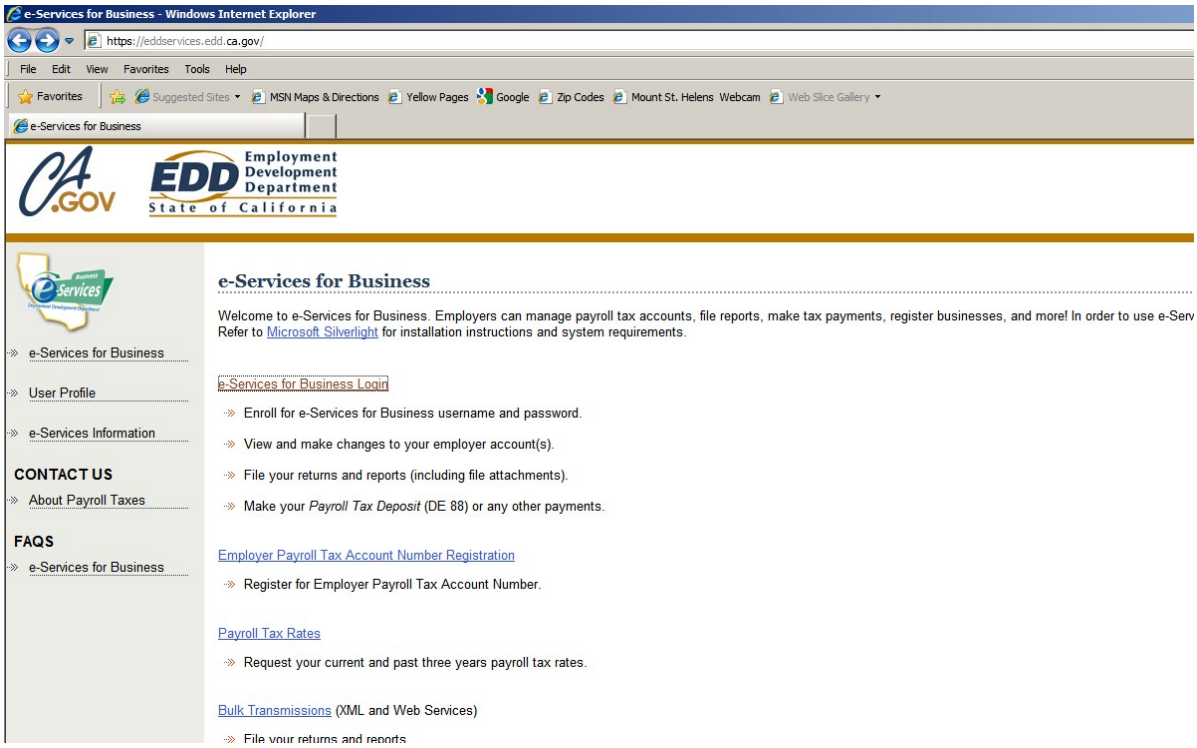
Incentive Piece: IP

Breaks: RR

Ok | Cancel

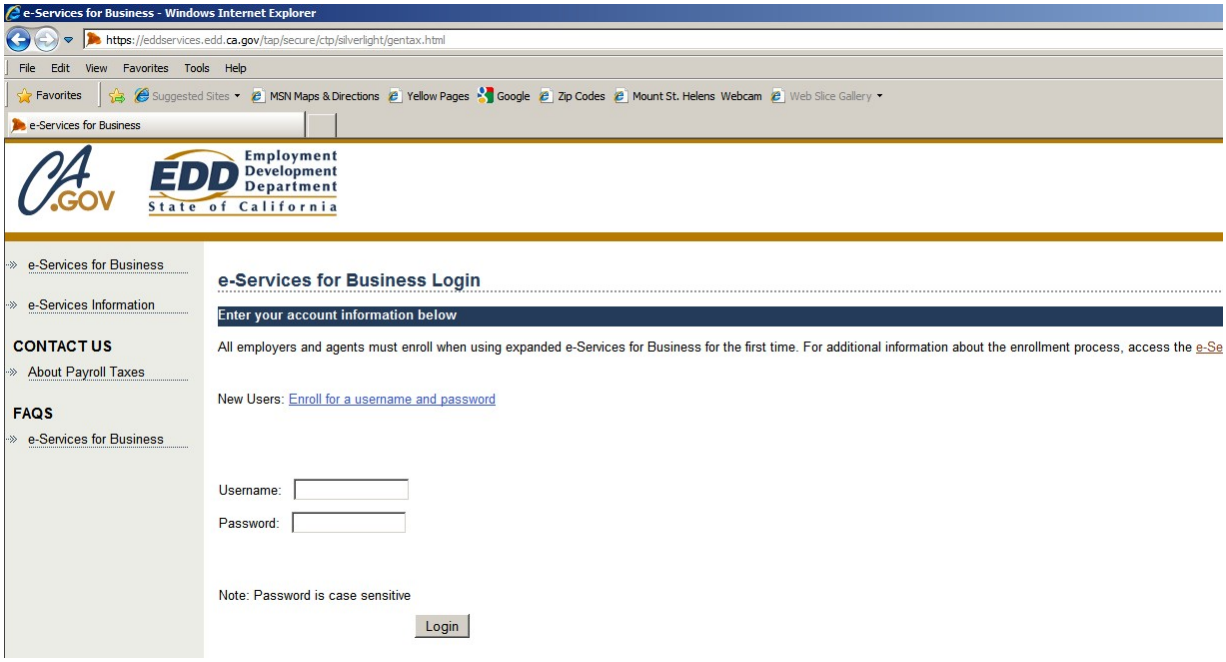
Upload DE-9 & DE-9C to EDD e-Services

Open you web browser and go to https://eddservices.edd.ca.gov/

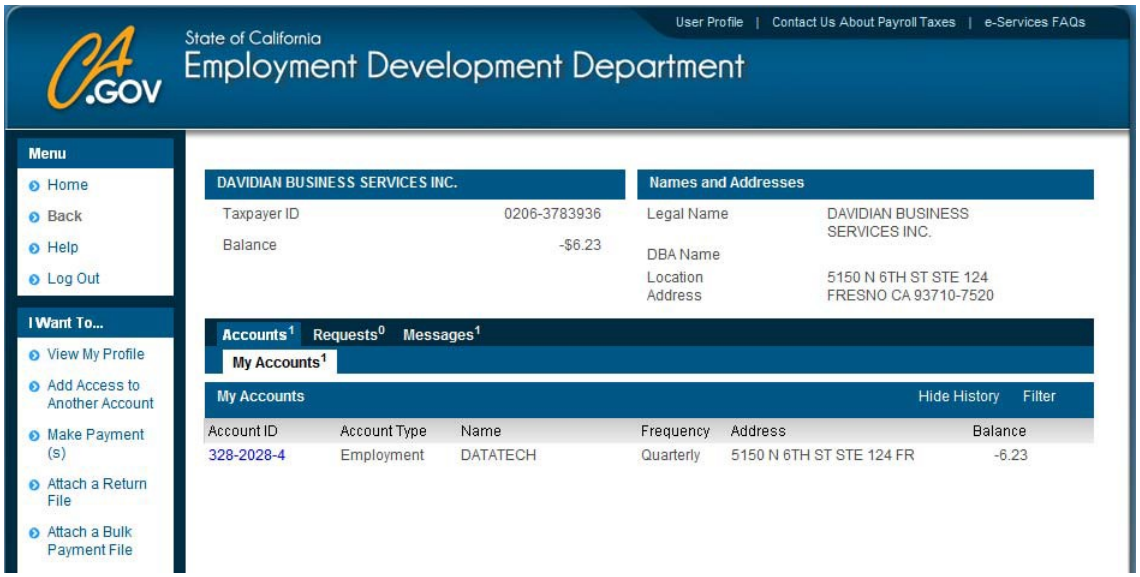


You must be registered for new e-services. If you have not enrolled or re-enrolled since March 1, 2011, click on e-Services for Business Login and enroll for a *new* username and password.

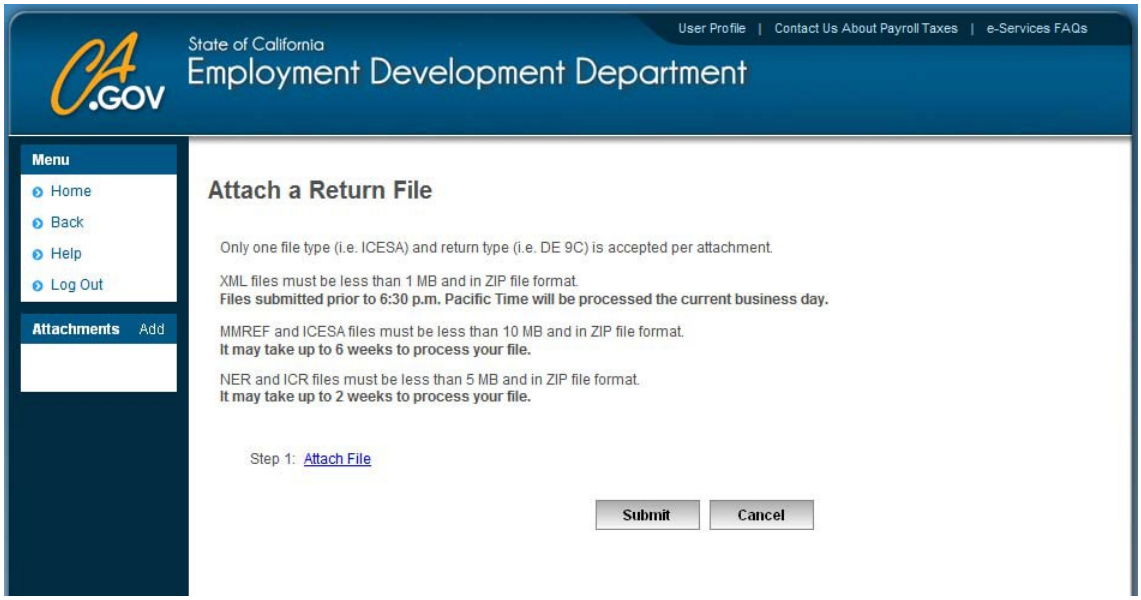
If you are already registered, enter your username and password and click on Login.



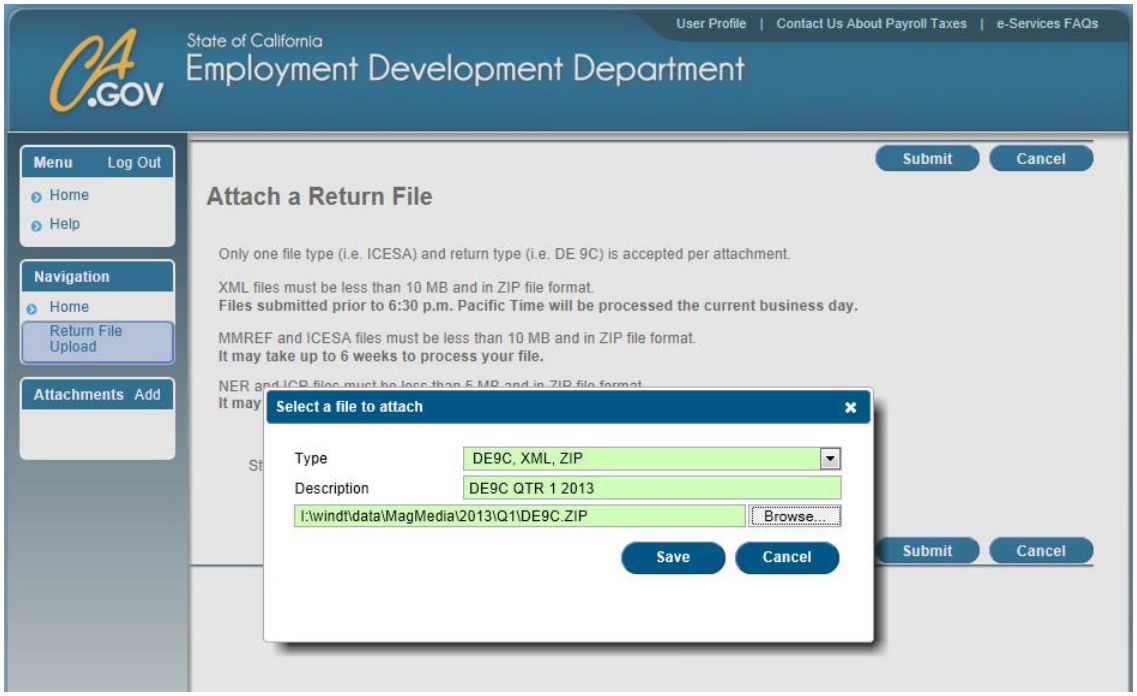
On the main account page, click on the “Attach a Return File” link under the “I Want To…” heading on the right.



This will take you to the Attach a Return File page where you can attach both of the files (DE-9 and DE-9C) required for quarterly reporting.



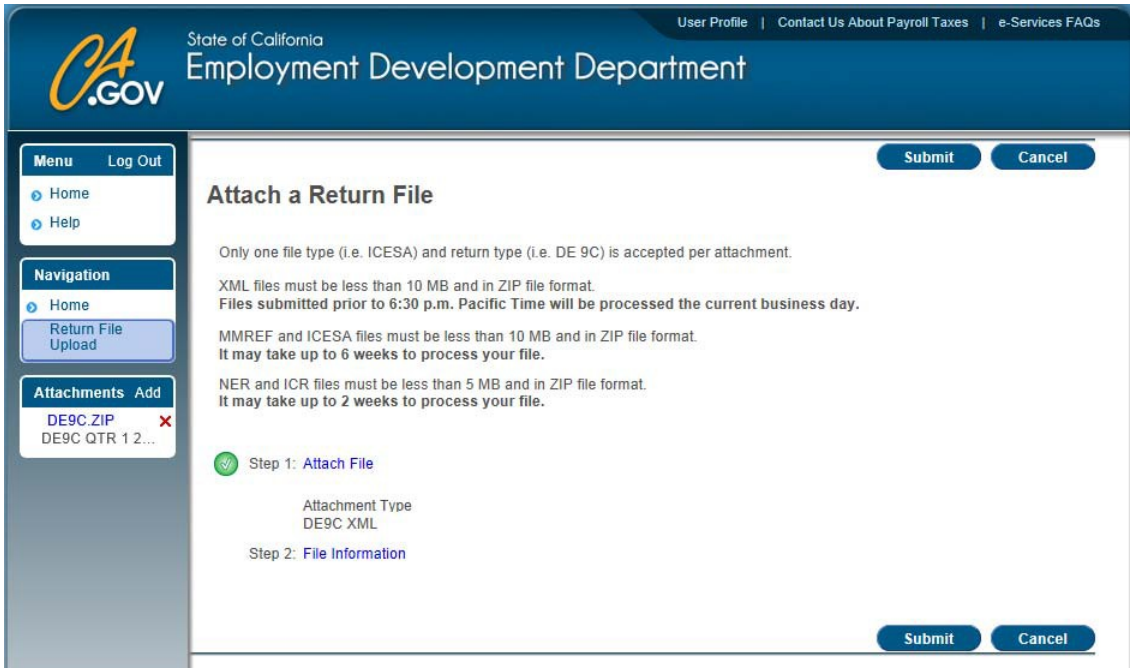
Click on the Attach File link, and the “Select a file to attach” window will open:



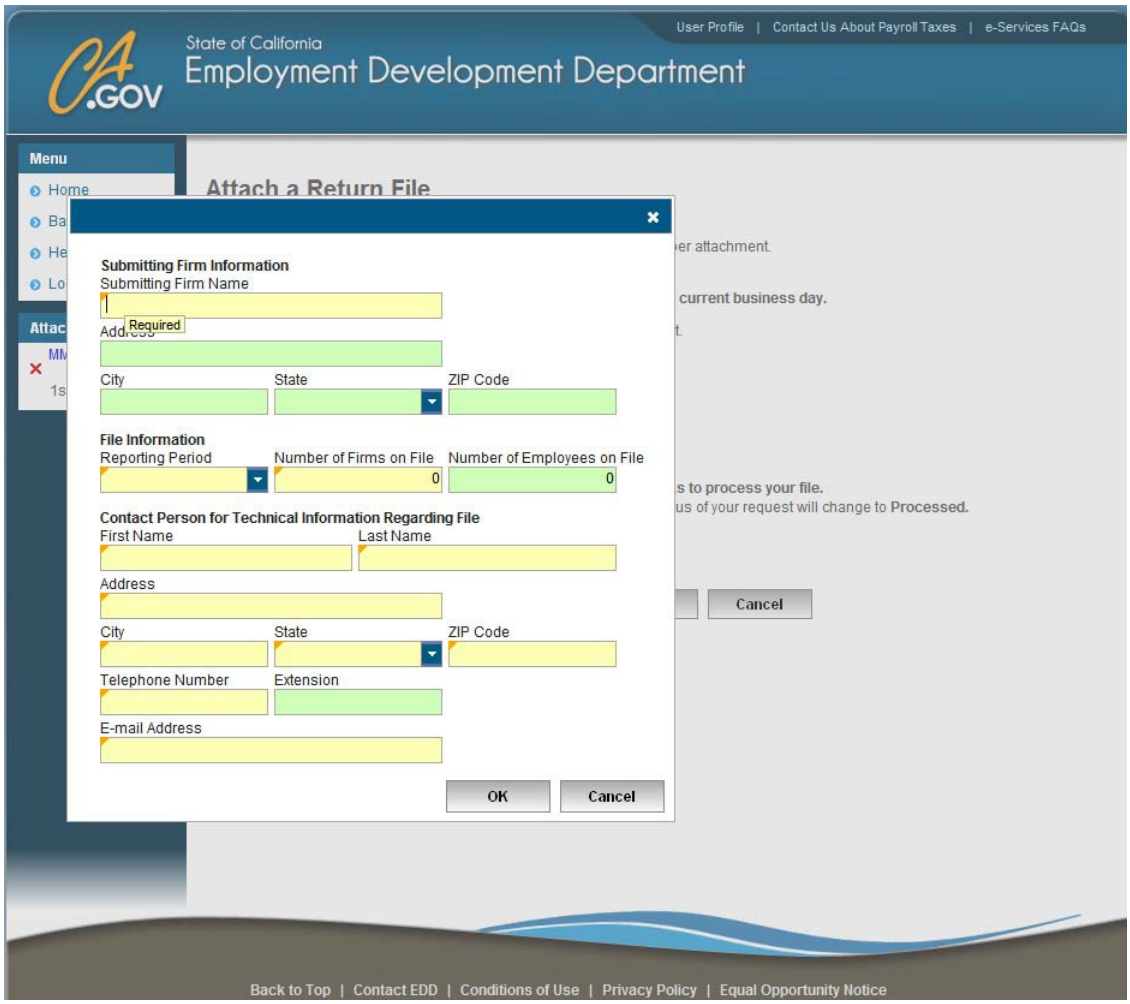
On the "Select a File to Attach" window, use the drop down menu to select the File Type. For the DE-9C choose "DE9C, XML, ZIP". For the DE-9, choose "DE9, XML, ZIP".

You may only upload one file at a time. You will have to repeat this process from to upload the second file.

Enter a description, then click on Browse and select the filename where the program saved the electronic report file. Click on the **Save** button.

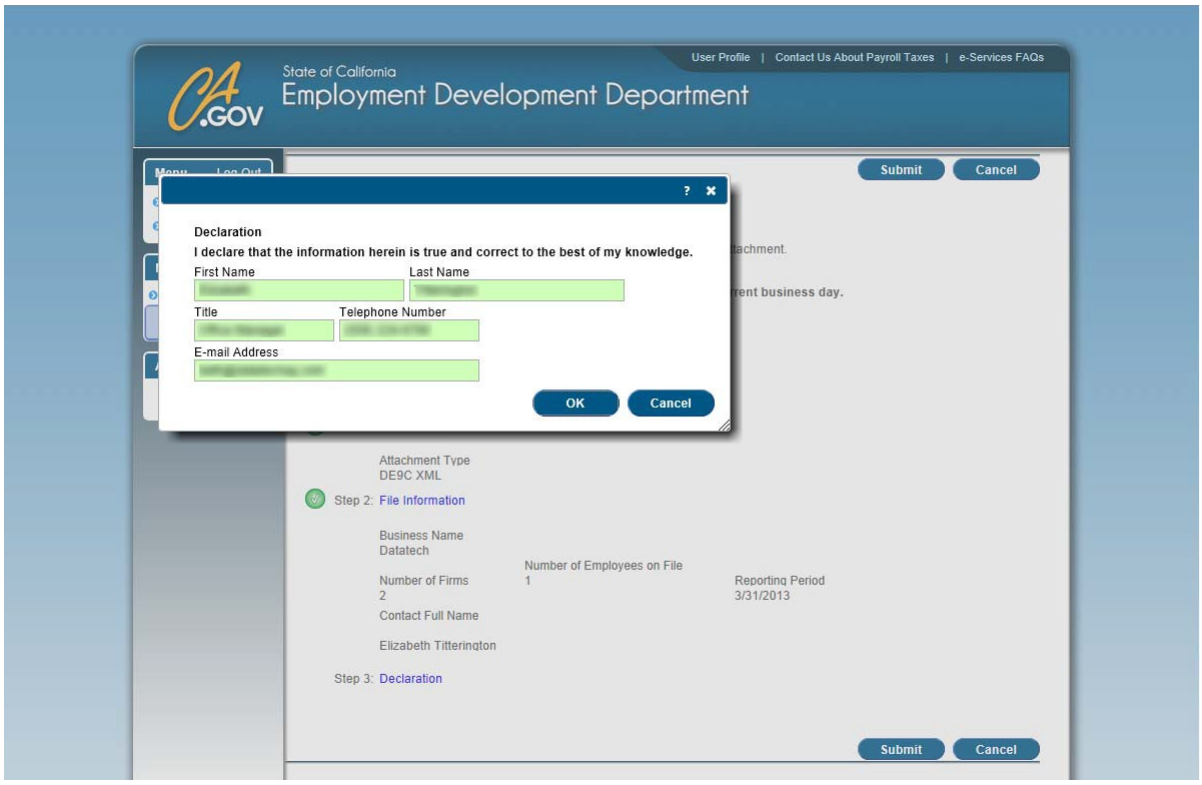


Click on the "File Information" link and fill in the requested information:

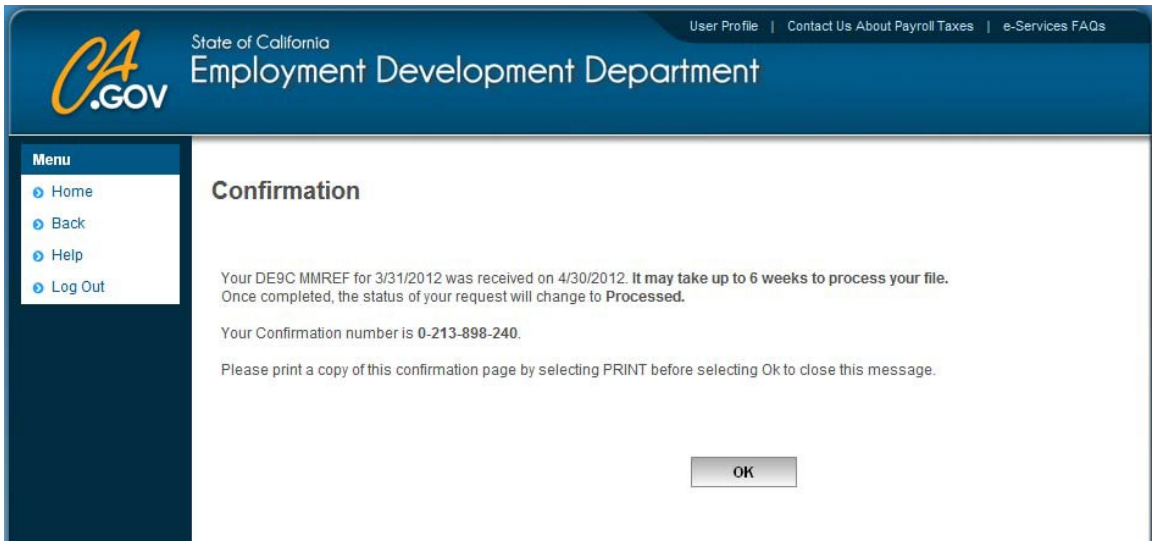


After filling in the File Information, click on the "Declaration" link:

Fill in Declaration information and click on the **Ok** button.



After completing the Declaration information, click on the **Submit** button.



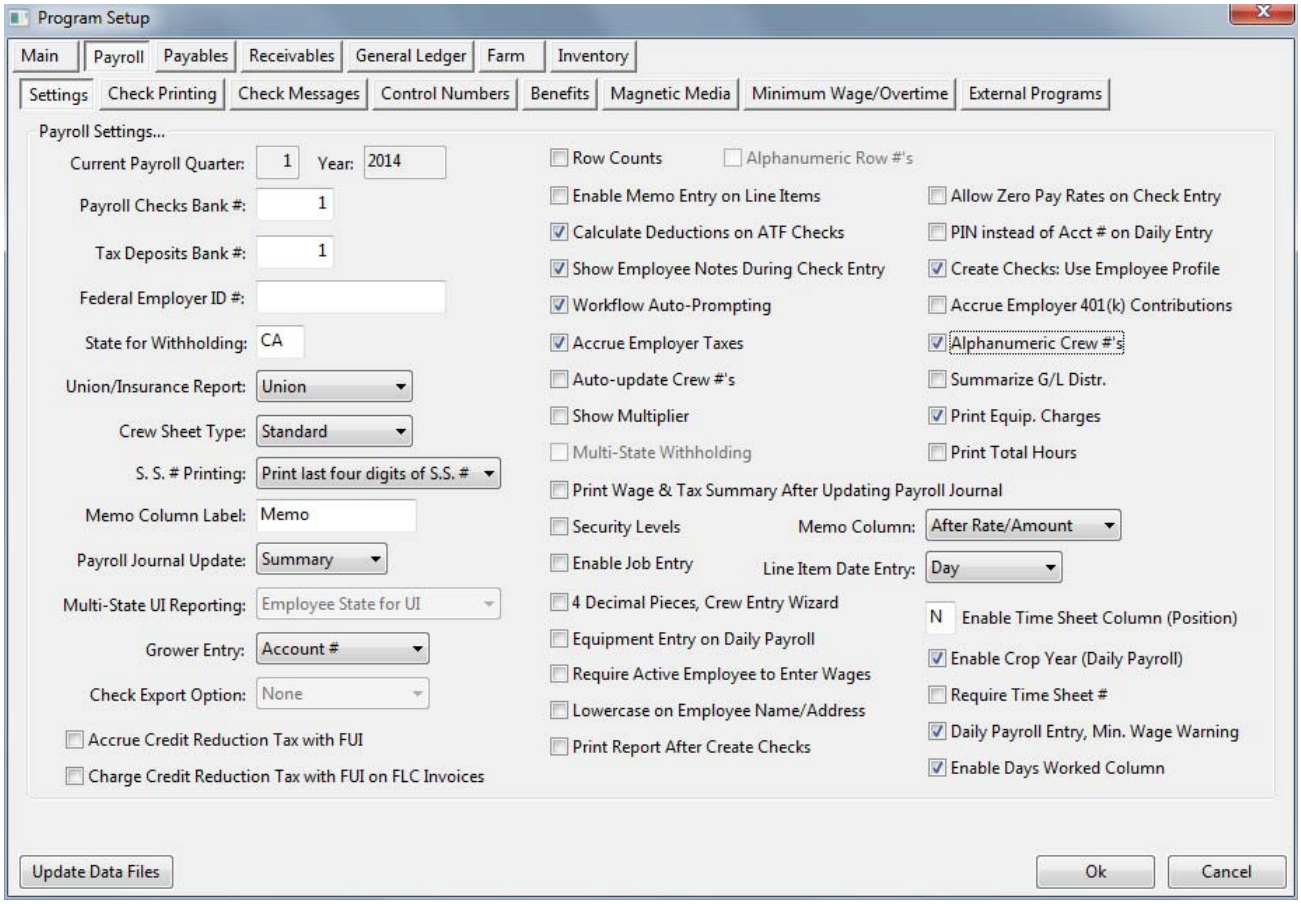
Print the confirmation page and click on the **OK** button. Your browser will return to the main account page. Repeat this process (starting from the "Attach a Return File" link) to upload the other electronic file for the quarter.

Alphanumeric Crew IDs

Crew numbers by default are numeric only, with a range from 1-9999. If you need to use letters in your crew numbers, an option can be turned on to use alphanumeric crew IDs.

If you are currently using numeric crew numbers and they are working fine for you, we recommend you continue using numeric crew numbers. We also do not recommend switching back and forth between numeric and alphanumeric crew numbers. Crew numbers that are set up while the alphanumeric crew number option is turned on will see nonsensical crew numbers assigned to those crews if you switch back to numeric only crew numbers.

The option to turn on Alphanumeric Crew numbers is found under Tools->Program Setup->Payroll->Settings.

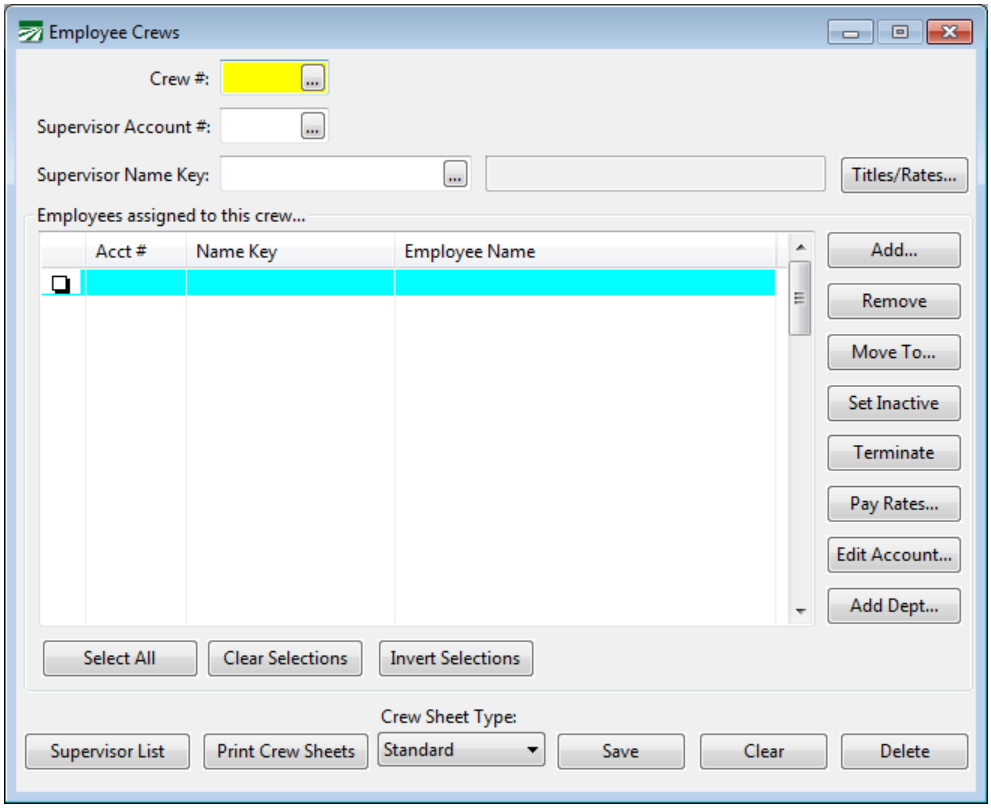


When using alphanumeric crew numbers, entries and report selections that were labeled Crew # will be labeled Crew ID instead. This is a visual indication that the alphanumeric crew number option has been selected.

When using alphanumeric crew numbers, you must set up each Crew ID that you intend to use on the Employee Crews window. This is different than using numeric only crew numbers, where you can use any number from 1-9999 as a crew number without setting it up or even assigning employees to that crew number before using it on payroll entry.

On Crew ID entries, you can press [F4] or click on the lookup button to select from a list of available Crew IDs that you have set up.

Crew numbers are still limited to four characters. You may use letters (uppercase only) in addition to numbers. Also, crew numbers will be sorted alphanumerically (e.g. 1, 10, 11, 12, 1A, 1B 2, 20, 21, 22, 2A, 2C, etc.) instead of numerically. If you want numeric sorting, you need to use leading zeros. For instance, using a leading zero with the Crew IDs in the previous list will result in the order 01, 01A, 01B, 02, 02A, 02C, 10, 11, 12, 20, 21, 22.



When using numeric-only crew numbers, several reports allow you to select a series of crews by entering a range or list of crew numbers. For instance, entering "1-5, 7, 9" would select crews 1, 2, 3, 4, 5, 7 and 9 for the report. When you switch to using alphanumeric crew IDs, this option is no longer available, and these reports will only allow you to select a single Crew ID for the report.

Data Collection Import

If you use alphanumeric Crew IDs and import payroll information from a data collection system, you can have the import routine automatically create Crew ID records that don't already exist by adding the following line to your configuration file:

CreateCrewIDs=TRUE

(Note that the upper/lower case is important.)

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-7, 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!

How do I handle deferred compensation (pension plans)?

1. Finish the Year End Payroll Workflow, through the archive step.
2. After archiving, go into the Edit/Print YTD Archive File from the Payroll, Year End Tax Reporting menu.
3. Click on the Compile Deferred Comp button at the lower left side of the window.
4. Select the Wage type, enter the starting and ending dates, select the type of deferred income, and then click on OK.
5. The program will notify you when it is finished.

To check that the compile was successful you can select an employee that is on this pension plan in the Archive File. Click on the W-2 Information tab. Confirm that the Pension box is checked, there is an amount in the Deferred Comp Amount box, and that the Deferred Comp Flag is set to the deferred income type. The amounts will now be correctly reported on W-2's.

How do I test my Electronic File?

A test printout can be run by clicking on Payroll, Utilities, Electronic File Test Printout. The test printout should be done before uploading a State or Federal file.

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 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.

Fringe Benefit and Deferred Compensation Processing

Fringe Benefits

Before you close the year, if you have any fringe benefits to report, such as excess auto reimbursements or personal use of a company vehicle, be sure to include these on the last payroll check for the year, as a fringe benefit. This will record the income and deduct the appropriate FICA taxes. You can adjust income tax withholding as necessary. If you want to pay the FICA tax for the employee, you can add to the gross wages with an amount entered as a bonus or piecework.

Remember, when you pay a fringe benefit on a check, you are not actually paying the employee the amount. You are recording the amount as income paid, and deducting taxes from whatever other payment is included on the check.

You cannot issue a check for fringe benefits only!

Deferred Compensation/Pension Plans

If you have employees with deferred compensation, that information needs to be added to the YTD archive file before printing W-2's or generating the federal electronic file.

To add deferred compensation information to W-2's after the year is archived and closed, first find the Wage Type for the pension plan, under ***Payroll, Setup, Wage Types.***

Then go to ***Payroll, Year End Tax Reporting, Edit/Print YTD Archive File***. Click on the Compile Deferred Comp button. In the window that pops up, enter the Deferred Wage Type. Enter the starting and ending dates for the year. From the drop down menu, select the type of deferred income. If you are unsure of the plan type, consult your accountant or the IRS W-2 instructions. Datatech is unable to advise you on your deferred income type. Click on the Start button. The deferred income amounts will then be compiled. A pop up window will notify you when the program is finished compiling. Click on OK to close this window.

On the Archive File window, select an employee that is on this pension plan. Click on the W-2 information tab. Confirm that the Pension box is checked, there is an amount in the Deferred Comp Amount box, and that the Deferred Comp Flag is set to the deferred income type. The amounts will now be correctly reported on W-2's.

Other Special Entries

If you have any employees with Allocated Tips, Dependent Care Benefits, PS-58 Costs or Expense Reimbursements, you must enter this information in the employee archive file by editing each employee's information. For more information on reporting of any of these items, consult the IRS instructions for W-2's or check with your accountant.

Worker's Compensation Insurance

For most businesses, each employee is assigned to a worker's comp class, and all of their wages are subject to the rate for that class. Datatech Payroll system is designed to handle agricultural payrolls, where an individual employee may be subject to different worker's comp rates depending on the type of work they are performing.

As an example, throughout the year an employee that works for a diversified farming operation may be performing work on vines, trees, row crops as well as working in a packinghouse. In each case, a different worker's comp class applies to the employee's wages at different times of the year. In fact, it is also possible to have situation where different worker's comp rates apply to different wages on the same check.

For most agricultural employers, the factor that determines what worker's comp rate applies is the type of crop that the employee is working in.

Unclassified Wages

Explain what they are

It is possible to have a check where the worker's comp class is undetermined, but then that check is voided. In this situation, you technically will have unclassified wages, but because the void entry cancels out the original payroll check, the wages will be zero. In this situation, these unclassified wages do not present any problems. (phone 21712)

Troubleshooting discrepancies

Phone 21479 Make sure dates are correct, no overlap, pay period dates do not factor in to report, only check date

Excess (Overtime) column - Rounding when comparing to 1/3 + ½ DT wages

Piecework Wages and Minimum Wage

Piecework wages allow you to pay employees based on their output--number of boxes picked, trees thinned, vines pruned, trays rolled--instead of the number of hours worked.

Although pay is based on a total number of units, when paying piecework wages you can also enter the total number of hours worked. The payroll system can then use the number of hours worked to verify that employees receive at least minimum wage. If you do not enter the number of hours worked, your payroll records will be incomplete and the program will not be able to verify that employees receive minimum wage.

Standard vs. Legacy Methods

In the past (prior to 2015), different methods for generating adjustment lines were used. These methods are referred to as “legacy” methods. Settings in the Progarm Setup window allow you to select which method you want to use. The “legacy” methods have been retained for customers that have been using these methods and prefer to continue using them.

All new installations will by default use the standard methods that are described in this section. A section at the end of this topic explains the differences in detail between the legacy and standard methods.

The standard method for minimum wage verification provides more accurate expensing of minimum wage adjustments and the legacy method. It **does not** affect the total amount of the adjustment made to bring employees’ wages up to the legal minimum hourly rate.

The two methods used for guaranteed wage adjustment *can* result in different adjustment amounts. This is because the legacy method makes an adjustment for each line item entered that is subject to a guaranteed rate while the standard method will make adjustments for an entire day or for the entire week. The Legacy Verification Settings section has more details on the differences that may arise.

Types of Piecework

Several different wage types are used in the payroll system for piecework wages.

The “PW” wage type is used for “straight” piecework. Employees receive a fixed rate per unit of output. If an employee doesn’t make at least minimum wage, the wages are adjusted up to minimum wage. Adjustments are made by adding an additional line to the employee’s check.

The “PO” wage type is used for piecework wages earned after the employee has worked long enough to qualify for overtime wages (time and a half). Using this wage type will cause the pay rate to be multiplied by 1.5. In addition, when performing the minimum verification, the program will multiply minimum wage by 1.5 and make sure the employee made at least this much for the overtime piecework wages.

The “IP” wage type is used for incentive pay where an employee receives a guaranteed hourly pay rate, plus a bonus piece rate paid on top of that base pay. In this situation, the “BH” pay type is used for the base hourly pay. The guaranteed hourly pay rate may be below the legal minimum wage, but it is

expected that the incentive piecework part of the pay structure will be bring the employees' hourly pay rate above minimum wage. (In cases where their pay does not meet or exceed minimum wage, an adjustment is added to bring their earnings up to minimum wage.)

The "GP" wage type is used for piecework wages where you are going to guarantee a minimum hourly pay rate to employees *above the minimum wage required by law*.

While you normally won't be using them when entering payroll time, the "MW" and "GW" wages types are also related to piecework wages. When an employee falls short of making minimum wage, the program can add a line to make up the difference between what the employee's piecework wages were and what he should have made a minimum wage. The "MW" wage is used on that line. Similarly, when an employee is guaranteed a minimum hourly rate (other than minimum wage) and falls short of that, the "GW" wage type is used on lines that are added to make up the difference.

By using different pay types, it helps distinguish between straight piecework, straight hourly, and hourly plus piece work. These pay types appear on the check stub, so that it is clear to the employee what the basis for his wages is.

Each of these different types of piecework wages will be discussed in more detail in the following sections.

Tracking Hours Worked

Recent court decisions in California (2014) and Washington (2015) have changed how time needs to be tracked when paying piece rates. By law, employers are required to provide standard break times when they work a certain number of hours. In addition, other types of breaks may be required (e.g. heat illness prevention breaks in California). There may also be other situations where employees are unable to work at piece rates and must be compensated for time between piecework jobs.

In general, this time is referred to as "non-productive time" and must be paid separately from piecework earnings. When paying non-productive time, employees must be compensated at their average hourly pay rate for their piecework earnings. Because each employee is earning a different amount based on their total units, their hourly pay rates will vary. The system can calculate the average hour pay rate for piecework wages and apply this rate to the line items entered for non-productive time.

Example #1: Employee A works 10 hours in one day, earning piecework wages for the entire day at a single rate. He takes two breaks totaling twenty minutes. The correct entries for this is to pay one line of piecework for 9.6667 hours and one line of break time for .3333 hours.

Example #2: Employee A works for 5 hours in the morning at piecework, taking one break. In the afternoon, he switches to a different job where he is paid on an hourly basis at a rate of 10.00/hour and works another 5 hours. He takes one break in the afternoon as well. The correct entries for this situation is one line of piecework for 4.8333 hours, one line of break time for .1667 hours, and one line for regular time for five hours.

It is not necessary to pay the afternoon break separately, as this is included in the line for the regular time.

Custom Piecework Wage Types

You can set up additional piecework wage types for other situations. When doing this, select “Piecework” for the Base Pay Type on the wage type setup window. This identifies the wage type as piecework wages and enables the entry for the number of hours worked in addition to the piece count.

For example, suppose you pay employees on an hourly basis but also pay a production bonus based on the total number of pieces produced to employees that exceed a production target. (The production target may also be based on a group/crew quota or on an individual basis.) This is similar to the base hourly+incentive piecework situation described in the previous section, but it is different in a couple of respects.

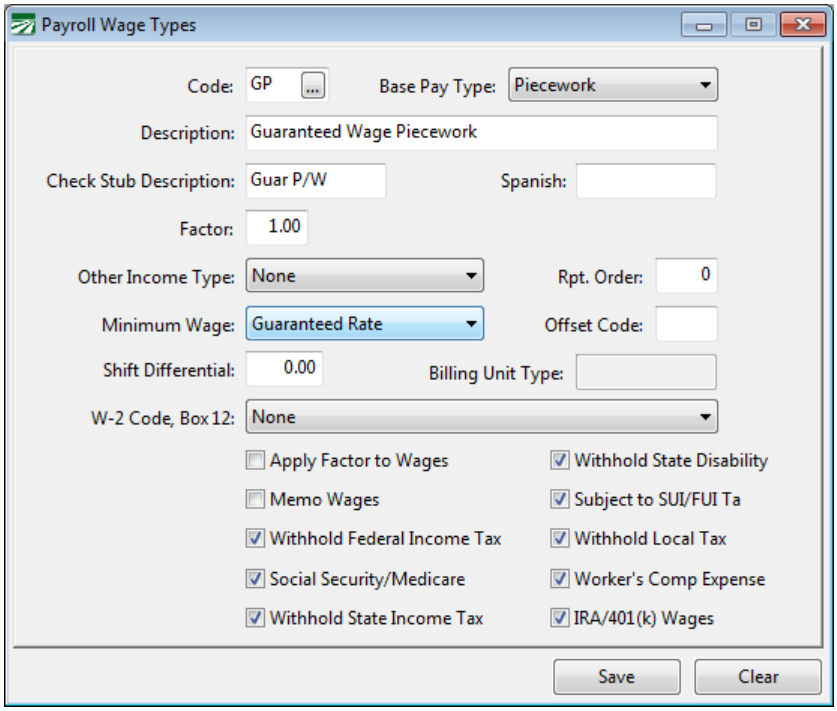
First, the hourly pay rate is already at or above the legal minimum wage. Second, the piecework component is conditional. It is not always paid to employees, but only when they meet a production target.

The production bonus is paid based on a rate per piece, so a piecework pay rate would be appropriate. In this situation, you could set up a specific wage type for the production bonus. This would appear as a separate line item on the employees’ pay stubs, and you would be able to run reports by selecting this wage type to determine the total production bonuses paid.

For a production bonus (as with the base hourly+incentive wage types) it is not necessary to enter the number of hours worked on the production bonus line. This is because the number of hours worked is entered on the line where you pay the hourly rate. Entering the number of hours worked on the production bonus line would double the number of total hours worked.

Minimum Wage Type

When you create new piecework wage types, you can select whether minimum wage rules or guaranteed wage rules will be applied. On the Payroll Wage Types window, the **Minimum Wage** setting controls this behavior:



There are three options for this setting. The first, **Yes**, will apply minimum wage rules to lines entered under this wage type. If you have multiple lines on an check that use a wage type with the **Minimum Wage** option set to **Yes**, the wages and hours on those lines will be combined together to determine if the employee made minimum wage. This will happen even if the lines have different wages types.

The second option, **Guaranteed Rate,** will apply the guaranteed wage rules to that line. The program does not combine different lines together that all have the Minimum Wage option set to **Guaranteed Rate**. Each line is verified independently and an adjustment will be made for each line item separately.

The third option is **No**. This lets you set up wage types that are piecework based, but don't have any minimum wage or guaranteed wage rules applied to them. For example you would use this option when setting up a special wage type for paying for bonuses.

Minimum Wage Verification

When paying piece rates, the program must know two things to verify that employees receive minimum wage: the number of hours worked and the minimum hourly wage. When you use a piecework wage type, the program allows you to enter the number of hours worked in the **P/W Hrs** column. The number of units that the employee is being paid for is entered in the Units column.

If you do not enter the number of hours worked in the **P/W Hrs** column, the program will not be able to verify that the employee made minimum wage. In some situations though, you may not need to enter the number of hours worked on every piecework line.

For instance, if you pay employees on a crew a certain rate, but also offer a bonus if the entire crew reaches a certain quota, you should not enter the hours on the bonus line. Or if you have employees pruning vines, and you are itemizing each row that the employees worked in, you may want to enter the total number of hours worked on the first line. Those lines will be combined together to determine the total wages for the hours entered.

Entering the hours worked when paying piece rates may be necessary for another reason. In some states (Oregon and Washington for instance) the number of hours employees worked must be reported on quarterly reports.

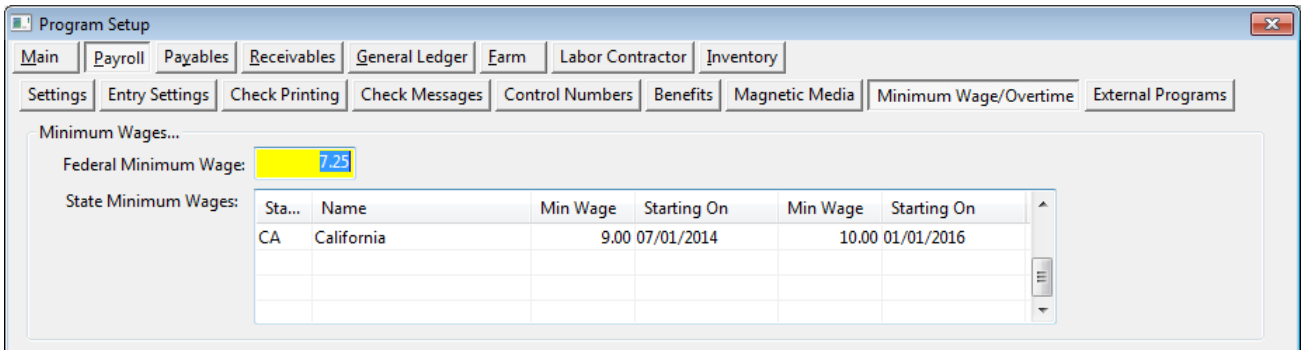
In Oregon, the Worker's Benefit Fund Assessment deduction is based on the number of hours worked by employees. In Washington, the Labor & Industries Industrial Insurance is also based on the number of hours worked. When paying piecework wages, you must enter the number of hours worked in the **P/W Hrs** column for the program to calculate these deductions.

Determining the Minimum Wage

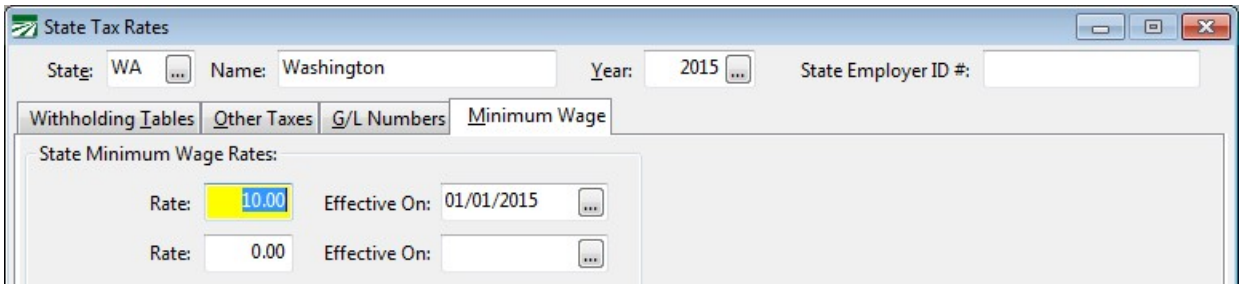
When the minimum wage verification is done, the program compares the federal minimum wage to the minimum wage for the state specified by the employee's State for Withholding setting. The higher of the two rates is what it will use to determine the minimum wage for that employee.

If you employ workers in multiple states, the rate that applies will be determined by the state that the employees are working in. The multi-state payroll option must be enabled to enabled the state entry.

The federal and state minimum wage rates can be entered under **Tools->Program Setup->Payroll->Minimum Wage**.



Although the state minimum wage rates can be edited on the Program Setup window, the rates are actually stored in the State Tax Rate file. You can also use the **Payroll->Setup->State Tax Rates** option to view and edit the state minimum wage:



Some states update the minimum hourly wage each year to keep it relative to a cost of living measure, while other states may pass laws changing the minimum wage. In either case, the minimum wage is set in the State Tax Rate table. Updates to state tax rates each year include changes to the minimum wage.

The State Tax Rate file includes two different minimum wage rates and an Effective Date for each. This way, planned increases to the minimum wage may be scheduled ahead of time.

If you have payroll in multiple states, each state will be listed separately with its applicable minimum hourly wage.

Note: While it is possible to edit the minimum wage, it is not recommended that you do so. If you need to pay employees a higher hourly rate than the legal minimum wage, the recommended method is to use a Guaranteed Wage wage type and set the guaranteed minimum rate either on the employee account(s), through the pay rate type, or on the grower accounts for farm labor contractors.

The reason we do not recommend changing the minimum wage in the State Tax Rate file is that updates to the state taxes will override the minimum wage and revert it back to the legal minimum. While this always happens at the beginning of the year, it is possible that updates or corrections to the state tax rate file will be released at any time during the year (for instance, updates are always released when new H-2A adverse effect rates are determined). If an update is installed to the state tax rate file and you do not change the minimum wage back to what you want, employees may end up being paid based on an incorrect minimum wage rate.

Daily vs. Weekly Minimum Wage Verification

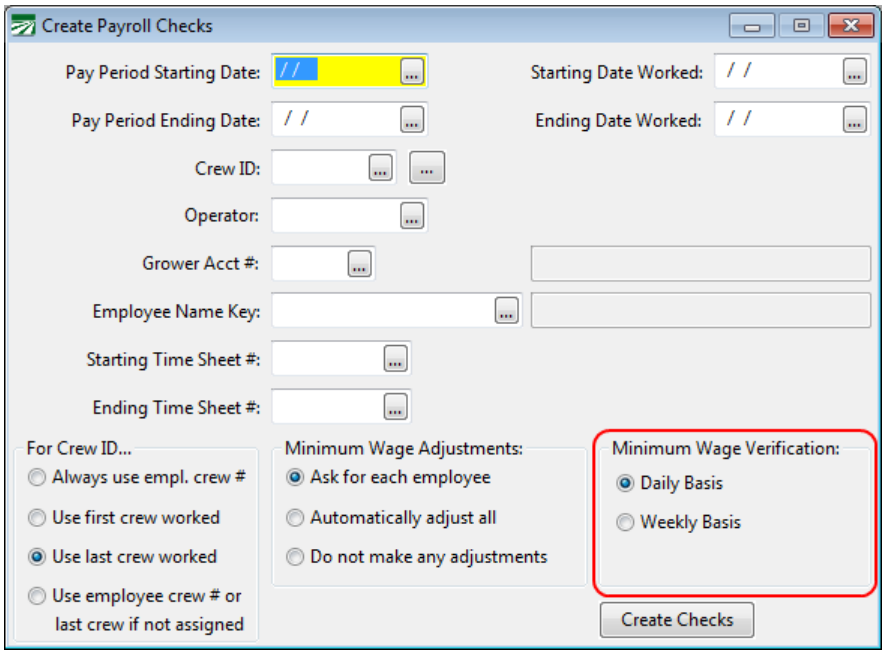
Minimum Wage Verification can be performed on a daily basis or a weekly basis. The method that you use may depend on the regulations in your state. **The method that you select applies to both minimum wage verification and guaranteed wage verification.** In other words, you can't verify minimum wage on a weekly basis and guaranteed wage on a daily basis.

For the Weekly method, all piecework wages on the check are added together, along with all piecework hours worked. If the piecework wages total is less than the minimum wage for the total hours worked, the program adds a line to the check to make up the difference.

Under the Daily method, the same type of calculation is done on each day that the employee worked. This can result in adjustments that may not be made using the Weekly method. An employee that fails to make minimum wage on one day may make up the difference later in the week, resulting in no adjustment under the Weekly method. But under the Daily method, the employees' wages would be adjusted to meet minimum wage for that day.

A setting in the **Program Setup** window controls whether the default method is Daily or Weekly. This is found under **Payroll->Minimum Wage->Verification Settings**.

When you are using the **Create Checks** option in Daily Payroll, there is an option to use either the Weekly or Daily basis for minimum wage verification. The program will automatically default to what you have selected in the **Program Setup** window.



If you are entering check in the Batch Check Entry window, the program will use the method specified in the Program Setup window. When using the Daily method, you must enter the day of the week or day of the month in the Day column on each line. Otherwise, the program will have no way of determining which lines to group together for each day. When using the Weekly method, it doesn't matter whether or not you enter the day on each line item.

Minimum Wage Adjustment Lines

When an employee does not make minimum wage, one or more lines will be added for the difference between the total piecework wages and what the employee should have made at minimum wage. When verification is being done on a daily basis, these lines will be added *for each day* the employee did not make minimum wage. Verification on a weekly basis will result in a single line or one set of lines being added to the check for the entire week.

The total amount that must be added to an employees check is allocated to the cost centers/Job ID's/G/L #'s/grower accounts entered on the line items where the employee did not make minimum wage. For lines where the employee did make minimum wage or higher, no adjustments will be made. By doing this, the adjustments may be expensed (and billed to growers, in the case of labor contractors) proportionally. To get a better idea of how this works, see the examples in the next section.

The line item that is added will show one in the Units column and the difference in the Rate column. By default, the "MW" piecework wage type will be used. (It is possible to create your own wage type and use that instead of "MW".) By using a different wage type for minimum wage adjustment lines, the wages paid are clearly identified as not hourly/piecework and are expressly paid to bring the employee's earnings up to minimum wage. Also, for reports the program can produce separate totals for minimum wage adjustment lines. For instance, on the batch report, the minimum wage adjustment lines will be totaled separately on the recap by wage type at the end of the report.

Minimum Wage and Guaranteed Wage Verification calculations are performed during the Create Checks process if you are entering information through Daily Payroll. If you are entering checks using the Batch Check Entry window, the verification process is done when you have finished entering each check.

When you run the Daily Payroll Batch Report, there is an option to calculate the minimum/guaranteed wage adjustments. If this option is not selected, then the adjustments will not be included on the report, and the total wages on the report will not match the totals of the checks generated by the Create Checks process.

If you use the option to generate the grower labor report entries, then the program will also calculate the minimum/guaranteed wage adjustments and add these to the grower labor report file. It is important to note that the adjustments calculated are based on the labor entered *at the time that you use the Generate Labor Reports option*.

If changes are subsequently made to the daily payroll entries, this could affect the adjustments that should be calculated. As a result, the adjustments that were already calculates by the **Generate Labor Reports** option would not be correct. In this situation, you would need to use the **Generate Labor Reports** option again to create up to date entries for the Grower Labor Report. And you may need to void/re-issue any invoices that were generated from the out of date information.

Examples

In the following screenshot, an employee has time on four days. The minimum wages is $10/hour. The first two days the employee does not make minimum wage. On the third day the employee makes more than minimum wage, and on the fourth day the employee make exactly minimum wage.

Gross Wages | Recap

Date	G/L # >>	Cost ID >>	Year	Type ...	P/W Hrs	Units	Rate	x	Amount
10/05/2015	510781.00	TAPRDOR75-	2015	PW	8.0000	3.0000	20.0000	1.00	60.00
10/06/2015	510781.00	TAPRDOR-3-	2015	PW	8.0000	3.4000	20.0000	1.00	68.00
10/07/2015	510781.00	TAPAMCV2C2	2015	PW	10.0000	6.0000	20.0000	1.00	120.00
10/08/2015	510781.00	TAPAMCV-77	2015	PW	8.0000	4.0000	20.0000	1.00	80.00
						0.0000	0.0000		

G/L:
Cost Center: (no cost center)
Wage Type:
Piece Hrs/Units: 34.0000 16.40
Reg/OT/DT Hrs: 0.0000
Gross Wages: 328.00
Piecework Wages: 328.00
Minimum Wage: 340.00

If the minimum wage verification is done on a daily basis, then an adjustment will be made for the first and second lines. No adjustments are needed for the third and fourth lines:

Gross Wages | Recap

Date	G/L # >>	Cost ID >>	Year	Type ...	P/W Hrs	Units	Rate	x	Amount
10/05/2015	510781.00	TAPRDOR75-	2015	PW	8.0000	3.0000	20.0000	1.00	60.00
10/06/2015	510781.00	TAPRDOR-3-	2015	PW	8.0000	3.4000	20.0000	1.00	68.00
10/07/2015	510781.00	TAPAMCV2C2	2015	PW	10.0000	6.0000	20.0000	1.00	120.00
10/08/2015	510781.00	TAPAMCV-77	2015	PW	8.0000	4.0000	20.0000	1.00	80.00
10/05/2015	510781.00	TAPRDOR75-	2015	MW	0.0000	1.0000	20.0000	1.00	20.00
10/06/2015	510781.00	TAPRDOR-3-	2015	MW	0.0000	1.0000	12.0000	1.00	12.00
						0.0000	0.0000		

G/L:
Cost Center: (no cost center)
Wage Type:
Piece Hrs/Units: 34.0000 18.40
Reg/OT/DT Hrs: 0.0000
Gross Wages: 360.00
Piecework Wages: 360.00
Minimum Wage: 340.00

A separate adjustment line is created for each day.

If the minimum wage verification is done on a weekly basis, then the program takes into consideration all of the wages on the check to determine how much of an adjustment is necessary. Since the employee made more than minimum wage on the third line item, this will partially offset the total adjustment needed. This screenshot shows the adjustments that will be created using the weekly basis for minimum wage verification:

Gross Wages | Recap

Date	G/L # >>	Cost ID >>	Year	Type ...	P/W Hrs	Units	Rate	x	Amount
10/05/2015	510781.00	TAPRDOR75-	2015	PW	8.0000	3.0000	20.0000	1.00	60.00
10/06/2015	510781.00	TAPRDOR-3-	2015	PW	8.0000	3.4000	20.0000	1.00	68.00
10/07/2015	510781.00	TAPAMCV2C2	2015	PW	10.0000	6.0000	20.0000	1.00	120.00
10/08/2015	510781.00	TAPAMCV-77	2015	PW	8.0000	4.0000	20.0000	1.00	80.00
	510781.00	TAPRDOR75-	2015	MW	0.0000	1.0000	7.5000	1.00	7.50
	510781.00	TAPRDOR-3-	2015	MW	0.0000	1.0000	4.5000	1.00	4.50

G/L: Labor-Picking Apples
Cost Center: Red Delicious,Old
Wage Type: Piecework
Piece Hrs/Units: 34.0000 18.40
Reg/OT/DT Hrs: 0.0000
Gross Wages: 340.00
Piecework Wages: 340.00
Minimum Wage: 340.00

Using the weekly method, the total adjustment is only $12, bringing the total check up to the $340 total for the week that the employee should make at minimum wage.

In the following example, the employee worked at three different cost centers in a single day. The employee worked a total of ten hours, and the minimum wage is set to $10/hour. At minimum wage, the employee should have earned $100 for this day, but the piecework wages total only $90. On the first two lines, the employee did not make minimum wage, but on the third line item the employee made more than minimum wage.

Gross Wages | Recap

Date	G/L # >>	Cost ID >>	Year	Type ...	P/W Hrs	Units	Rate	x	Amount
10/05/2015	510781.00	TAPRDOR75-	2015	PW	3.0000	1.2500	20.0000	1.00	25.00
10/05/2015	510781.00	TAPLDOR53C	2015	PW	3.0000	0.7500	20.0000	1.00	15.00
10/05/2015	510781.00	AAPGDCVAIR	2015	PW	4.0000	2.5000	20.0000	1.00	50.00
						0.0000	0.0000		

G/L:
Cost Center: (no cost center)
Wage Type:
Piece Hrs/Units: 10.0000 4.50
Reg/OT/DT Hrs: 0.0000
Gross Wages: 90.00
Piecework Wages: 90.00
Minimum Wage: 100.00

For the first lines item, the employee is short by $5.00. For the second line item, the employee is short by is short by $15.00. Since the employee made more than minimum wage on the third line by $10.00, for the entire day, the employee only needs $10 added to his wages to bring the total wages up to the minimum wage of $100.

The program will create two lines items for a total of $10. It will add up the total amount that the employee is short on the lines where he did not make minimum wage, $20 in this case. Then it determines the percentage of the total adjustment that should be allocated to the cost center/general ledger account/job ID entered on the lines that are short. In this case, 25% for the first line ($5/$20 = 25%) and 75% for the second line ($15/$20=75%).

Here is the screenshot of the check detail after the adjustments have been created:

Gross Wages | Recap

Date	G/L # >>	Cost ID >>	Year	Type ...	P/W Hrs	Units	Rate	x	Amount
10/05/2015	510781.00	TAPRDOR75-	2015	PW	3.0000	1.2500	20.0000	1.00	25.00
10/05/2015	510781.00	TAPLDOR53C	2015	PW	3.0000	0.7500	20.0000	1.00	15.00
10/05/2015	510781.00	AAPGDCVAIR	2015	PW	4.0000	2.5000	20.0000	1.00	50.00
10/05/2015	510781.00	TAPRDOR75-	2015	MW	0.0000	1.0000	2.5000	1.00	2.50
10/05/2015	510781.00	TAPLDOR53C	2015	MW	0.0000	1.0000	7.5000	1.00	7.50

G/L: Labor-Picking Apples
Cost Center: Red Delicious,Old
Wage Type: Piecework
Piece Hrs/Units: 10.0000 6.50
Reg/OT/DT Hrs: 0.0000
Gross Wages: 100.00
Piecework Wages: 100.00
Minimum Wage: 100.00

Of course it is possible for an employee to make enough on some piecework lines to entirely cover the shortfall on other lines. That is the case in the following screenshot:

Gross Wages | Recap

Date	G/L # >>	Cost ID >>	Year	Type ...	P/W Hrs	Units	Rate	x	Amount
10/05/2015	510781.00	TAPRDOR75-	2015	PW	3.0000	1.0000	20.0000	1.00	20.00
10/05/2015	510781.00	TAPLDOR53C	2015	PW	3.0000	1.2500	20.0000	1.00	25.00
10/05/2015	510781.00	AAPGDCVAIR	2015	PW	4.0000	3.0000	20.0000	1.00	60.00
						0.0000	0.0000		

G/L:
Cost Center: (no cost center)
Wage Type:
Piece Hrs/Units: 10.0000 5.25
Reg/OT/DT Hrs: 0.0000
Gross Wages: 105.00
Piecework Wages: 105.00
Minimum Wage: 100.00

In this case, the first two lines are still under minimum wage (3 hours @ $10/hour =$30) but the last line more than makes up f or the shortfall on the first two lines. No adjustments will be made for this employee.

Guaranteed Hourly Rates

In some cases, an employer may want to guarantee employees a certain hourly rate, over and above the minimum wage set by law, when employees are paid piecework wages. For instance, an employee that works in a packing house and is normally paid $10.00 per hour may join a crew performing field labor. The employees in the crew are paid piecework. If the packing house employee is productive, he has the opportunity to make more than his normal hourly rate. However, the employer may want to guarantee that he makes at least $10.00/hour, or what he would have made if he had been working in the packing house during that time.

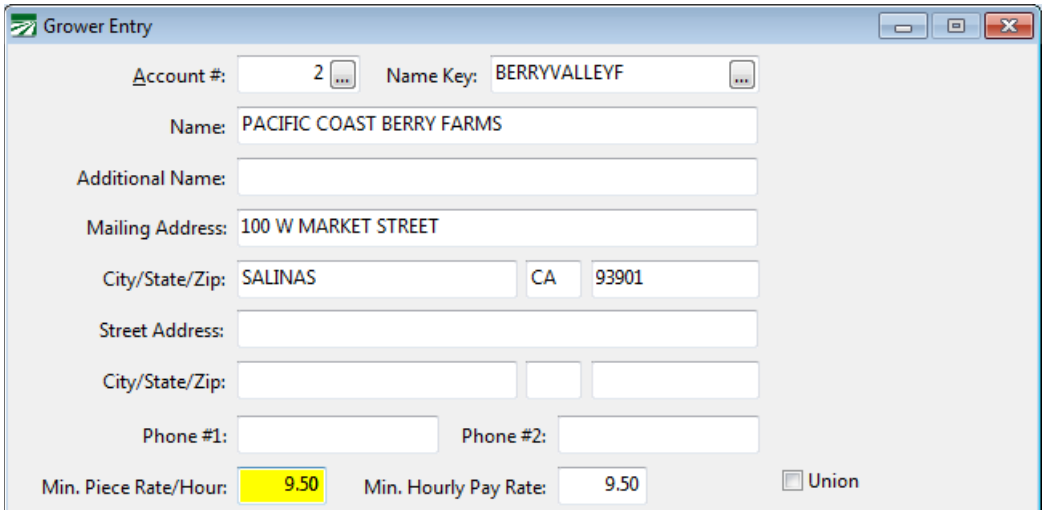
In some cases when the labor supply is tight, employers may need to offer higher wages than the current minimum wage set by the state or federal government.

Another scenario is that the employer wants to pay piece rates but guarantee a minimum hourly wage for certain types of jobs to all employees. In this situation, you may even need to set different guaranteed rates for different jobs.

It is also possible to combine both of the above situations. You may guarantee the field workers a minimum hourly rate of $9.50, and this is set up in the Pay Rate table. However, the packing house employee will still be guaranteed $10.00 per hour, because that is his normal rate of pay.

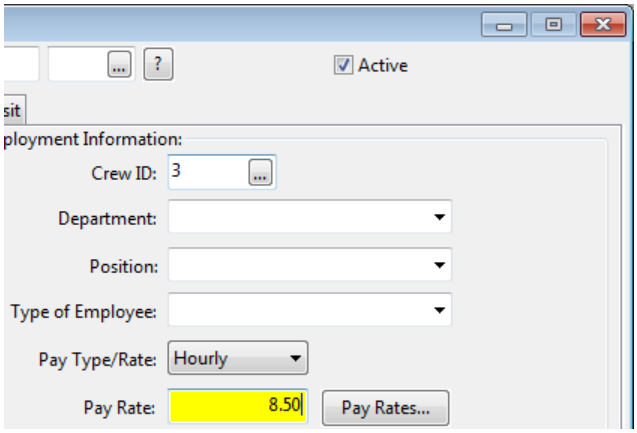
Setting a Guaranteed Hourly Rate for a Grower

In some cases, a labor contractor may have agreed on different minimum hourly rates that employees will be paid for each grower. In this situation, you can enter the minimum hourly rate for piecework earnings on the grower setup window as shown below:



Guaranteed Hourly Rate for an Employee

In this situation, the employee account must be set to **Hourly** for the **Pay Type**, and an hourly rate must also be entered. When paying the employee, use the "GP" wage type (Guaranteed Piecework) or the "GO" wage type (Guaranteed Piecework Overtime).



Just as with straight piecework, you must enter the number of hours worked in the **P/W Hrs** column for the program to make the necessary calculations. The program will compare the wages entered under these wage types to the hourly

rate on the employee account, and add a line to make up the difference if the employee did not make that rate. This process is done at the same time the minimum wage verification is done—during the Create Checks process in Daily Payroll, or when you have finished entering a check in Batch Check Entry.

In the following example, the employee worked two days, ten hours each day, at a guaranteed rate of 8.50/hour, and a piecework rate of .75/unit:

Batch Payroll Check

Account #: 655321 Name Key: SORRENNOLAN87 S.S #: 625 40 9787 Control #: 3240

Name: SORRENTO, NOLAN Pay Period Starting: 03/28/2014

Pay Type: Salary Rate: 4500.00 Type: Agricultural (943) Ending: 04/03/2014

Gross Wages | Recap

Day	# Days	Cost ID >>	Year	Job ID ...	G/L # >>	Type ...	P/W Hrs	Units	Rate	Amount
14	1	F-L	2014	150	601.00	GP	10.00	100.0000	0.7500	75.00
15	1	F-L	2014	150	601.00	GW	0.00	1.0000	10.0000	10.00
16	1	F-L	2014	150	601.00	GP	10.00	125.0000	0.7500	93.75
	1							0.0000	0.0000	

G/L:

Cost Center: (no cost center)

Job ID: (no Job ID code)

Wage Type:

Piece Hrs/Units: 20.0000 226.00

Reg/OT/DT Hrs: 0.0000

Total Hours: 20.0000

H-2A Hrs Offered: 0.00

Gross Wages: 178.75

Piecework Wages: 178.75

Minimum Wage: 160.00

Crew ID:

Hold

Copy Check | Defaults | Save | Delete | Clear

Each day the employee is guaranteed to make $85.00 for ten hours. On the first day, the guaranteed piecework wages are $75.00, so a line is added to the check for $10 to bring the employee's wages up to $85.00. On the second day, the employee made $93.75. No adjustment is made because the employee made more than the guaranteed rate.

Guaranteed Hourly Rates for a Crew

For situations where you guarantee a minimum hourly wage to all employees, the Pay Rate table can be used to enter a rate that applies to all employees performing particular jobs. Here is an example of how these rates can be set up:

Pay Rate Table

G/L # >>	Cost ID >>	Start Cost ID	End Cost ID	Job ID >>	Unit >>	Type >>	Rate	Min Rate/Hr	Bill Rate	Bill	O/H
600.00	A-E			100	BIN	PW	0.7500	6.90	0.0000	☑	☑
600.00	A-E			101	BIN	PW	1.0000	7.50	0.0000	☑	☑
										☑	☑

In this example, two piecework rates are set up for two different Crop ID's (1001 and 1006) and two different Job Codes (027 and 034). On the first line, employees are paid 0.75 per bin, and guaranteed to make at least $6.90/hour. The second line pays employees 1.00 and guarantees that they make $7.50/hour.

One thing to keep in mind when setting up minimum hourly rates through the Pay Rate table is that you can use any piecework wage type. Note that in this example, the regular piecework wage type, “PW”, is used, not the Guaranteed Piecework wage type, “GP”. The Guaranteed Piecework wage type is *only* necessary for the program to compare piecework earnings to the *normal hourly rate specified on the employee account*.

You could just as easily use the “GP” wage type in the Pay Rate table entries instead of “PW”. One reason that you might use “PW” is that your data entry personnel do not need to remember when to use “GP” and when to use “PW”.

One effect of using “GP” in a Pay Rate table entry is that the program will compare the hourly rate on the employee account against the minimum hourly rate in the table, and pick the higher rate when checking to see if the employee made the guaranteed minimum. This means that if an employee is guaranteed a higher hourly rate than others working in the same crew, the program will pay the higher rate to the employee.

Combining an Hourly Rate with Piecework

A variation on the straight piecework method is to pay employees a base rate per hour worked plus a piece rate. Separate wage types are used for this type of combination pay. This is so that the base hourly rate is not confused with regular hourly wages and the piecework component is not confused with straight piecework wages. This way, it is clear to employees (and potentially auditors) what the basis for employee pay is, and there is no confusion about whether or not employees make minimum wage.

In this situation, you must enter two lines in the Daily Payroll Entry or on the employees check in Batch Payroll Entry. The first line is where you enter the number of hours worked and the base hourly rate using the “BH” (Base Hourly) wage type. The second line is where you enter the number of pieces and the piece rate, using the “IP” (Incentive Pay) wage type.

Note that on the piecework line, *you do not need to enter the number of hours worked* for the program to perform the minimum wage verification. For minimum wage verification purposes, the program adds the two lines together, and gets the number of hours worked from the first line. If you were to enter the hours worked on the second line in the P/W Hours column, then the program would think the employees worked twice as many hours as they actually did.

Minimum Wage Adjustments Made by Overtime Premium Report

TODO: This section needs to be added

Piecework Summary on the Check Stub

The bottom of the check stub can include a summary of piecework wages and what wages would be at minimum wage.

Piecework Examples

Legacy Verification Settings

Minimum Wage Verification

Guaranteed Wage Verification

The legacy guaranteed wage verification system evaluates *each line* of guaranteed piecework that is paid to an employee to determine whether or not

the employee made the guaranteed minimum *on that line*. If the employee did not make the guaranteed minimum, an adjustment is created for that line.

In contrast, the standard method of guaranteed wage verification works exactly like the standard method of minimum wage verification. The only difference is the hourly pay rate that the employee must meet to trigger adjustments.

Wages are totaled for the each day or for the week (depending on the verification period setting in Program Setup). Then the total wages are checked to see if the employee meets the guaranteed wage. If the employee doesn't meet the guaranteed minimum wage, then adjustment lines are created. Adjustment amounts are pro-rated based on the line items where the employee did not meet the guaranteed minimum.

The following examples show the difference between the legacy and the standard minimum wage calculations. The following screenshot shows a check before any adjustments have been created.

Gross Wages | Recap

Day	Cost ID >>	Phase >>	Type ...	P/W Hrs	Units	Prod Units	Rate	Amount
05	150003MU	520001	GP	10.0000	150.0000	0.0000	0.7500	112.50
06	150003CU	520001	GP	10.0000	100.0000	0.0000	0.7500	75.00
07	150003HT	520001	GP	3.0000	1.5000	0.0000	10.0000	15.00
07	150003CU	520001	GP	3.0000	2.0000	0.0000	10.0000	20.00
07	150003MU	520001	GP	4.0000	6.0000	0.0000	10.0000	60.00

G/L:	LBR - HARVESTING COST	Wage Type:	Guaranteed Wage Piecework	Gross Wages:	282.50
Cost Center:	PBF MUNOZ ORGANIC STRAWBERRY	Piece Hrs/Units:	30.0000 / 259.50	Piecework Wages:	282.50
Phase:	LBR - HARVEST REGULAR	Reg/OT/DT Hrs:	0.0000 / Ins. Hrs:	Minimum Wage:	270.00

In this screenshot, the employee is guaranteed $9.75/hour. For a ten hour day, the employee is guaranteed $97.50 ($292.50 for 30 hours worked total). The employee has made more than this rate on the first and last line items. However, on the middle three lines, the employee made less. The following screenshot shows the adjustments that are created when the legacy method is in use:

Gross Wages | Recap

Day	Cost ID >>	Phase >>	Type ...	P/W Hrs	Units	Prod Units	Rate	Amount
05	150003MU	520001	GP	10.0000	150.0000	0.0000	0.7500	112.50
06	150003CU	520001	GP	10.0000	100.0000	0.0000	0.7500	75.00
06	150003CU	520001	GW	0.0000	1.0000	0.0000	22.5000	22.50
07	150003HT	520001	GP	3.0000	1.5000	0.0000	10.0000	15.00
07	150003HT	520001	GW	0.0000	1.0000	0.0000	14.2500	14.25
07	150003CU	520001	GP	3.0000	2.0000	0.0000	10.0000	20.00
07	150003CU	520001	GW	0.0000	1.0000	0.0000	9.2500	9.25
07	150003MU	520001	GP	4.0000	6.0000	0.0000	10.0000	60.00
					0.0000		0.0000	

G/L:		Wage Type:		Gross Wages:	328.50
Cost Center:	(no cost center)	Piece Hrs/Units:	30.0000 262.50	Piecework Wages:	328.50
Phase:	(no job code)	Reg/OT/DT Hrs:	0.0000 Ins. Hrs:	Minimum Wage:	270.00

Adjustments have been created (the lines with the "GW" wage type) for the middle three lines to bring the pay up to the rate of $9.75 for those lines. The first and last lines where the employee made more than the guaranteed minimum do not factor into the guaranteed wage calculation at all. Note that the daily vs. weekly setting does not come into play at all, because each line is evaluated individually.

Under the standard method, the total wages are added up and an adjustment is made to bring the employee up to the guaranteed minimum overall. Here are the adjustments made under the standard method when the verification is done on a daily basis:

Gross Wages | Recap

Day	Cost ID >>	Phase >>	Type ...	P/W Hrs	Units	Prod Units	Rate	Amount
05	150003MU	520001	GP	10.0000	150.0000	0.0000	0.7500	112.50
06	150003CU	520001	GP	10.0000	100.0000	0.0000	0.7500	75.00
07	150003HT	520001	GP	3.0000	1.5000	0.0000	10.0000	15.00
07	150003CU	520001	GP	3.0000	2.0000	0.0000	10.0000	20.00
07	150003MU	520001	GP	4.0000	6.0000	0.0000	10.0000	60.00
06	150003CU	520001	GW	0.0000	1.0000	0.0000	22.5000	22.50
07	150003HT	520001	GW	0.0000	1.0000	0.0000	1.5200	1.52
07	150003CU	520001	GW	0.0000	1.0000	0.0000	0.9800	0.98
					0.0000		0.0000	

G/L:		Wage Type:		Gross Wages:	307.50
Cost Center:	(no cost center)	Piece Hrs/Units:	30.0000 262.50	Piecework Wages:	307.50
Phase:	(no job code)	Reg/OT/DT Hrs:	0.0000 Ins. Hrs:	Minimum Wage:	270.00

As in the first example, three adjustment lines have been created, but they are for different amounts than the legacy method. This is because the employee is guaranteed to make $9.75 *for each day*. The adjustment for the 6th is the same, $22.50 (to bring the employee's pay for that day up to $97.50). But on the 7th, the employee has one line item where he made more than $9.75/hour. The total wages on the 7th are $95.00. This means the total adjustment needed for the day is only $2.50.

In the final example, the verification is done on a weekly basis:

Gross Wages | Recap

Day	Cost ID >>	Phase >>	Type ...	P/W Hrs	Units	Prod Units	Rate	Amount
05	150003MU	520001	GP	10.0000	150.0000	0.0000	0.7500	112.50
06	150003CU	520001	GP	10.0000	100.0000	0.0000	0.7500	75.00
07	150003HT	520001	GP	3.0000	1.5000	0.0000	10.0000	15.00
07	150003CU	520001	GP	3.0000	2.0000	0.0000	10.0000	20.00
07	150003MU	520001	GP	4.0000	6.0000	0.0000	10.0000	60.00
	150003CU	520001	GW	0.0000	1.0000	0.0000	6.9000	6.90
	150003HT	520001	GW	0.0000	1.0000	0.0000	3.1000	3.10

G/L:	LBR - HARVESTING COST	Wage Type:	Guaranteed Wage Piecework	Gross Wages:	292.50
Cost Center:	PBF MUNOZ ORGANIC STRAWBERRY	Piece Hrs/Units:	30.0000 / 261.50	Piecework Wages:	292.50
Phase:	LBR - HARVEST REGULAR	Reg/OT/DT Hrs:	0.0000	Ins. Hrs: / Minimum Wage:	270.00

On a weekly basis, the employee should make a total of $292.50 (30 hours @ $9.75/hour). A total adjustment of $10 is needed to bring the employee's wages from the original total of $282.50 to $292.50. The adjustment is split between two cost centers according to the following calculations:

For cost center 150003CU, a total of 13 hours was worked on two days. The employee earned $95 on these two lines; at a guaranteed rate of $9.75/hour, the total earnings should be $126.75, for a difference of $31.75. For cost center 150003HT, the employee worked 3 hours and earned $15; at a guaranteed rate of $9.75/hour, the total earnings should be $29.25, for difference of $14.25. The total dollar difference for these two lines is $46.

For cost center 150003CU, the adjustment is 69% (31.75/46) of $10.00, or $6.90. For cost center 150003HT, the adjustment is 31% (14.25/46) of $10.00, or $3.10.

Because the adjustments are made for the entire week and don't correspond to any single day, the day entry is left blank.

Miscellaneous Deductions

Advances/Loans
Employee Savings Plans
Garnishments

A garnishment is a miscellaneous deduction that is withheld on behalf of a government agency. You must remit amounts withheld on a regular basis (for instance on a weekly or monthly basis). Examples would include child support payments withholding orders for payment of back taxes.

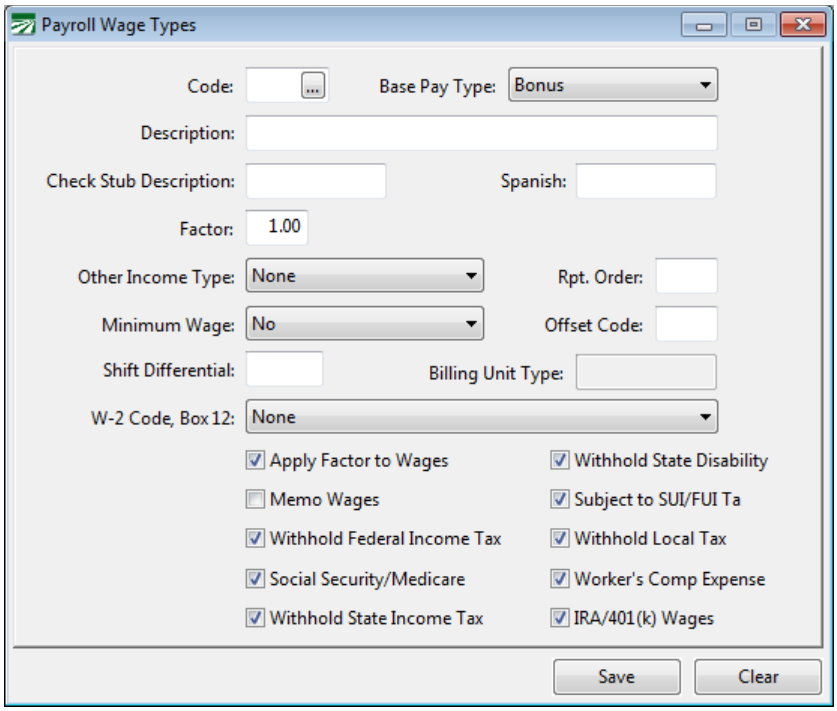
401(k)/125(c) Plans

The amounts deducted for insurance, 401(k), and cafeteria plans, may not be subject to certain taxes. Taxable wages are calculated based on the line items entered on a check; these items are typically handled by entering two special line items on a check. The first item subtracts the amount to be deducted from the gross check total. The second line adds the same amount back into the check total *using a special wage type* that specifies which taxes apply to the amount deducted. This insures that the correct amount of wages are used as a basis for tax calculations. A miscellaneous deduction is used to make the deduction from the employee's check.

The following instructions outline the steps that are needed. The first two steps involve one-time setup. The third step must be done for each employee with this type of deduction, and the fourth step shows how the deductions are made automatically by the payroll check entry program.

Set Up the Wage Type

This will help the program to determine what taxes to deduct from the employees' wages. To do this, go to the **Payroll** menu, select the **Setup** sub-menu and then select **Wage Types**.



You may set up as many different wages types as necessary. Each wage type is assigned a two letter/digit code. In general, once a wage type has been set up, it should not be deleted (especially if you've used it on a check entry!) This includes the wage types that are set up by default when you start using the program.

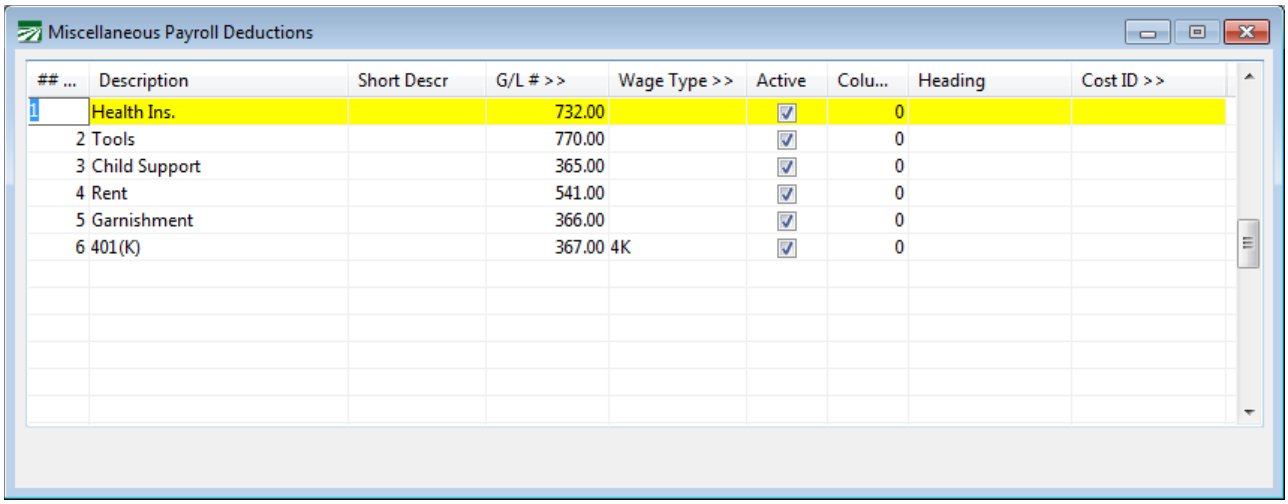
Press [F1] to get more information on the settings on this window from the Help system. Here are a few general guidelines though:

Never check the memo wages box unless the wages are for tips or some other compensation that the employee has received that has not been taxed. The effect of checking the memo wages box is that the wages are added into the employee's total wages for tax calculation purposes, but they are not added into the check amount.

Bonus, Piecework, and Salary are often good choices for the *Base Pay Type* setting.

Set Up the Miscellaneous Deduction Type

A deduction type must also be set up. This deduction can then be added to each employee. The deduction type also “links” the amount deducted to the pay type that defines the special taxability rules for that deduction. Here is an example of two deductions that have been set up for special taxability:



## ...	Description	Short Descr	G/L # >>	Wage Type >>	Active	Colu...	Heading	Cost ID >>
1	Health Ins.		732.00		☑	0		
2	Tools		770.00		☑	0		
3	Child Support		365.00		☑	0		
4	Rent		541.00		☑	0		
5	Garnishment		366.00		☑	0		
6	401(K)		367.00	4K	☑	0		

Deductions 4 and 5 have been set up to handle a 401(k) deduction and a cafeteria plan deduction, respectively. The **Wage Type** column specifies the corresponding wage type for each of these deductions. (For ordinary deductions you do not need to enter a wage type, as in deductions 1-3.) You can press the [F4] key in the Wage Type column to select a wage type from the lookup.

The **Active** column specifies whether or not the program should calculate the deduction. For instance, you may have a one-time deduction added to employee accounts. After the deduction has been made, you could simply deactivate the deduction for all employees by unchecking this box. Another situation where the Active checkbox is useful is when you are issuing checks for bonuses, vacations, sick pay, etc. You can deactivate the deductions that you don't want calculated before entering checks, and then reactivate them when you are done.

Add Deduction to Employee Account(s)

Once you have set up the wage type and the deduction type, you'll need to add the deduction to your employee account(s).

Employees

Account #: Name Key: S.S. #: Active

Employee Info | Deductions | Totals | History/Benefits | Check Profile | Archive | Direct Deposit

Tax Information:

Type: Agricultural (943)

Fed. Marital Status: Married

State Marital Status: Married

Pay Cycle: Weekly

Special Tax Status: None

State for Wht.: CA

State Rate:

State For SDI/UI: CA

Dependents:

Federal: State:

Additional Withholding:

Federal: State:

Hire Act Employee (No Employer SS)

Hire Credit Start Date:

Miscellaneous Deduction Settings:

Advance/Loan Balance: Deduction:

Type/Description	Method	Amount	Percent	Min. Amt	Max. Amt	W
0 - None	<Undefined>					
0 - None	<Undefined>					
0 - None	<Undefined>					
0 - None	<Undefined>					
0 - None	<Undefined>					
0 - None	<Undefined>					
0 - None	<Undefined>					
0 - None	<Undefined>					
0 - None	<Undefined>					
0 - None	<Undefined>					

Terminate | Rehire | Print | Save | Delete | Clear

Simply select the deduction type, method, and enter either an amount (if it is a flat rate) or a percentage.

Save the employee account after you have made your changes.

Enter Payroll Checks

Enter the payroll check information as you normally would. When you click on the Recap tab page, the program will calculate the deductions and create the extra lines on the Gross Wages page to handle the taxability status.

Batch Payroll Check

Account #: 655321 Name Key: SORRENNOLAN87 S.S #: 625 40 9787 Control #: 3

Name: SORRENTO, NOLAN Pay Period Starting: 04/01/2014

Pay Type: Salary Rate: 4500.00 Type: Agricultural (943) Ending: 04/07/2014

Gross Wages | Recap

Day	Cost ID >>	Year	Job ID >>	G/L # >>	Type ...	P/W Hrs	Units	Rate	Amount
				601.00	RH	0.00	40.0000	10.0000	400.00

G/L: FIELD LABOR Wage Type: Regular Hours Gross Wages: 400.00

Cost Center: (no cost center) Piece Hrs/Units: 0.0000 0.00 Piecework Wages: 0.00

Job ID: (no Job ID code) Reg/OT/DT Hrs: 40.0000 Minimum Wage: 0.00

Total Hours: 40.0000 Crew #: 0

H-2A Hrs Offered: 0.00 Hold

Copy Check Defaults Save Delete Clear

Or course, since you are switching to a different tab page, you don't see the entries, but if you click back on the Gross Wages tab, you'll see them.

Batch Payroll Check

Account #: 655321 Name Key: SORRENNOLAN87 S.S #: 625 40 9787 Control #: 3

Name: SORRENTO, NOLAN Pay Period Starting: 04/01/2014

Pay Type: Salary Rate: 4500.00 Type: Agricultural (943) Ending: 04/07/2014

Gross Wages | Recap

Day	Cost ID >>	Year	Job ID >>	G/L # >>	Type ...	P/W Hrs	Units	Rate	Amount
				601.00	RH	0.00	40.0000	10.0000	400.00
				601.00	PW	0.00	1.0000	-40.0000	-40.00
				601.00	PW	0.00	1.0000	-20.0000	-20.00
				601.00	4K	0.00	1.0000	40.0000	40.00
				601.00	PW	0.00	1.0000	20.0000	20.00
							0.0000	0.0000	

G/L: Wage Type: Gross Wages: 400.00

Cost Center: (no cost center) Piece Hrs/Units: 0.0000 4.00 Piecework Wages: 0.00

Job ID: (no Job ID code) Reg/OT/DT Hrs: 40.0000 Minimum Wage: 0.00

Total Hours: 40.0000 Crew #: 0

H-2A Hrs Offered: 0.00 Hold

Copy Check Defaults Save Delete Clear

When the program creates the additional lines, taxes will be recalculated according to the settings in the wage type file.

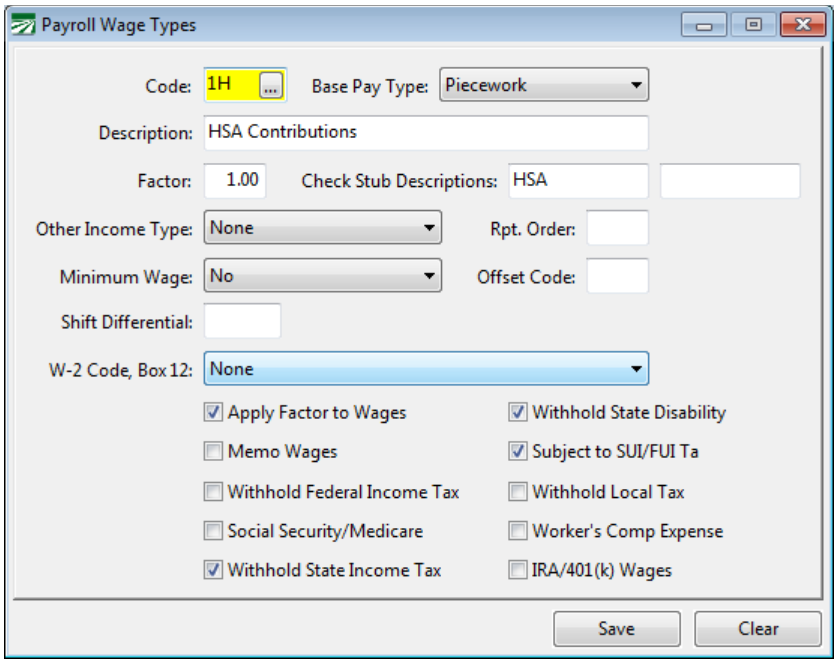
Health Savings Accounts

Health Savings Accounts (HSAs) allow employees to make contributions to savings accounts that are tax free to pay for qualified medical expenses. To handle these types of deductions, set up a miscellaneous deduction that is linked to a wage type as shown below:

Miscellaneous Payroll Deductions

## ...	Description	Short Descr	G/L # >>	Wage Type >>	Active	Colu...	Heading	Cost ID >>
1	Health Ins.		732.00		☑	0		
2	Tools		770.00		☑	0		
3	Child Support		365.00		☑	0		
4	Rent		541.00		☑	0		
5	Garnishment		366.00		☑	0		
6	HSA Contibution		355.00	1H	☑	0	HSA	

The Wage Type defines which taxes the employee contributions are subject to:



At the time of this writing, HSA contributions are exempt from federal taxes and state income taxes, except for California, New Jersey, and Alabama. Consult your accountant or state franchise tax board (or equivalent agency) to verify the taxability status of HSA contributions.

Add the miscellaneous deduction to the employees that have HSA accounts. When you issue payroll checks to these employees, lines will be added to the payroll check to adjust the taxable wages to account for the HSA deduction. Refer to the prior section covering 401(k)/125(c) plans for examples.

Employer Contributions

If HSA contributions are taxable in your state, then any contributions made by the employer will increase the employees' state taxable wages. This can be recorded by setting up a separate memo wage type and using it on the employees' check. This will increase the state wages reported on the W-2.

Payroll Wage Types

Code: HS ... Base Pay Type: Piecework

Description: HSA Employer Contribution

Factor: 1.00 Check Stub Descriptions:

Other Income Type: Fringe Benefits Rpt. Order:

Minimum Wage: No Offset Code:

Shift Differential:

W-2 Code, Box 12: None

- [x] Apply Factor to Wages
- [x] Withhold State Disability
- [x] Memo Wages
- [x] Subject to SUI/FUI Ta
- [ ] Withhold Federal Income Tax
- [ ] Withhold Local Tax
- [ ] Social Security/Medicare
- [ ] Worker's Comp Expense
- [x] Withhold State Income Tax
- [x] IRA/401(k) Wages

Save Clear

Here is an example of a check where the employer is making a $500 contribution to the employee's HSA account using the HS wage type as shown above:

Gross Wages | Recap

Day	Cost ID >>	Year	Job ID >>	G/L # >>	Type ...	P/W Hrs	Units	Rate	Amount
	N-M	2014	150	601.00	SA	0.00	1.0000	1000.0000	1000.00
	N-M	2014	150	601.00	HS	0.00	1.0000	500.0000	500.00
	N-M		150	601.00	GP	0.00	1.0000	13.3800	13.38
	N-M		150	601.00	PW	0.00	-1.0000	13.3800	-13.38

G/L: FIELD LABOR

Cost Center: NERISSA'S MEYERS

Job ID: GENERAL

Wage Type: HSA Employer Contributio

Piece Hrs/Units: 0.0000 1.00

Reg/OT/DT Hrs: 0.0000

Total Hours: 0.0000

H-2A Hrs Offered: 0.00

Gross Wages: 1000.00

Piecework Wages: 500.00

Minimum Wage: 0.00

Crew #: 0

[ ] Hold

On the Recap tab, the total gross wages are based on the employee's regular salary, the state income tax and SDI taxes calculations include the employer's contribution added by the memo wage line, and the rest of the tax calculations are based on the employee's regular salary:

Gross Wages | Recap

Gross Wages:

Salary:		1000.00
Regular:	0.00	0.00
Overtime:	0.00	0.00
Doubletime:	0.00	0.00
Piecework:	0.00	500.00
Bonus:		0.00
Commission:		0.00
Vacation:	0.00	0.00
Sick Pay:	0.00	0.00
Holiday:	0.00	0.00
Memo Wages:		500.00

Total Gross Wages: 1000.00

Tax Deductions:

SDI:	15.00
FICA:	62.00
Medicare:	14.50
Federal Income Tax:	108.20
State Income Tax:	51.62
Withholding:	0.00
EIC Credit:	0.00

Recalc Total: 251.32

Miscellaneous Deductions:

Advances:	0.00
None	0.00
None	0.00
None	0.00
None	0.00
None	0.00
None	0.00
None	0.00
None	0.00
None	0.00
None	0.00
Total Deductions:	0.00

Net Check: 748.68

If HSA contributions are not taxable in your state, then this step is unnecessary. However, you do need to keep track of all employer contributions for each employee for reporting purposes at the end of the year.

Reporting HSA Contributions on the W-2

HSA contributions (both made by the employer and deductions from employee wages) must be reported on the W-2 in box 12 with a “W” code. To do this, enter the total amount of contributions on the W-2 Information tab of the Year End Employee Archive File:

Year End Employee Archive File

Year: 2014
Acct #: 655321
Name Key: SORRENNOLAN87
S. S. #: 625 40 9787
Last Name: SORRENTO
First/Middle Name: NOLAN
Mail Address: 2389 CHESTNUT AVE
City: FRESNO
State: CA Zip: 93720
Date of Birth: 02/14/1978
Marital Status: Single
State For Withholding: CA
State For SDI/UI: CA
Special Tax Status: None
Type: Regular (941)
H-2A

Wages/Withholding | W-2 Information | States

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: <Undefined>
Designated Roth Contr to 401k:
Designated Roth Contr to 403b:
Employer HSA Contribution: 5150.00
Employer-Sponsored Health Coverage:
3rd Party Sick Pay

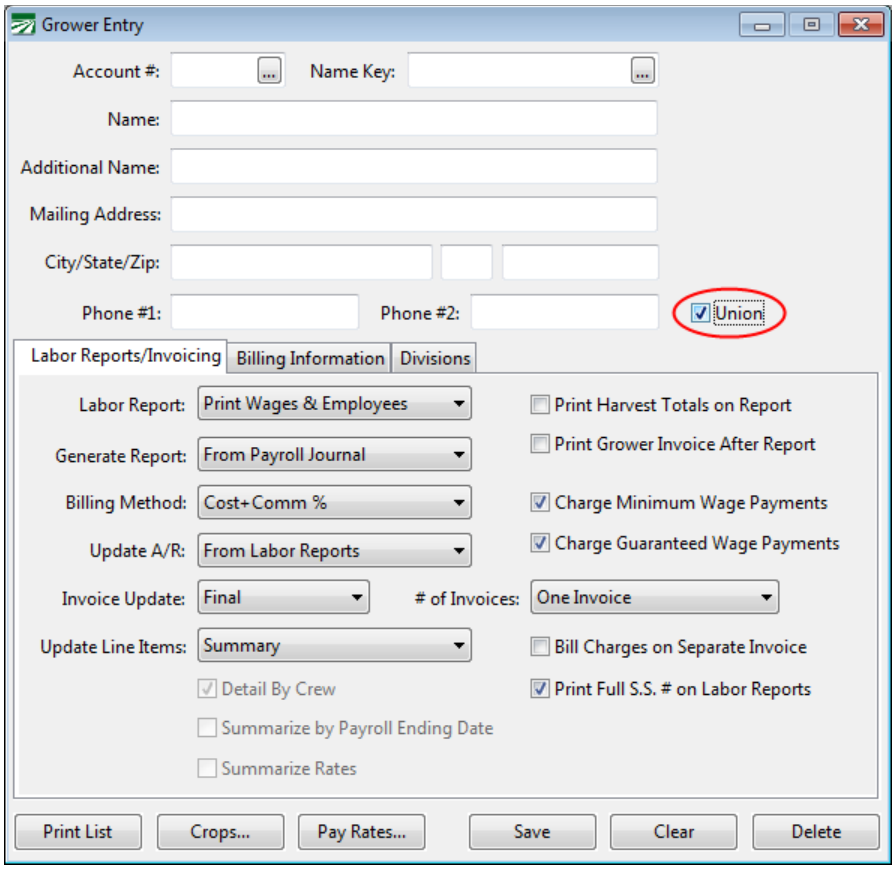
Print | Compile Deferred Comp | Edit W-2 Info... | Save | Clear | Delete

You may also need to add any employer contributions to the Employer-Sponsored Health Coverage amount (check with your accountant or tax advisor).

Union Dues Deductions

The Union Dues Calculation is designed for farm labor contractors that have some growers where employees are paid union wages and other growers where they are not. The Union Dues are based on a percentage of the employee union wages only, excluding non-union wages from the calculation. A special deduction calculation method is used on the employee accounts for this type of deduction. .

A setting on the Grower file determines whether wages for that grower are considered union wages or not. If this box is checkmarked, the program will use any wages paid to the employee for work done on that grower account in the union dues calculation.



On the employee account, you must set up a deduction for the union dues using the “Percent of Union Wages” method as shown below:

Employees

Account #: 655321 Name Key: SORRENNOLAN87 S.S. #: 625 40 9787 ? Active

Employee Info | Deductions | Totals | History/Benefits | Check Profile | Archive | Direct Deposit

Tax Information:

Type: Agricultural (943)

Fed. Marital Status: Single

State Marital Status: Single

Pay Cycle: Weekly

Special Tax Status: None

State for Wht.: CA

State Rate: 0.00

State For SDI/UI: CA

Dependents:

Federal: 1 State: 1

Additional Withholding:

Federal: 0.00 State: 0.00

Hire Act Employee (No Employer SS)

Hire Credit Start Date:

Miscellaneous Deduction Settings:

Advance/Loan Balance: 0.00 Deduction: 0.00

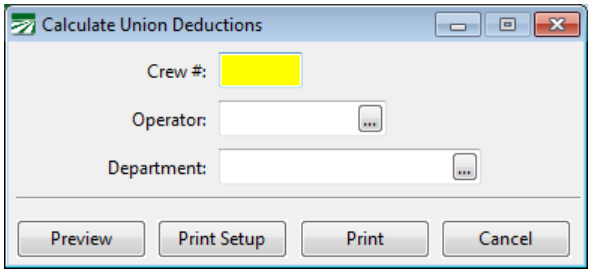
Type/Description	Method	Amount	Percent	Min. Amt	Max. Amt	W
6 -	Percent of Union Wages	0.00	0.00	0.00	0.00	
0 - None	<Undefined>	0.00	0.00	0.00	0.00	
0 - None	<Undefined>	0.00	0.00	0.00	0.00	
0 - None	<Undefined>	0.00	0.00	0.00	0.00	
0 - None	<Undefined>	0.00	0.00	0.00	0.00	
0 - None	<Undefined>	0.00	0.00	0.00	0.00	
0 - None	<Undefined>	0.00	0.00	0.00	0.00	
0 - None	<Undefined>	0.00	0.00	0.00	0.00	
0 - None	<Undefined>	0.00	0.00	0.00	0.00	
0 - None	<Undefined>	0.00	0.00	0.00	0.00	

Terminate | Rehire | Print | Save | Delete | Clear

Workflow

Enter your payroll in Daily Payroll and Create Checks as usual.

Select the **Calculate Union Deductions** option from the **Payroll->Checks** menu. The following window will open:



You may select a particular Crew, Operator or Department. If you want to create the union deductions for all checks in the batch, leave these entries blank.

The report will look similar to this:

Labor Contractor Demo Files
Calculate Union Deductions
03/05/2009 11:35

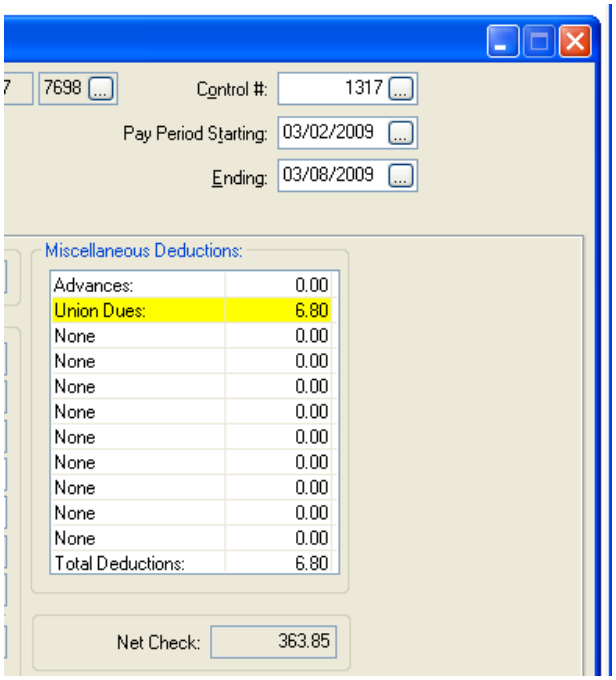
Page #: 1

Acct #	Employee Name	Gross Wages	Non-Union Wages	Union Wages	Percent	Deducti
98001	BARRERA CASTRO, PEDRO B	416.50	0.00	416.50	3.00	12.50
98002	LOPEZ GARCIA, JOSE MANUA	250.00	0.00	250.00	2.00	5.00
98003	HERNANDEZ, GUADELUPE	420.00	80.00	340.00	2.00	6.80
	Totals:	1,086.50	80.00	1,006.50		

If you have not set up Employees/Growers as Union, you may edit the accounts and re-run the Union Deduction Report. If an employee is on the report that shouldn't be (you entered the wrong grower), you can edit the check, and re-run the Union Deductions Report. The program will re-calculate the deductions and remove it, based on the current entries in the file.

The Union Deduction can be run as many times as you need prior to printing checks.

The deductions that are calculated by the report will appear on the Batch Payroll Check entry window in the Miscellaneous Deduction section:



Regular Rate of Pay

Used for determining overtime pay rates. As defined in California:

The following are examples of how to calculate the regular rate of pay:

1. If you are paid on an **hourly basis**, that amount is the regular rate of pay.
2. If you are paid a **salary**, the regular rate is determined as follows:

   Multiply the monthly remuneration by 12 (months) to get the annual salary.

   Divide the annual salary by 52 (weeks) to get the weekly salary.

   Divide the weekly salary by the number of legal maximum regular hours (40) to get the regular hourly rate.
3. If you are paid by the **piece or commission,** either of the following methods may be used to determine the regular rate of pay for purposes of computing overtime:

   The piece or commission rate is used as the regular rate and you are paid one and one-half this rate for production during the first four overtime hours in a workday, and double time for all hours worked beyond 12 in a workday; or

   Divide your total earnings for the workweek, including earnings during overtime hours, by the total hours worked during the workweek, including the overtime hours. For each overtime hour worked you are entitled to an additional one-half the regular rate for hours requiring time and one-half, and to the full rate for hours requiring double time.

   A **group rate for piece workers** is an acceptable method for computing the regular rate of pay. In using this method, the total number of pieces produced by the group is divided by the number of people in the group, with each person being paid accordingly. The regular rate for each worker is determined by dividing the pay received by the number of hours worked. The regular rate cannot be less than the minimum wage.
4. If you are paid **two or more rates** by the same employer during the workweek**,** the regular rate is the "weighted average" which is determined by dividing your total earnings for the workweek, including earnings during overtime hours, by the total hours worked during the workweek, including the overtime hours. For example, if you work 32 hours at $9.00 an hour and 10 hours during the same workweek at $7.00 an hour, your weighted average (and thus the regular rate for that workweek) is $8.52. This is calculated by adding your $358 straight time pay for the workweek ((32hours x $9.00/hour) + (10 hours x $7.00/hour) = $358) and dividing it by the 42 hours you worked.

Source: http://www.dir.ca.gov/dlse/faq_overtime.htm

PPACA: Terms, definitions, and compliance

This document will not explain all of the terms and details related to the PPACA—we are going to focus on those terms that directly apply to how the payroll system can be used to comply with the law's requirements. If you haven't started already, we recommend that at least one person in your company begin researching the law's requirements and impact on your operation.

Disclaimer: Datatech cannot provide legal advice about complying with the PPACA to your company, nor should this document or any other document be constituted as legal advice. The information we are providing is based on our best understanding of the law and regulations that have been released at this point in time, and specifically as it relates to the record-keeping and reporting requirements and how compliance with the law can be accomplished using our payroll software. If you need legal advice on complying with the PPACA or advice on compliance that falls outside the scope of using our payroll software, you should consult with a lawyer, insurance professional or other consultant that specializes in this area.

PPACA

PPACA stands for Patient Protection and Affordable Care Act. Sometimes it is referred to as "Obamacare".

Large Employer

A key provision of the PPACA is that employers must provide health insurance coverage to their employees. The PPACA does not require *all* employers to provide health insurance coverage. Only employers that meet the law's definition of a "large employer" (in general, a company that employs an average of 50 full time workers) are required to provide health insurance coverage. If your company meets the definition of a large employer, there are two penalties your company may be subject to.

One penalty applies if you fail to provide any health insurance coverage at all. A different penalty is assessed if you do provide coverage but it doesn't meet the law's requirements for affordability.

The term "applicable large employer" is used to refer to companies that are subject to the law's requirements (mandates) to provide health insurance coverage. The determination as to whether your company is an "applicable large employer" is made for each calendar year based on the previous calendar year's payroll information. If you are close to the limits set by the law and your workforce varies from year to year, your status as a "large employer" may change from year to year.

Full Time Employees/Full Time Equivalents

Whether or not you qualify as a large employer depends on the number of full time employees your company employs. To prevent companies from changing their workforce from full time to part time workers in an effort to avoid the mandate, the hours worked by part time employees are totaled and divided by 120 to arrive at a "full time equivalent" number of employees. The total full time and full time equivalents are added together when performing an employee count.

Part Time Workers

Part time workers are defined by the law as working fewer than 30 hours a week or 130 hours in a month. You are not required to offer health insurance coverage to part time employees.

Seasonal Workers

Agricultural and holiday season workers are considered seasonal workers based on the nature of the work they perform. Other types of workers may also be considered seasonal workers. *Your company may qualify for an exemption from the "large employer" classification depending on the number of seasonal workers you employ and how many days they work.*

Measurement Period

This is the period of time that your company establishes to determine the full time or part time status of employees. Separate measurement periods are established for new employees and ongoing employees.

Administrative Period

After the measurement period, the administrative period is the time during which you can notify full time employees that they are eligible for coverage, provide them with plans to select from, and give the employee to make an decision regarding coverage.

Stability Period

After establishing coverage, this is the period of time that the employee is guaranteed coverage. At the end of the stability period, if the employee's status changes to part time, they may not be eligible for coverage.

Hours of service

Hours of service is not the same as hours worked. Hours of service include actual hours worked as well as hours for which an employee is paid or entitled to payment even when no work is performed. Employees qualify for coverage based on hours of service, not hours worked.

Hours of service includes (but is not limited to) sick pay, vacation pay, holiday pay. For purposes of calculating "hours of service", the program includes all hours where the "Base Pay Type" of the wage type used is set to Regular, Overtime, Doubletime, Piecework, Illness, Holiday, or Vacation.

Hours of service may include incapacity (due to disability), layoff, jury duty, military duty, or leave of absence. If you pay employees for any of these items, you can either use the existing Illness, Vacation, or Holiday Pay wage types, or create new wage types that use one of these selections for the "Base Pay Type".

What is provided in the Payroll System

Two new reports are provided in the payroll system.

PPACA Full Time Employee Count

This report is designed to do the employee counts necessary to determine whether or not your company is an “applicable large employer” and thus required to offer health insurance coverage to your employees.

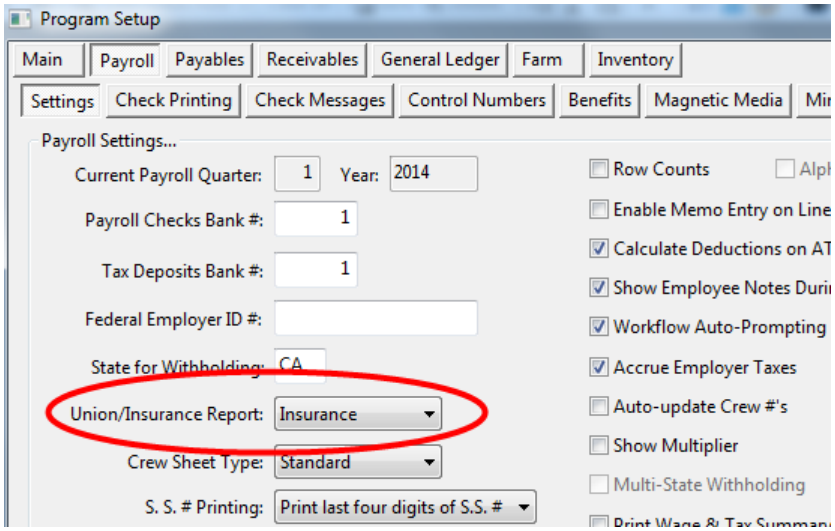
PPACA Hours Analysis Report

This report is designed to provide you with hourly totals by month. It will assist you and your insurance broker/health insurance consultant in determining how to design your measurement/administrative/stability periods. This report can be run for prior payroll periods allowing you to can estimate how many employees will qualify for coverage.

Separate documentation will be provided for these two reports. This document is designed to get you familiar wit h the terminology used for PPACA compliance and the unique issues you may encounter with how you enter and process payroll now vs. what will be needed for compliance.

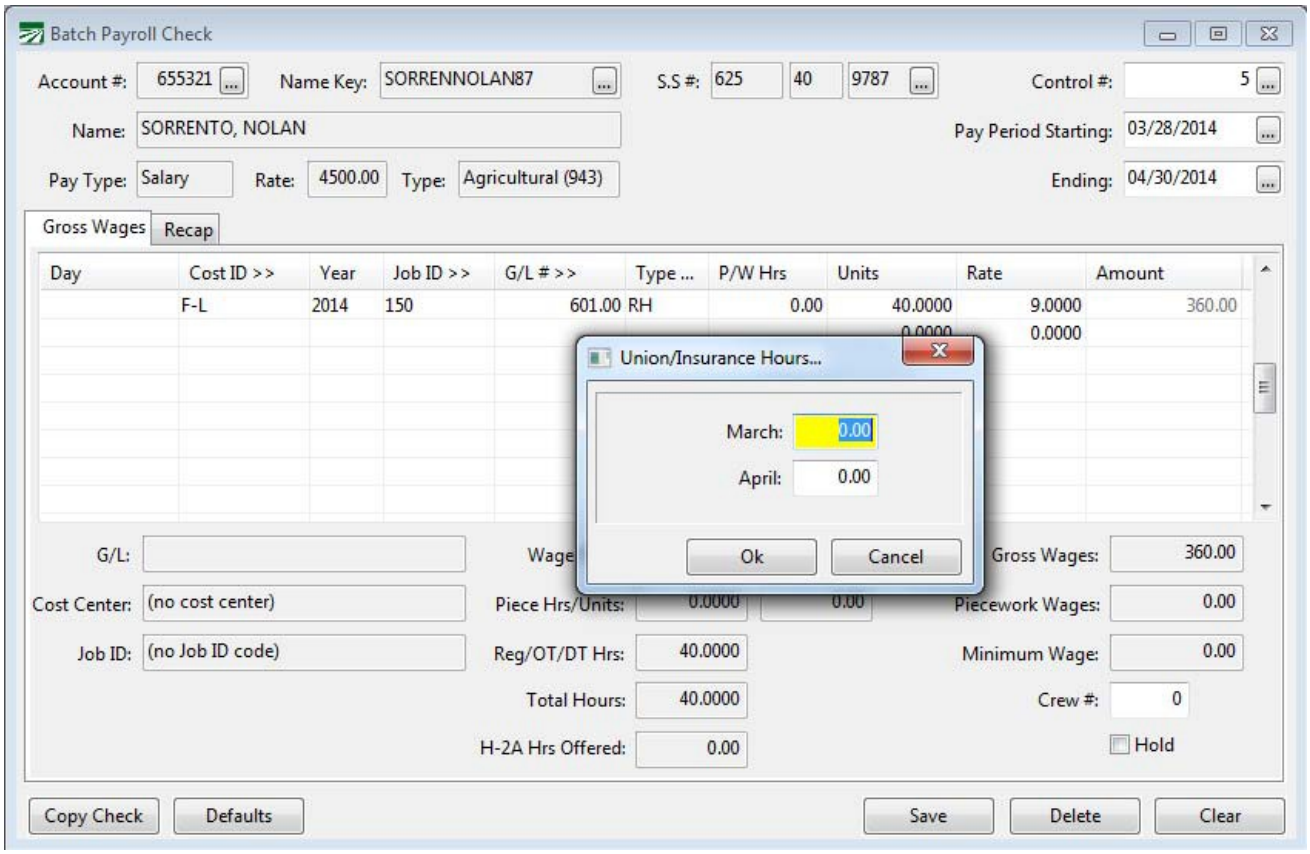
Hours by pay period vs. hours by calendar month

Tracking “hours of service” by calendar month is normally required for insurance or union reporting purposes. This is required by the PPACA for determining health insurance eligibility. If you currently offer health insurance coverage or have offered it in the past, you may already be familiar with reporting requirements. The Payroll system has always been able to track hours of service by calendar month, but it is an option that you will need to turn on. The setting that controls recording hours by calendar month is located on the Payroll Settings section on the Program Setup window:



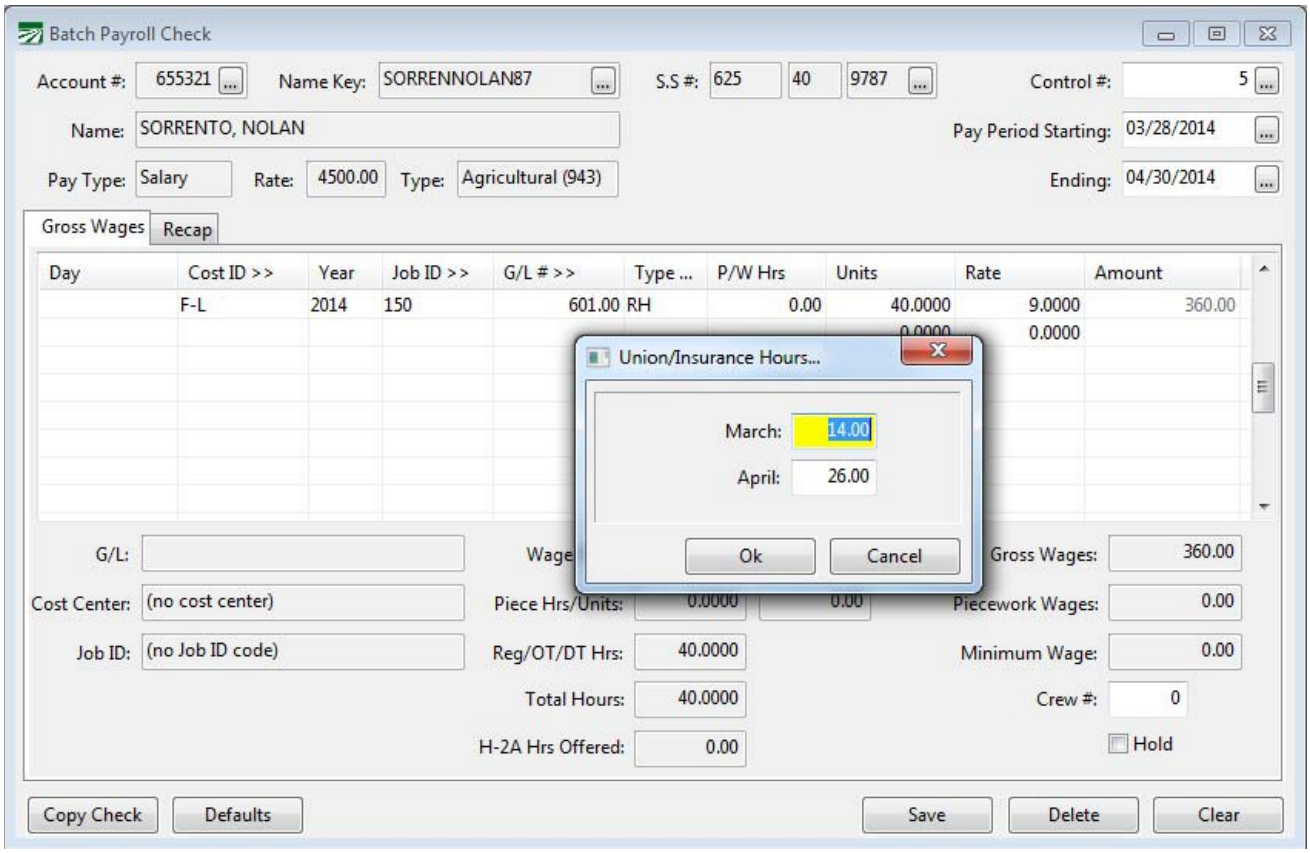
When this setting is enabled and you have a pay period that includes some days from the end of the prior month and some days from the beginning of the current month, the program will attempt to determine how many hours were worked in each month. (When the pay period only includes days from a single month, there is obviously no problem figuring out how many hours were worked in that month.)

Here are a few examples so you can see how this works:



In the example above, a single line for 40 hours was entered for the week. Nothing was entered in the Day column, so the program has no way of determining how many hours were worked in each month. When you click on the Save button, a window appears for you to enter the number of hours worked in each month. There are no default hours entered for each month. It is up to the user to enter the correct number of hours.

Here is another example where the same number of hours are paid to the employee, but the time is entered on separate lines for each day:



In this example, the program is able to determine how many hours were worked in each month based on the two digits entered on each line in the Day column. The hours are filled in automatically for you.

Note: As of the 2012 Year End Update, a new option was added to the Batch Payroll Entry window to enter a full date (in MM/DD/YYYY format) instead of a two digit Day. If this option is enabled, the program still applies the same logic to determine how many hours were worked in each month. The setting that controls this is located under Tools->Program Setup->Payroll->Settings

Daily Payroll

When checks are created from Daily Payroll Entries, similar logic is applied to determine how many hours are worked in pay periods that span two months. As long you are entering the time for each day on separate lines on the Daily Payroll Entry window, the program will automatically be able to determine the number of hours worked in each month.

Some customers have made it a practice to enter the total time worked by an employee on one line in the Daily Payroll Entry window. This technique can eliminate some data entry work, but it does not permit the program to accurately record the number of hours worked in each month for pay periods that span two months. Consider the following example for the pay period of 4/28/2013 through 5/4/2013:

Daily Payroll Entry

Acct # >>	Crew	Day	Cost ID >>	Year	Job ID >>	G/L # >>	Type >>	P/W Hrs	Units	Rate
1	0	03/30/2014	F-E	2014	150	601.00	RH	0.00	40.0000	9.0000
								0.00	0.0000	0.0000

In this example, the program will record 40 hours worked in May, and no hours worked in April for this pay period. If you use this method of entering payroll, at a minimum, you should start entering at least two line items for split pay periods, one for each month, to record the hours worked in each month as shown below:

Daily Payroll Entry

Acct # >>	Crew	Day	Cost ID >>	Year	Job ID >>	G/L # >>	Type >>	P/W Hrs	Units	Rate
1	0	03/30/2014	F-E	2014	150	601.00	RH	0.00	16.0000	9.0000
1	0	04/04/2014	F-E	2014	150	601.00	RH	0.00	24.0000	9.0000
								0.00	0.0000	0.0000

Time Clocks

This would also apply to time that is imported from time clocks or other time collection systems. If your time clock creates a file that summarizes regular, overtime and doubletime hours worked into totals for the entire week, then you will not get hours worked for each day in the pay period. For a pay period that spans two different months, the program will not be able to determine how many hours were worked in each month. And the program will not be able to determine how many employees actually worked on each day in the pay period.

To track hours and days worked in the Datatech Payroll system, check yourtime clock software to see if you can modify the export file so that it includes separate lines for each day worked. The import configuration file will likewise need to be modified to handle the addition of the dateinformation.

Insurance Hours Fix option

If you don't already have the Insurance hours tracking option turned on, the program has not been recording the insurance hours. The program now has a "fix" option that will add up the hours of service on checks that have already been issued and calculate the hours worked by calendar month for each check. This fix option needs to be run before you can use the new PPACA reports. It is located on the Payroll->Utilities menu.

This fix option will also fill in the "Date Worked" field on line items if it is not already filled in.

Why is it important to track hours by calendar month?

Employees qualify for coverage under the PPACA based on the hours of service per calendar month. If you attempt to track hours only by pay period, you could run into compliance issues. If an employee that would qualify for health insurance based on calendar month hours but not based on hours worked by pay period is denied or not offered coverage, your company could be subject to penalties.

When you hire an employee that is going to work full time, you generally have 90 days to offer them coverage. But when you hire a employee that is seasonal or may work variable hours, you don't necessarily know if they will qualify for coverage. For new employees you are able to set a *measurement period*.

During this measurement period, you can add up the hours worked to make a determination as to whether they averaged 30 hours per week. If they do not average at least 30 hours, the employee is considered part-time, and you are not required to offer health insurance coverage. If they do average 30 hours or more, you are required to offer health insurance coverage.

A standard measurement period also applies to current (ongoing) employees as well. Your company will need to set a standard measurement period that applies to all ongoing employees. During this measurement period, you can calculate the average hours worked per week by your employees, and use this to determine whether or not they qualify.

Because your company determines the measurement periods to use, if using the hours worked by pay period resulted in some employees not qualifying for health insurance coverage when they should have otherwise qualified based on calendar month hours, not only could it subject your company to penalties under the law, but it might invite closer scrutiny from the IRS to determine whether or not your company is deliberately skirting requirements of the law to avoid offering coverage to your employees. We recommend that you use the capabilities of the software to track hours worked by calendar month in determining health insurance eligibility to maintain compliance with the law.

Tracking Actual Days Worked

It may be important to track the actual days worked by employees if your company is close to the limit on the number of seasonal workers. If you are definitely below the average of 50 full time employees per month, or you are definitely above this limit, you may not need to worry about this.

For companies that would otherwise be considered “large employers”, the law provides an exception for companies that employ seasonal workers. Normally if you employ an average of 50 or more employees per month, you are required to offer health insurance coverage to your employees. But if you employ seasonal workers, your company may exceed the 50 employee limit as long as two conditions are met:

1. You cannot exceed the limit of 50 workers for more than 120 days.
2. On those days, the employees over the limit of 50 must all be seasonal workers.

To determine if your company qualifies for this exception, you need to know how many employees worked on every day of the calendar year. If you normally enter payroll time on a daily basis, the program will be able to count all of the employees that worked on each day. If not, the program will have no way of counting your workforce to determine whether or not you exceeded the worker limit on 120 days or fewer.

A new setting has also been added to the employee file to determine an employee’s seasonal worker status. More details are available in the PPACA Full Time Employee report instructions.

Salaried Employees

Salaried employees may present two unique issues. First, if you are close to the limit for determining whether or not you are large employer, salaried workers need to be included in the employee counts. Depending on how you enter payroll for salaried employees, the system may not know how many hours salaried employees worked or what days salaried employees worked on, leaving them out of the total employee count by day. Including salaried employees in the total employee count could be the difference between being under or over the limit.

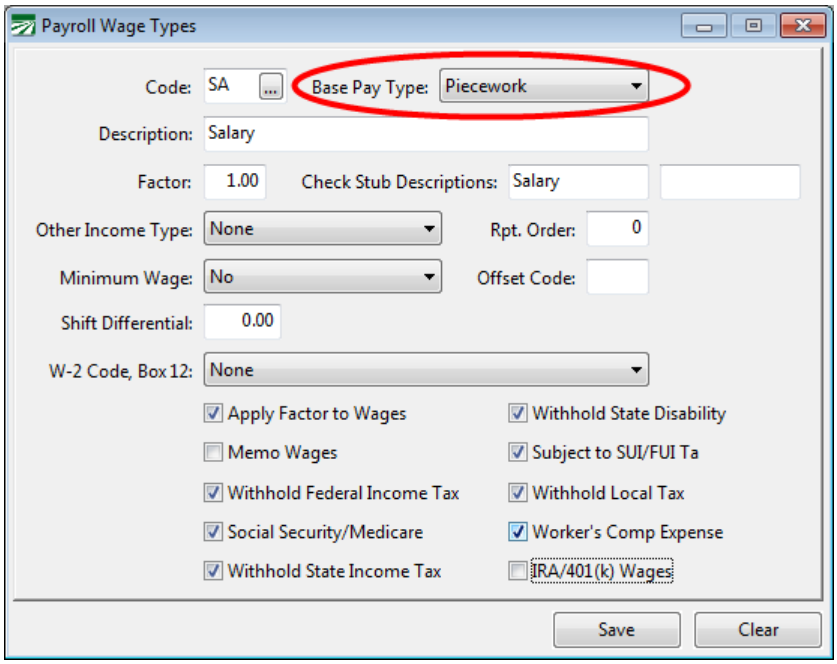
Second, since qualifying for insurance coverage is based on hours worked, if you don't record hours worked for salaried employees by calendar month, or have a way of assuming the number of hours worked, salaried employees will never show up on reports that give you hours of service. One possible way of dealing with this issue is to simply treat salaried employees as a group separate from your hourly employees. If you determine that all salaried employees will always qualify for coverage, it does not matter whether or not they appear on reports that are based on hours—you will always offer these employees health insurance coverage.

There are two ways salaried employees are typically paid. In either case, recording the actual (or assumed) hours worked during payroll entry is possible if you make a change to the Salary wage type. If you don't record hours worked on your salaried employees, the new PPACA Full Time Employee report includes a feature that allows you to specify which days of the pay period salaried workers should be included in the worker count by day.

Tracking hours worked for salary employees during payroll entry

By default, there is no way to track the actual or assumed number of hours worked by a salaried employee. The salary wage type can be modified to operate like the piecework wage type, however. When this is done, the program will allow you to enter the number of hours worked in the Piecework Hours column, just like regular piecework. This modification is commonly done by employers in certain states (including Oregon and Washington) where deductions and tax reporting requires recording hours worked for all employees.

To modify the Salary wage type, go to Payroll->Setup->Wage Types, and bring up the "SA" wage type:



Change the Base Pay Type from Salary to Piecework, and click on the Save button. This will enable the P/W Hrs column when entering a salary line item. You can enter the total hours worked this way.

Methods for entering salary wages

In some cases, salaried employees receive a “per day salary”. In these cases, their payroll checks may be entered with one salary line per day. If this is done, the program will know which days the salaried employees worked on. If you also enter the hours worked on each line, then the program will also know how many hours were worked each day.

It is also possible to enter one line with the number of days worked entered in the Units column, and the salary rate per day entered in the Rate column. If you also enter enter hours in the P/W Hrs column, then the program will know how many hours were worked for that pay period, but not how many hours were worked per day.

The other method is the “traditional” salary with a single line entered for the rate per paid period. In this case, there is no way to enter the number of days worked. Again, you can enter the total hours worked in the P/W Hrs column, but the program will not be able to determine how many hours were worked per day.

For salary workers, the PPACA Full Time Employee Count report needs to determine two things: which days they worked on (for the employee count) and how many hours they worked. Depending on how you enter your salary line items, the program may be able to determine both or neither:

	Hours Entered	Hours Not Entered
Salary Per Day, One Line/Day	Days Worked: Yes Hours/Day: Yes	Days Worked: Yes Hours/Day: No
Salary Per Day, One Line	Days Worked: No Hours/Day: No	Days Worked: No Hours/Day: No
Salary Per Pay Period	Days Worked: No Hours/Day: No	Days Worked: No Hours/Day: No

For cases where the report cannot determine the days or hours worked by salaried employees, a new feature of the software allows you to specify hours worked for salary employees based on a standard work seek schedule that will be used for reporting purposes. The instructions for the PPACA Full Time Employee Count report provide more details on how this is set up and works.

PPACA: How to determine if my company is an "applicable large employer"

Part of understanding and complying with the requirements of the Patient Protection and Affordable Care Act (PPACA) requires becoming familiar with the unique definitions contained in this law. One goal of this document is to help customers understand the definitions and requirements of the law, because without this knowledge, it will be difficult if not impossible to understand how new features of the software should be applied to support your compliance efforts.

Disclaimer: Datatech cannot provide legal advice about complying with the PPACA to your company, nor should this document or any other document be constituted as legal advice. The information we are providing is based on our best understanding of the law and regulations that have been released at this point in time, and specifically as it relates to the record-keeping and reporting requirements and how compliance with the law can be accomplished using our payroll software. If you need legal advice on complying with the PPACA or advice on compliance that falls outside the scope of using our payroll software, you should consult with a lawyer, insurance professional or other consultant that specializes in this area.

In this document, we have included direct citations from the Proposed Rule published by the Internal Revenue Service in the Federal Register on January 2, 2013. These citations appear in indented italic block quotes, and include the section from the Proposed Rule that the quote is taken from.

A PDF copy of the proposed rule may be found here:

http://www.gpo.gov/fdsys/pkg/FR-2013-01-02/pdf/2012-31269.pdf

We have also included some commentary in green blockquotes.

It is also important to realize that some aspects of the PPACA will be governed by regulations that have not been finalized, and in some cases, regulations that the government has not started writing yet. In some cases, employers will not be expected to implement procedures that do not have corresponding regulations.

What is an "applicable large employer"?

This has to do with the definition of which employers may be liable for penalties under the mandate to provide their employees with affordable health insurance coverage. Specifically:

Section 4980H(c)(2) defines an applicable large employer with respect to a calendar year as an employer that employed an average of at least 50 full-time employees (taking into account FTEs) on business days during the preceding calendar year. (I.A.1)

In short, if your company qualifies an "applicable large employer", you must make available to your employees health insurance plans that meet the requirements of the PPACA (i.e. "the mandate"). Failure to do so can result in penalties being assessed against your company.

Of course, if you are not an "applicable large employer", you may still offer health insurance plans to your employees. You are simply not under any threat of penalty if you do not.

There are several important points to note:

- The IRS has published specific instructions about how to calculate the average number of employees employed by your company. Datatech has added a new report (the PPACA Full Time Employee Count) to the payroll system that follows these instructions. ***The accuracy of this report does depend on how you have entered your payroll.*** (These issues are addressed in the previous document, "PPACA #0: Terms, definitions and compliance".) It may be necessary to run a "fix" option to compile some data, or you may need to manually enter some information into the system to get a 100% accurate employee count.
- Your company may be large enough that there is no question that you are an "applicable large employer". If this is the case, you do not need to worry about using the PPACA Full Time Employee Count report.
- The determination as to whether or not your company is an "applicable large employer" is done each year. If your workforce fluctuates from year to year, is possible that your business may fall under the mandate one year, but not the next year.
- If multiple companies share the same ownership, you will need to combine the employee counts from all companies to make the determination of whether you are an "applicable large employer". One company by itself may not be considered an "applicable large employer", but counting all of the employees of related companies together may result in each company being considered an "applicable large employer".

  Combining employee counts from multiple companies with the same ownership is outside the scope of the payroll system. The PPACA Full Time Employee Count report will give you the raw numbers for each company, but you will need to combine them together to make this determination.
- If you have a successor business, you will need to combine data from the original business and the successor business in making the determination if your company is an "applicable large employer". The PPACA Full Time Employee Count report will need to be run for both companies, and you will need to combine the results.
- Normally the determination of whether you are an applicable large employer is based on the entire previous calendar year's payroll data. For 2014, the IRS has granted "transition relief", meaning that the determination may be based on at least six months worth of payroll records in 2013. The PPACA Full Time Employee Count report may be run using a starting and ending date, which means it can be run for a full calendar year or for a shorter period of time. (See section IX.E in the Proposed Rules.)

It is not clear to us from the legislation and the regulations that have been written so far how companies that may or may not be applicable large employers should handle transitioning from being required to offer health insurance to not being required to offer health insurance and vice versa. Of course, if you are over the 50 employee limit one year, and go under the limit the next year, you can still continue to offer the same health plans to your employee (assuming your insurer will renew your coverage).

The law does not allow for any administrative period between the determination that you are an applicable large employer and when you are required to begin offering coverage. As written, the law states that the determination is based on the employee count for the preceding calendar year. If you are over the 50 employee limit in the prior year, then you are required to offer coverage starting January 1st of the current year. This could be problematic if your company is on the edge, e.g. if it is not clear until the end of the year whether you will be above or below this limit.

If you need to add coverage, some time will be needed to either make adjustments to existing health insurance plans, establish a new plan, inform employees of their coverage options, and provide time for them to make their selections. If you are going to drop coverage because your company is no longer subject to the mandate, employees may need some notice so that they can make other arrangements to obtain coverage.

It may be that the IRS will issue additional regulations that will allow employers to use shorter periods provided under the "transition relief" on an ongoing basis, or use a full year other than the calendar year (such as October to September) to make this determination while providing enough time for administrative tasks before the calendar year.

- Finally, and perhaps most importantly for many of our customers, the limit of an average of 50 full time employees has an exception for companies that employ seasonal workers. The calculations needed for this exception are built into the PPACA Full Time Employee Count report. (Again, the accuracy of this report will depend on how you have entered your payroll check information.) You can exceed the 50 full time employee limit and still not be considered an "applicable large employer" if you employ more than 50 employees **for 120 or fewer days out of the year *and* all of those employees over the limit are seasonal workers.**

As discussed above, in the Proposed Rules, section IX.E provides for "transition relief" for employers to use a shorter time frame in calculating the average number of employees. However, the rules do not address how seasonal workers should be handled when using a shorter time frame. Specifically, should the limit on the number of days that your company can exceed the 50 worker limit be adjusted according to the shorter time period that you choose?

As an example, if you use a six month time frame (26 weeks) as your measurement period and you have a six day work week, there are a total of 156 work days in this time period. Obviously, if you use the 120 day maximum that is meant to apply to a period of one calendar year, then you can exceed the 50 employee limit for most of the measurement period.

It is clear that the 120 day maximum is meant to apply to a calendar year, but the IRS has not specified the maximum to use for shorter periods of time. Logically, the maximum could be converted to 10 days per month, and for a six month period the maximum number of days you could exceed the 50 employee limit would be 60 days; for nine months, 90 days;

etc. However, since no guidance was provided in the Proposed Rule, you should be careful if you decide to use this "transition relief" method and you employ seasonal workers.

How does the new report calculate the average number of employees?

The report determines how many employees worked for each month in the calendar year. It determines whether each employee that worked in a month was a full time or a part time employee. By definition, a full time employee has at least 30 "hours of service". Part time employees have fewer than 30 hours of service per week.

For the sake of simplicity, the IRS allows the determination of full time vs. part time to be done on a monthly basis using 130 hours as the threshold for full time status. (See II.A) Therefore, the actual rule used to determine full time vs. part time status is whether or not an employee has at least 130 hours of service in a given month.

Hours of service include actual hours worked as well as hours for which an employee is paid or entitled to payment even when no work is performed. This would include (but is not limited to) sick pay, vacation pay, holiday pay. For purposes of calculating "hours of service", the report will include all hours entered on each line where the "Base Pay Type" of the wage type used on that line is set to Regular, Overtime, Doubletime, Piecework, Illness, Holiday, or Vacation.

Part of the total employee count is a conversion of part time employees to "Full Time Equivalents". The hours of service for each part time employee (up to 120 hours per employee) are added together and the total is divided by 120 to determine the total "full time equivalents" (FTEs). Fractions are taken into account in this calculation for each month.

The total full time employees and full time equivalents are added together for each month. In turn the totals for each month are all added together and divided by 12 (assuming you are printing the report for a calendar year) to arrive at the average full time employees.

Obviously, you cannot run this report for a full calendar year until you have finished the payroll for that calendar year. You can run this report for the 2012 calendar year, and if your payroll is fairly consistent from year to year, this may give you an idea of your total employee count. Since you can pick the starting and ending dates, you could also run it for a twelve month period starting in 2012 and including all of the payroll completed in 2013. For instance, if you have finished payroll for May, you might run the report from June 1, 2012 through May 31, 2013.

How does the exception to the 50 employee limit work?

Employers with more than 50 full time employees are not considered to be an "applicable large employer" as long as they 1) do not exceed 50 full time employees for more than 120 days out of the calendar year and 2) on those days, all of the employees that are over the 50 employee limit are seasonal workers.

To make this determination, first you need to know how many employees worked on each day of the year. The only way for the program to make an exact determination of how many employees worked on each day is if there is a line item entered for each day the employee worked with a Day or Date Worked entered. If this is done, then the program can count how many employees worked on a given day, and thus determine the total number of days that the worker count exceeded 50 employees.

If the worker count exceeds 50 employees for more than 120 days, the exception does not apply, and your company is considered an "applicable large employer". If the worker count exceeds 50 employees for 120 days or fewer, then the exception applies, and your company is not an "applicable large employer".

A key point in the Proposed Rule is that the 120 days do not need to be consecutive:

In response to comments, and consistent with Notice 2011-36, these proposed regulations provide that, solely for purposes of the seasonal worker exception in determining whether an employer is an applicable large employer, an employer may apply either a period of four calendar months (whether or not consecutive) or a period of 120 days (whether or not consecutive). (I.A.6)

If the PPACA Full Time Employee Count report determines that you employed fewer than 50 full time employees, then the seasonal worker exception is moot (because your company is not an "applicable large employer") and it does not print anything else. If however, you are over 50 full time employees, the report will print a second section where it totals the number of employees that worked on each day of the year. It is important to stress that this calculation is dependent on how you have entered your payroll. It will only generate a correct count for each day of the year if you have not combined time for multiple days on one line item, and you have not left the "Day" or "Date Worked " blank on checks entered through the Batch Payroll Check Entry window.

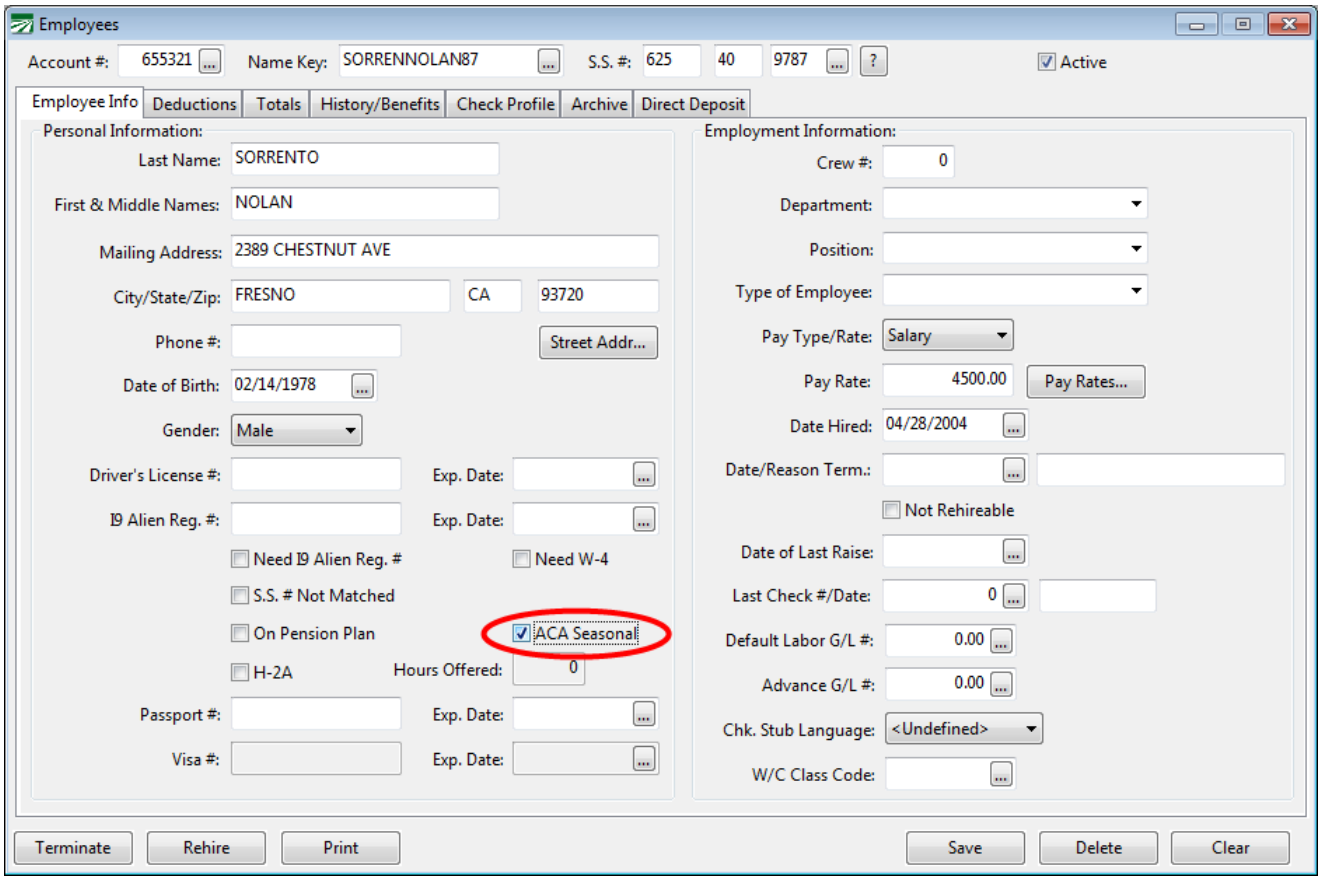
The second part of the condition for this exception is that the employees over the 50 employee threshold must be seasonal workers. The PPACA leaves the definition of seasonal employees to the Secretary of Labor. Based on this understanding, most agricultural workers will be considered seasonal employees. Per the Proposed Rule, employees covered under the MSAWPA are considered seasonal workers:

For purposes of the definition of an applicable large employer, section 4980H(c)(2)(B)(ii) defines a seasonal worker as a worker who performs labor or services on a seasonal basis, as defined by the Secretary of Labor, including (but not limited to) workers covered by 29 CFR 500.20(s)(1) and retail workers employed exclusively during holiday seasons. This definition of seasonal worker is incorporated in these proposed regulations. The Department of Labor (DOL) regulations at 29 CFR 500.20(s)(1) to which section 4980H(c)(2)(B)(ii) refers, and that

interpret the Migrant and Seasonal Agricultural Workers Protection Act, provide that "[l]abor is performed on a seasonal basis where, ordinarily, the employment pertains to or is of the kind exclusively performed at certain seasons or periods of the year and which, from its nature, may not be continuous or carried on throughout the year. A worker who moves from one seasonal activity to another, while employed in agriculture or performing agricultural labor, is employed on a seasonal basis even though he may continue to be employed during a major portion of the year." (I.A.6)

In short, the seasonal worker status of an employee is determined by the type of work they are performing, not by when they are hired or how many hours or days they work.

To track this status, a new checkbox has been added to Employee entry window:



By default, no employees will have this box checked. A utility has been provided to automatically check this box based on the employee type. Employees that are set up as Agricultural (943) employees will have their PPACA Seasonal Employee box checked automatically. If you employ agricultural workers, this utility provides a quick way to set the seasonal status correctly on most employees. Ultimately it is up to you to make sure this status is set correctly for all employees.

For example, some of our customers set up all of their employees as 943 employees, including office workers who would normally be reported on the 941. (This is often done to simplify tax reporting.) In this case, you would need to uncheck the seasonal status box on office workers or others who do not qualify as seasonal employees for the PPACA.

For instance, you might have a mechanic who repairs tractors and farm equipment set up as a 943 employee. In this case, the type of work performed by the mechanic may not be considered seasonal, and you would need to uncheck the seasonal status for this employee.

When the average monthly employee count exceeds 50, the PPACA Full Time Employee Count report will print for each day: the total number of workers, the total number of seasonal workers, and the total number of non-seasonal workers.

You can of course, also have seasonal employees that are not agricultural employees. For instance, if you operate a store and hire additional workers for the holiday season, these employees would be considered seasonal employees. Other types of workers may also be considered seasonal workers, but it is up to you to make that determination:

After consultation with the DOL, the Treasury Department and the IRS have determined that the term seasonal worker, as incorporated in section 4980H, is not limited to agricultural or retail workers. Until further guidance is issued, employers may apply a reasonable, good faith interpretation of the statutory definition of seasonal worker, including a reasonable good faith interpretation of the standard set forth under the DOL regulations at 29 CFR 500.20(s)(1) and quoted in this paragraph, applied by analogy to workers and employment positions not otherwise covered under those DOL regulations. (I.A.6)

If you have salaried employees, there are additional considerations in terms of reporting the correct number of hours worked and total employee counts per day. The following section explains those situations.

Reporting salaried employees

For salary workers, the PPACA Full Time Employee Count report needs to determine two things: which days they worked on (for the employee count) and how many hours they worked. Depending on how you enter your salary line items, the program may be able to determine both or neither:

	Hours Entered	Hours Not Entered
Salary Per Day, One Line/Day	Days Worked: Yes Hours/Day: Yes	Days Worked: Yes Hours/Day: No
Salary Per Day, One Line	Days Worked: No Hours/Day: No	Days Worked: No Hours/Day: No
Salary Per Pay Period	Days Worked: No Hours/Day: No	Days Worked: No Hours/Day: No

For most of these cases, the report has no way of determining which days the employee worked on and how many hours the employee worked. According to the Proposed Rule:

For employees not paid on an hourly basis, employers are permitted to calculate the number of hours of service under any of the following three methods: (1) Counting actual hours of service (as in the case of employees paid on an hourly basis) from records of hours worked and hours for which payment is made or due for vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence; (2) using a days-worked equivalency method whereby the employee is credited with eight hours of service for each day for which the employee would be required to be credited with at least one hour of service under these service crediting rules; or (3) using a weeks-worked equivalency of 40 hours of

service per week for each week for which the employee would be required to be credited with at least one hour of service under these service crediting rule.

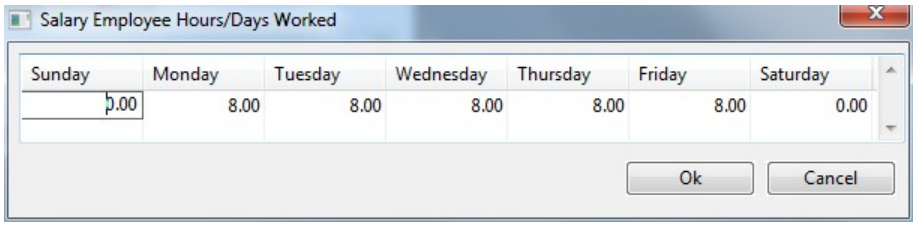
…

Although an employer must use one of these three methods for counting hours of service for all non-hourly employees, under these proposed regulations, an employer need not use the same method for all non-hourly employees. Rather, an employer may apply different methods for different classifications of non-hourly employees, so long as the classifications are reasonable and consistently applied.

…

Rather, the number of hours of service calculated using the days-worked or weeks-worked equivalency method must reflect generally the hours actually worked and the hours for which payment is made or due. (II.B.1)

To provide a method of crediting salaried employees with hours worked and include them in the count of total workers for each day, the PPACA Full Time Employee Count report allows you to enter the number of hours that should be credited per day to salaried employees. Click on the **Salary Settings** button on the report window and the following window will open:



Here you can enter the number of hours worked per day for salary employees. Salaried employees will be added to the total employee count for each day that they are credited with working.

In some cases, you may have different classes of salaried employees and need to credit different employees with different numbers of hours or days worked. In this situation, enter the hours that apply to **most** of the employees in the Salary Employee Hours/Days Worked window. For the other salaried employees, you can enter the hours that they should be credited with on the Profile tab of the Employee entry window:

Employees

Account #: 655321 Name Key: SORRENNOLAN87 S.S. #: 625 40 9787 ? Active

Employee Info | Deductions | Totals | History/Benefits | Check Profile | Archive | Direct Deposit

Line	G/L # >>	Job ID >>	Crop ID >>	Year	Code >>	PW Hours	Units	Rate

G/L Description:

Wage Type:

Cost Center:

Job ID:

PPACA Hours Worked/Day:

Sunday:	0.00
Monday:	80.00
Tuesday:	8.00
Wednesday:	8.00
Thursday:	8.00
Friday:	8.00
Saturday:	0.00

Terminate | Rehire | Print | Save | Delete | Clear

The settings entered on an employee account will override those entered on the Salary Employee Hours/Days Worked window.

You should make sure that salaried employees of the same classification all have the same hours/days entered on their accounts (per the second paragraph quoted above from section II.B.1 of the Proposed Rules.)

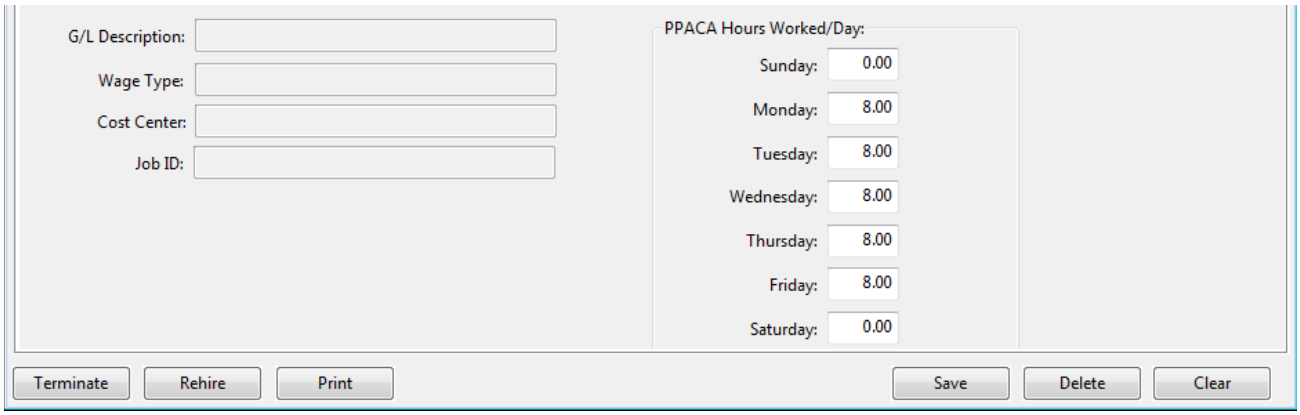
Example: You have several supervisors that are paid a salary based on working ten hours on six days a week for a total hours worked of 60 hours. You also have an office worker that is paid a salary based on five eight hour days. On the Salary Employee Hours/Days Worked window, you can enter the time for the supervisors:

Salary Employee Hours/Days Worked

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
0.00	10.00	10.00	10.00	10.00	10.00	0.00

Ok | Cancel

And on the office worker's employee account , you can enter the time for five days worked:



By doing this, each supervisor will be counted in the total employees that worked on Monday through Saturday for each pay period that they receive a check, and the office worker will be counted in the total employees that worked on Monday through Friday for each pay period.

Conclusion: If your company is close to the maximum limit of 120 days, you should make every effort to double check that the employee counts are correct. Unless actual hours of service are recorded and available in a time and attendance system for salaried employees, using the default hours/days worked as detailed above is the next best option for generating an employee counts by day.

It may be very important to accurately count salaried employees. While testing the PPACA Full Time Employee Count report using 2012 payroll for one customer, the report showed the 50 employee limit was exceeded on 20 days before days worked by salaried employees were factored in. But once salary employees were included, the 50 employee limit was exceeded on 116 days.

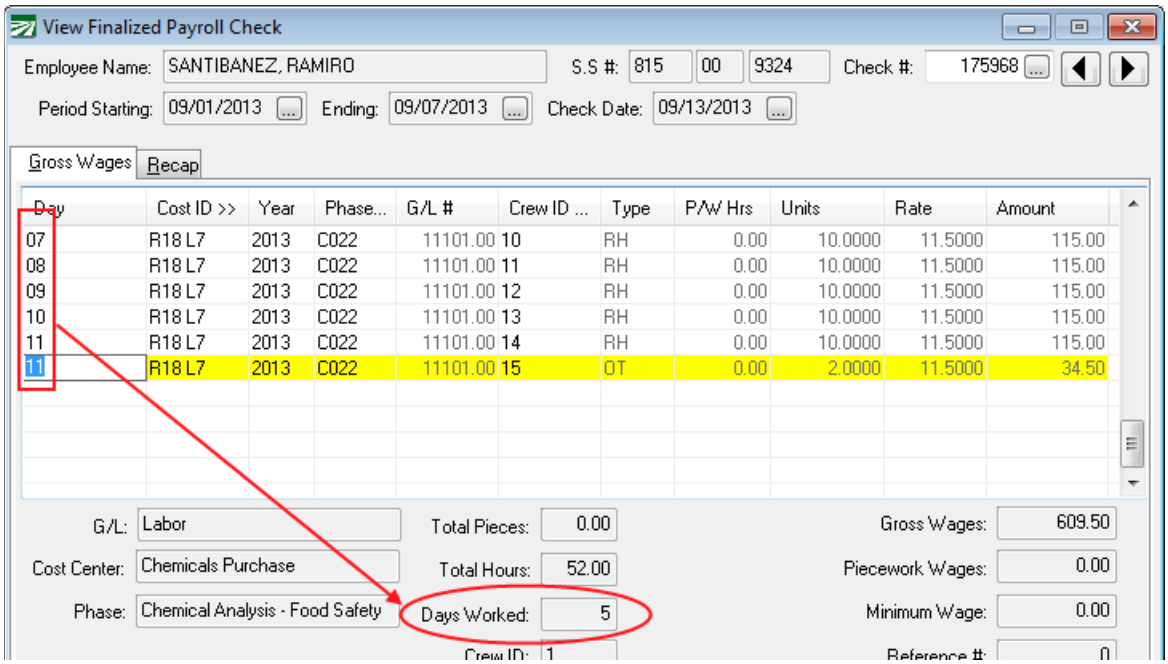
Tracking Days Worked

For some situations, you may need to keep track of how many days each employee has worked for each pay period. This may be needed to determine seniority, eligibility for benefits, etc. The Payroll system has had an automatic method of tracking the number of days worked by each employee if you enter the hours worked for each day on a separate line in either the Daily Payroll Entry or Batch Check Entry. When this is done, the program uses the **Day** column (or **Date Worked** column for Daily Payroll**)** to automatically determine the number of days worked for each check.

There is an option to print the days worked at the bottom of the payroll check stub. The Payroll Check Detail Report has an option to export the total days worked for each employee to an Excel spreadsheet (this is the total of days worked for all checks that appear on the report).

The total number of days worked appears at the bottom of the View Finalized Payroll Check window so that you can see what is calculated on each check.

As an example:



On this check, there are six line items, and five different entries in the **Day** column. The program determines that the number of days worked is five by counting the number of unique values entered in the **Day** column. In most cases, this method works fine. However, notice that the G/L #, Cost ID, and Phase are all the same on each line item, so the check could just as easily have been entered with only two line items:

View Finalized Payroll Check

Employee Name: SANTIBANEZ, RAMIRO S.S #: 815 00 9324 Check #: 175970

Period Starting: 09/01/2013 Ending: 09/07/2013 Check Date: 09/13/2013

Gross Wages | Recap

Day	Cost ID >>	Year	Phase...	G/L #	Crew ID ...	Type	P/W Hrs	Units	Rate	Amount
	R18 L7	2013	C022	11101.00	10	RH	0.00	50.0000	11.5000	575.00
	R18 L7	2013	C022	11101.00		OT	0.00	2.0000	11.5000	34.50

G/L: Labor Total Pieces: 0.00 Gross Wages: 609.50

Cost Center: Chemicals Purchase Total Hours: 52.00 Piecework Wages: 0.00

Phase: Chemical Analysis - Food Safety Days Worked: 0 Minimum Wage: 0.00

In this case, the program doesn't have any way of determining how many days were worked by the employee. The employee could have worked five, six or seven days. There is just not enough information given to determine how many days were actually worked. In fact, since nothing is even entered into the **Day** column, the program shows zero for the **Days Worked** on this check. It does not even try to guess. As another example, consider a check for a salaried employee:

View Finalized Payroll Check

Employee Name: MENDOZA, RODOLFO S.S #: 555 00 6935 Check #: 175929

Period Starting: 09/01/2013 Ending: 09/07/2013 Check Date: 09/13/2013

Gross Wages | Recap

Day	Cost ID >>	Year	Phase...	G/L #	Crew ID ...	Type	P/W Hrs	Units	Rate	Amount
2	R19 L4	2013	1161	11101.00		SA	60.00	1.0000	1100.0000	1100.00

G/L: Labor Total Pieces: 1.00 Gross Wages: 1100.00

Cost Center: Foreman Total Hours: 0.00 Piecework Wages: 1100.00

Phase: Foreman labor Days Worked: 1 Minimum Wage: 480.00

Here the employee is paid a set salary per week, and a "2" is entered in the **Day** column. The program has calculated that the employee worked one day, which is not necessarily correct. Another example:

View Finalized Payroll Check

Employee Name: GONZALEZ, ARTEMIO S.S #: 504 00 2463 Check #: 175971

Period Starting: 09/08/2013 Ending: 09/14/2013 Check Date: 09/16/2013

Gross Wages | Recap

Day	Cost ID >>	Year	Phase...	G/L #	Crew ID ...	Type	P/W Hrs	Units	Rate	Amount
2	R19 L3	2013	1181	11101.00		RH	0.00	5.0000	10.0000	50.00
8	R8 L2	133	1141	11000.00		RH	0.00	4.5000	10.0000	45.00
8	R8 L2	133	1141	11000.00		RH	0.00	0.5000	10.0000	5.00
9	R4 L6/7	133	1141	11000.00		RH	0.00	8.0000	10.0000	80.00
10	R4 L1	133	1141	11000.00		RH	0.00	6.0000	10.0000	60.00
11	R19 L3	2013	1181	11101.00		RH	0.00	7.5000	10.0000	75.00
12	R8 L2	133	1141	11000.00		RH	0.00	7.0000	10.0000	70.00

G/L: Labor Total Pieces: 0.00 Gross Wages: 385.00

Cost Center: Shop (Mechanic) Total Hours: 38.50 Piecework Wages: 0.00

Phase: Mechanic labor Days Worked: 6 Minimum Wage: 0.00

On the first line item, the employee is being paid for work performed in a prior pay period that was accidently left off the employee's last check. Since there are six different values entered in the **Day** column, the **Days Worked** shows 6. However, if you want the **Days Worked** count to reflect the actual number of days worked in the pay period covered by this check, the **Days Worked** should actually be five. You might also want the **Days Worked** count to be *either 5 or 6*, depending on whether or not the employee was paid any other wages for the 2nd on his prior check.

Here is a final example:

View Finalized Payroll Check

Employee Name: JOHNSON, MARTIN B S.S #: 225 00 1442 Check #: 175973

Period Starting: 09/08/2013 Ending: 09/14/2013 Check Date: 09/16/2013

Gross Wages | Recap

Day	Cost ID >>	Year	Phase...	G/L #	Crew ID ...	Type	P/W Hrs	Units	Rate	Amount
09	R18 L3	2013	1001	60000.00		RH	0.00	8.0000	12.0000	96.00
10	R18 L3	2013	1001	60000.00		RH	0.00	8.0000	12.0000	96.00
11	R18 L3	2013	1001	60000.00		RH	0.00	8.0000	12.0000	96.00
12	R18 L3	2013	1001	60000.00		VA	0.00	8.0000	12.0000	96.00
13	R18 L3	2013	1001	60000.00		HO	0.00	8.0000	12.0000	96.00

G/L: Labor Total Pieces: 0.00 Gross Wages: 480.00

Cost Center: Custom Growing Total Hours: 24.0000 Piecework Wages: 0.00

Phase: Planting Days Worked: 5 Minimum Wage: 0.00

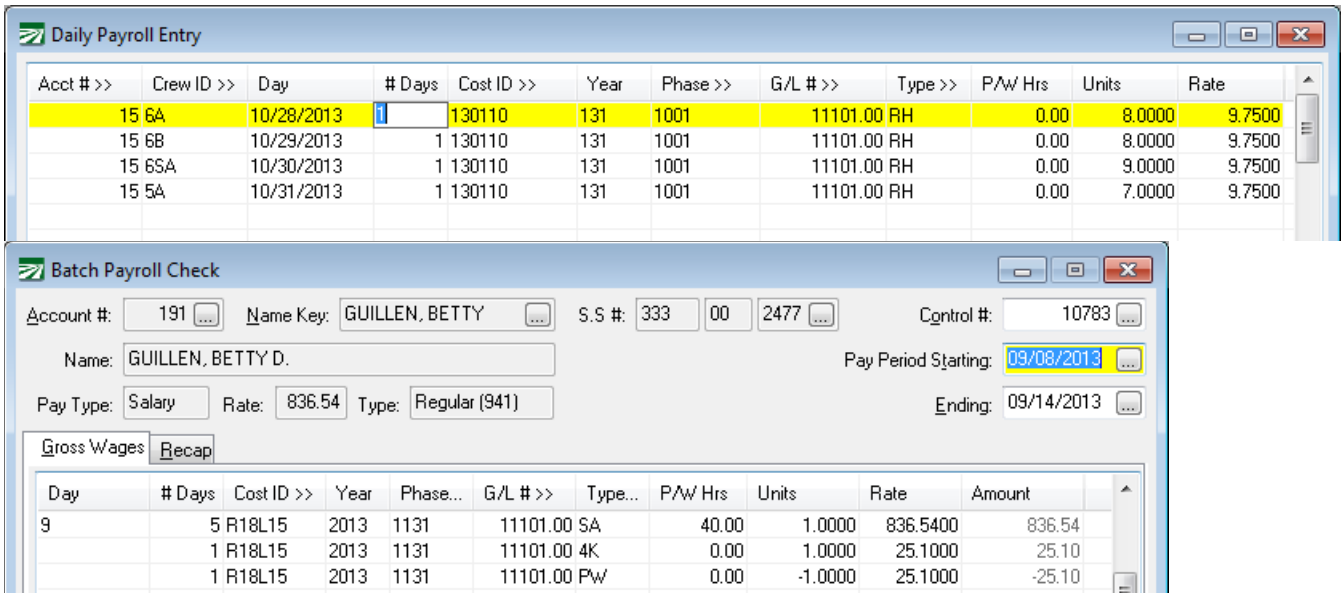
This looks correct, there are five line items for five different days, and the program has calculated five for the **Days Worked**. However, notice that the last two lines are for one day of paid vacation and a paid holiday off. Depending on

your circumstances and preferences, you may or may not want to include vacation and holiday lines in the days worked calculation. If you only want to count days on which the employee actually worked, then you would want the program to calculate "3" for the **Days Worked**.

New Entry for Days Worked

To enable more accurate tracking of days worked, as well as more control over how the calculation is done, we have added a new column to the line item entry for both Daily Payroll and Batch Payroll Check Entry. By default, the new "# Days" column is not enabled. When it is not enabled, the program continues to use the same calculations as described in the previous section to determine the number of days worked in each pay period. When you do enable this column, then you will have control over how the program calculates the total number of Days Worked on each check.

On both the **Daily Payroll** and **Batch Payroll Check** entry windows, the **# Days** column will appear right after the **Day** or **Date Worked** column:



The default value for the **# Days** column is 1. This tells the program to do what it has always done. When the program sees line with a 1 for the **# Days**, it will add the date worked/day to a list, total the number of unique values in that list, and that will be saved as the Days Worked for the check.

If you change the **# Days** to zero, this tells the program to not add the date worked/day to the list. The line item will not be factored in to the calculation of the number of unique days worked at all.

If you change the # Days to 2 or more, the program will again not add the date worked/day to the list and the line item will not be factored into the calculation of the number of unique days worked. However, the number that you enter will be added into the Days Worked total. This allows you to record the actual number of days worked when the total time for multiple days is entered on one line item.

To better understand how this works, it is helpful to look at a series of examples. We will look at the same checks as in the first section so you can see how the # Days column can address the issues that were highlighted. Here is the first check:

View Finalized Payroll Check

Employee Name: SANTIBANEZ, RAMIRO S.S #: 815 00 9324 Check #: 175968

Period Starting: 09/01/2013 Ending: 09/07/2013 Check Date: 09/13/2013 VOIDED

Gross Wages | Recap

Day	# Days	Cost ID...	Year	Phas...	G/L #	Crew I...	Type	P/W Hrs	Units	Rate	Amount
07	1	R18 L7	2013	C022	11101.00	10	RH	0.00	10.0000	11.5000	115.00
08	1	R18 L7	2013	C022	11101.00	11	RH	0.00	10.0000	11.5000	115.00
09	1	R18 L7	2013	C022	11101.00	12	RH	0.00	10.0000	11.5000	115.00
10	1	R18 L7	2013	C022	11101.00	13	RH	0.00	10.0000	11.5000	115.00
11	1	R18 L7	2013	C022	11101.00	14	RH	0.00	10.0000	11.5000	115.00
11	1	R18 L7	2013	C022	11101.00	15	OT	0.00	2.0000	11.5000	34.50

G/L: Labor Total Pieces: 0.00 Gross Wages: 609.50

Cost Center: Chemicals Purchase Total Hours: 52.00 Piecework Wages: 0.00

Phase: Chemical Analysis - Food Safety Days Worked: 5 Minimum Wage: 0.00

Crew ID: Reference #: 0

Wage Type: Regular Hours

Save Clear

As you can see here, nothing has really changed. Each line item has a "1" in the **# Days** column. That causes the program to do what it has always done: add what was entered in the **Day** column to a list, and then count the unique values in that list ("07", "08", "09", "10" and "11", for a total of five items). The total unique value appears in the Days Worked total at the bottom of the check.

The next example showed an alternative way of entering the same check: a single line with the regular hours for all five different days and a second line with the two overtime hours:

View Finalized Payroll Check

Employee Name: SANTIBANEZ, RAMIRO S.S #: 815 00 9324 Check #: 175970

Period Starting: 09/01/2013 Ending: 09/07/2013 Check Date: 09/13/2013

Gross Wages | Recap

Day	# Days	Cost ID...	Year	Phas...	G/L #	Crew I...	Type	P/W Hrs	Units	Rate	Amount
	5	R18 L7	2013	C022	11101.00	10	RH	0.00	50.0000	11.5000	575.00
	0	R18 L7	2013	C022	11101.00		OT	0.00	2.0000	11.5000	34.50

G/L: Labor Total Pieces: 0.00 Gross Wages: 609.50

Cost Center: Chemicals Purchase Total Hours: 52.0000 Piecework Wages: 0.00

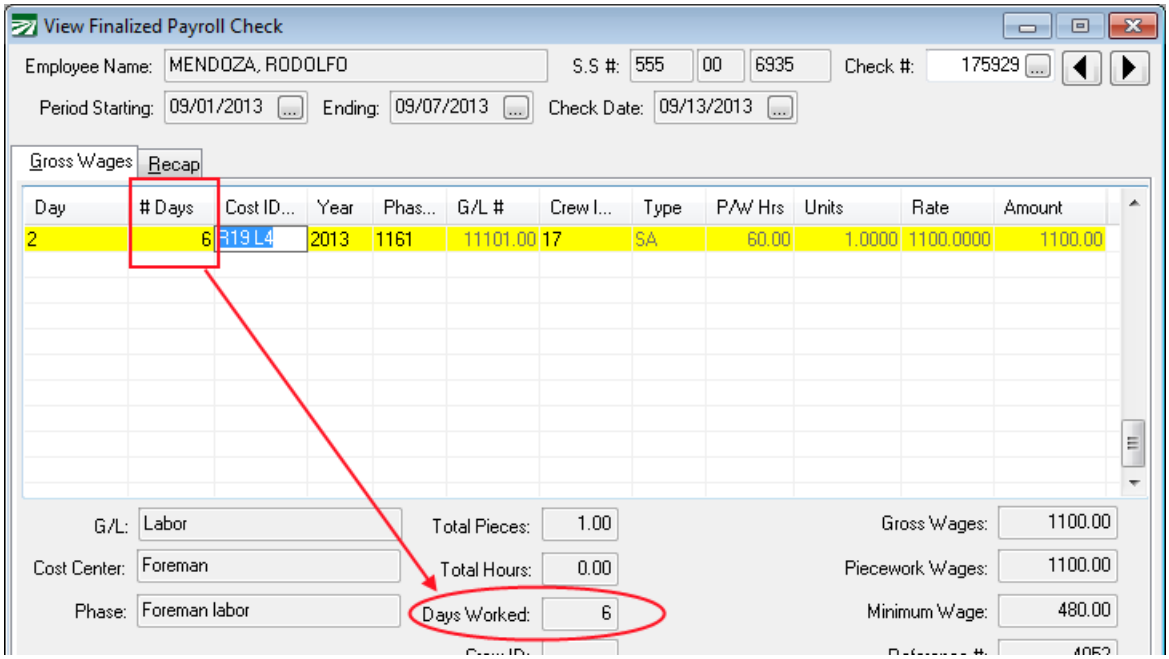
Phase: Chemical Analysis - Food Safety Days Worked: 5 Minimum Wage: 0.00

Crew ID: Reference #: 0

Before, this check had zero for the Days Worked. Now with "5" entered for the # Days, the Days Worked for this pay period has been recorded correctly.

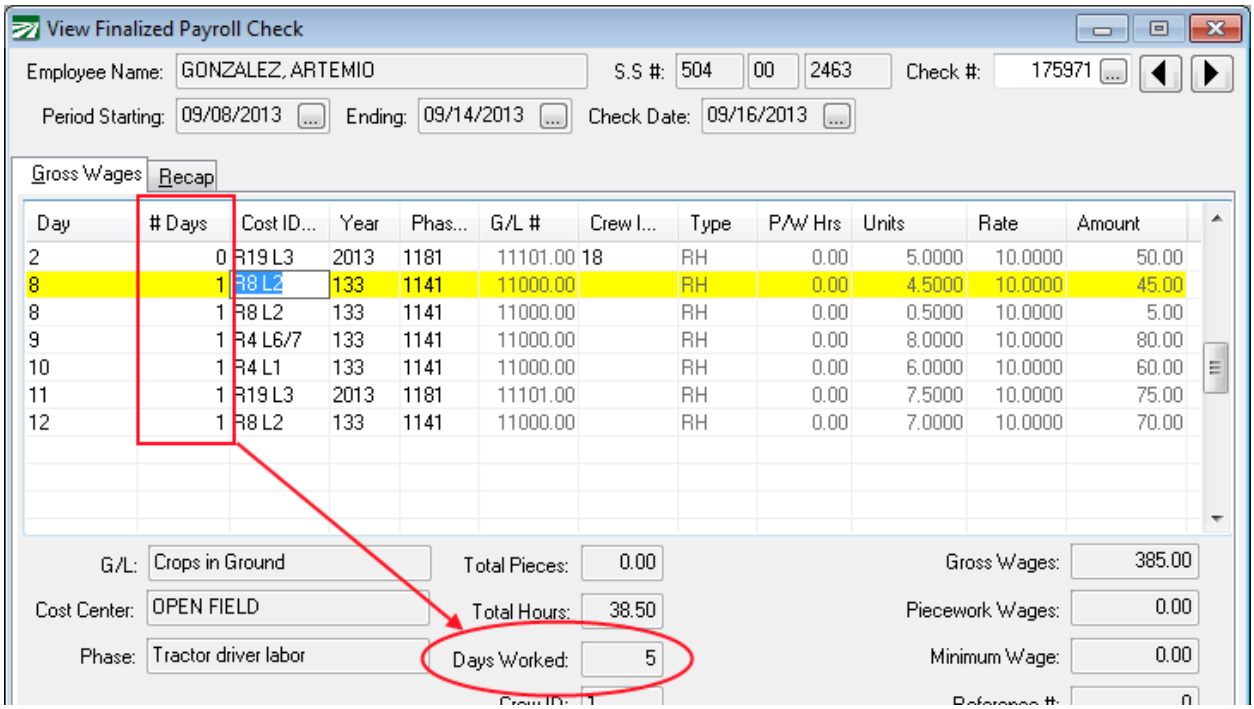
Notice that the **# Days** on the overtime line is zero. There is no need to enter a number for the **# Days** on this line because the first line item is recording the total number of days worked for this pay period.

Next the check for the salaried employee:



This example is similar to the previous one. For this check a single line item is entered for the employee's weekly salary. The total number of days worked is entered on the line item, and that is used to calculate the Days Worked total at the bottom of the check.

The next check includes a line of back pay for an employee:



In this situation, the employee was already paid for some work done on the 2nd on the previous check, but one line was missing so it was added to his next check. In this case, we don't want the first line item to be included in the calculation of the total days worked, so a zero was entered in the **# Days** column. This is because the 2nd was already included as one of the days worked on the employee's previous check. When running a report that includes both checks, you wouldn't want the total number of days worked to be higher than it actually was. Thus the total Days Worked on the check is five.

What if the employee wasn't paid at all for any work on the 2nd on his previous check? In that case, you would go ahead and keep the "1" on the **# Days** for the makeup line, and the program would include that line in the Days Worked calculation as shown below:

View Finalized Payroll Check

Employee Name: GONZALEZ, ARTEMIO S.S #: 504 00 2463 Check #: 175971

Period Starting: 09/08/2013 Ending: 09/14/2013 Check Date: 09/16/2013

Gross Wages | Recap

Day	# Days	Cost ID...	Year	Phas...	G/L #	Crew I...	Type	P/W Hrs	Units	Rate	Amount
2	1	R19 L3	2013	1181	11101.00	18	RH	0.00	5.0000	10.0000	50.00
8	1	R8 L2	133	1141	11000.00		RH	0.00	4.5000	10.0000	45.00
8	1	R8 L2	133	1141	11000.00		RH	0.00	0.5000	10.0000	5.00
9	1	R4 L6/7	133	1141	11000.00		RH	0.00	8.0000	10.0000	80.00
10	1	R4 L1	133	1141	11000.00		RH	0.00	6.0000	10.0000	60.00
11	1	R19 L3	2013	1181	11101.00		RH	0.00	7.5000	10.0000	75.00
12	1	R8 L2	133	1141	11000.00		RH	0.00	7.0000	10.0000	70.00

G/L: Labor Total Pieces: 0.00 Gross Wages: 385.00

Cost Center: Shop (Mechanic) Total Hours: 38.50 Piecework Wages: 0.00

Phase: Mechanic labor Days Worked: 6 Minimum Wage: 0.00

Technically, the employee worked five days for the pay period covered by this check, a single day outside the pay period. When running reports for a long time period (a year for instance), this technical distinction will probably make little to no difference in the total number of days worked.

Finally, here is the check for that includes holiday and vacation pay:

View Finalized Payroll Check

Employee Name: JOHNSON, MARTIN B S.S #: 225 00 1442 Check #: 175973

Period Starting: 09/08/2013 Ending: 09/14/2013 Check Date: 09/16/2013

Gross Wages | Recap

Day	# Days	Cost ID...	Year	Phas...	G/L #	Crew I...	Type	P/W Hrs	Units	Rate	Amount
09	1	R18 L3	2013	1001	60000.00		RH	0.00	8.0000	12.0000	96.00
10	1	R18 L3	2013	1001	60000.00		RH	0.00	8.0000	12.0000	96.00
11	1	R18 L3	2013	1001	60000.00		RH	0.00	8.0000	12.0000	96.00
12	0	R18 L3	2013	1001	60000.00		VA	0.00	8.0000	12.0000	96.00
13	0	R18 L3	2013	1001	60000.00		HO	0.00	8.0000	12.0000	96.00

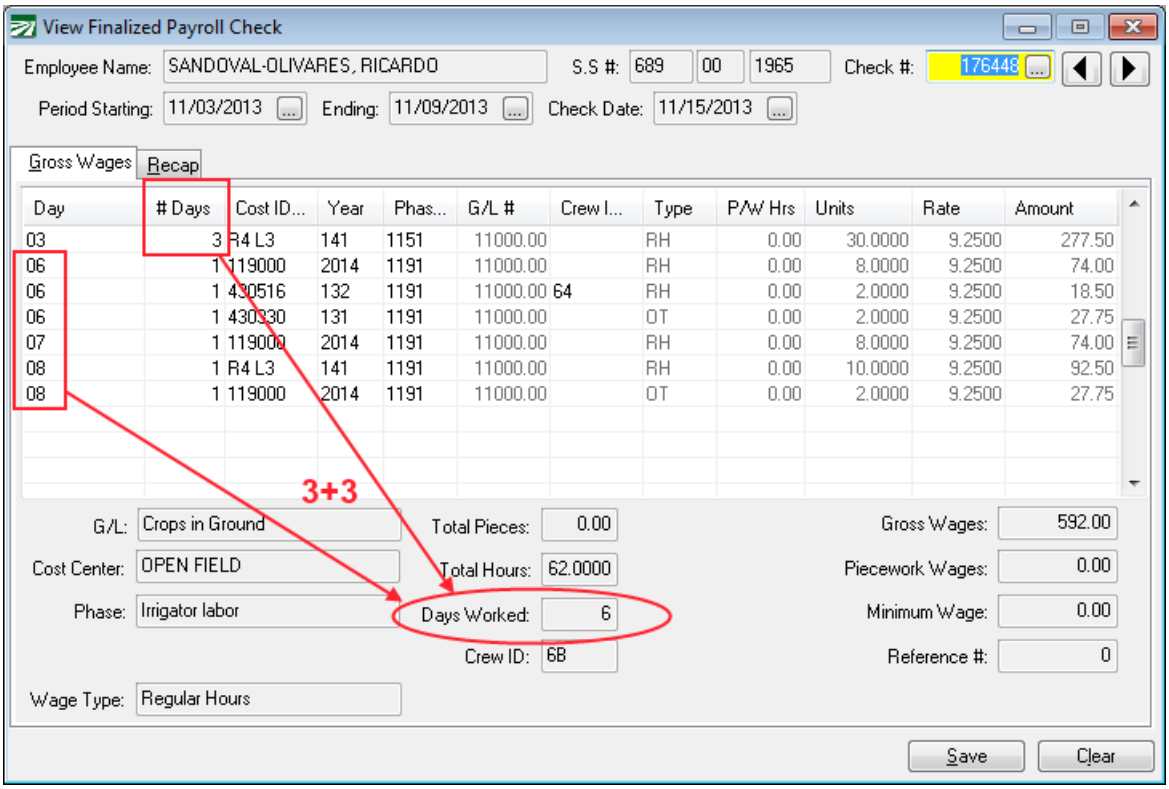
G/L: Labor Total Pieces: 0.00 Gross Wages: 480.00

Cost Center: Custom Growing Total Hours: 24.0000 Piecework Wages: 0.00

Phase: Planting Days Worked: 3 Minimum Wage: 0.00

For this check, we have entered a zero in the **# Days** column for the last two lines. This means that the program will only add the first three lines to the list of days worked, and so the total number of days worked is three.

The final example shows how the two methods of entering days worked can be combined. We don't necessarily recommend this, but it is possible:



In this example, the first line has three days worked. This is combined with the three different days (06, 07, and 08) on the rest of the lines, for a total of six days.

Updating Days Worked on Checks

If you need to update or change the days worked totals on checks that have already been issued, you can edit the **# Days** column on checks through the **Edit Finalized Check** window.

1. Enable the Days Worked column (see the section below for more details).
2. Bring up finalized checks and edit the **# Days** column as needed. This can be done either by double clicking on a payroll check from the **Checkbook Register**, clicking on the lookup button on the **Last Check #** entry on the **Employee Entry** window, or using the **Edit Finalized Check** option on the **Labor Reports** menu (for farm labor contractors).
3. Double click on the **Days Worked** total at the bottom of the **View Finalized Payroll Check** window and the program will recalculate the total Days Worked.
4. Alternatively, you can use either the **Payroll Audit Report** or the **PPACA Calendar Hours/Date Worked Fix** options to recalculate the Days Worked total. Both of these options are on the **Payroll->Utilities** submenu. The **Payroll Audit Report** will recalculate the days worked for the current payroll year, which the **PPACA Fix** option will recalculate the days worked for all of the checks in the date range that you enter.

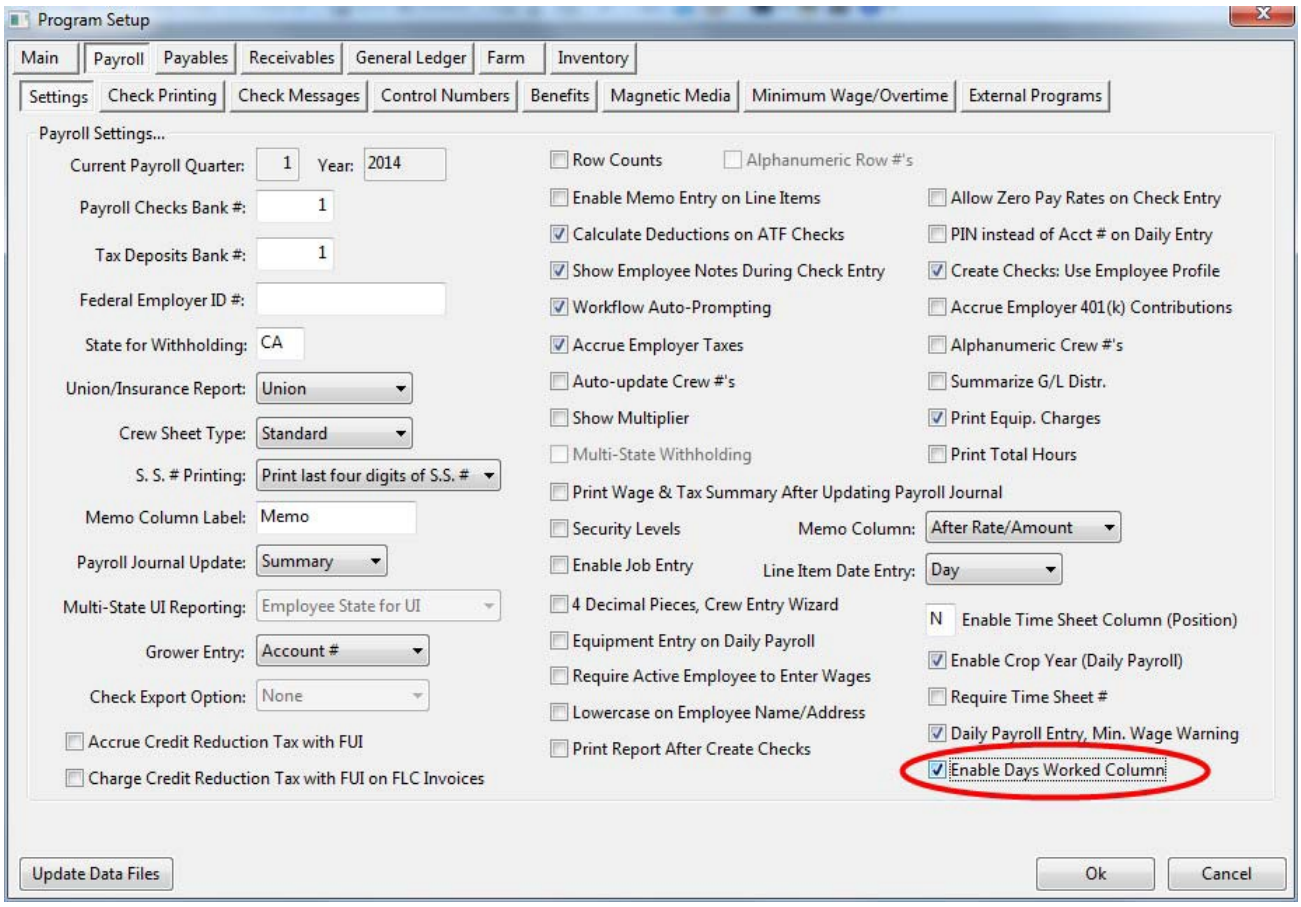
PPACA Employer Mandate

It is important to keep in mind that enabling the days worked column **has no effect** on the PPACA Full Time Employee Count Report. For this report to determine whether or not you qualify for the seasonal worker exemption, ***it needs to know on which days each employee worked***. This is because for each day of the year, the report adds up the total number of employees that were working. Enabling the Days Worked column tells the program **how many** days the employee worked out of the pay period, *but not which days*. You can only exceed the limit of 50 Full Time Equivalent employees on 120 days or fewer. If you have more than 50 FTE's working on more than 120 days in a year, you will not qualify for the seasonal exemption.

Originally, the determination as to whether you are a large employer was to be based on the payroll for the 2013 calendar year. Due to the delay on the employer mandate, the determination as to whether you are a large employer will be based on your payroll for the 2014 calendar year, and the mandate will go into effect for the 2015 calendar year. If you want to make sure you can document your seasonal exemption status using the Full Time Employee Count Report, you should review your data entry practices before starting your 2014 payroll.

Enabling the # Days Column

To turn on the # Days column, go to Tools->Program Setup->Payroll->Settings:



Printing Days Worked on the Check Stub

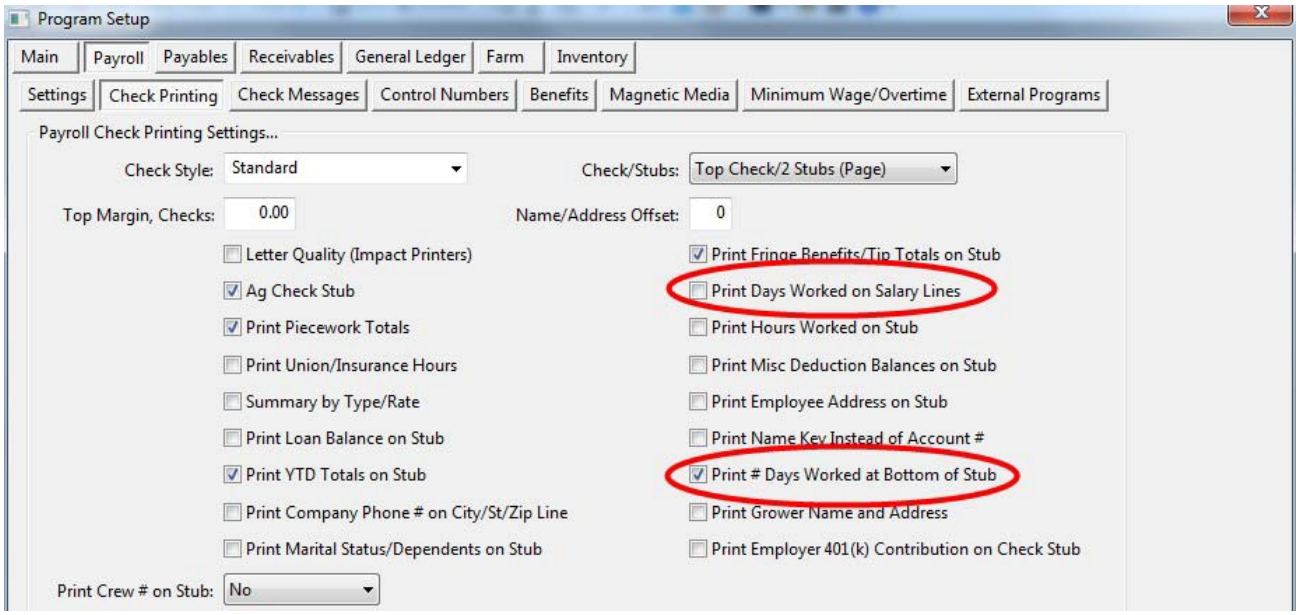
Yes, you can turn on an option for the total number of days worked to print at the bottom of the employees check stub. This will appear on all employees' check stubs.

For salary employees, there is an option to print the number of days worked in place of the units. This can be used in situations where an employee is paid a fixed weekly salary, but you need to show how many days the employee actually worked on the check stub. For a weekly salary amount, you would normally enter a 1 for the Units and the salary amount in the Rate column. The check stub would look like this:

#4 AGUIRRE, PAUL XXX-XX-3244 11/10/13 to 11/16/13 Ch# 176450 11/16/13

Day	Pay Type	Field	Job	Hours	Units	Rate	Total
	Salary	114000	Install/remove drip ta	0.00	1.0000	1,538.4600	1,538.46
			Totals:		1.0000		1,538.46

On the Tools->Program Setup->Payroll->Check Printing option, there are two options to print the Days Worked on the check stub:



If you check the **Print # Days Worked at Bottom of Stub** box, then the total number of days worked for the pay period will print at the bottom of the stub for all employees, as shown here:

#4 AGUIRRE, PAUL XXX-XX-3244 11/10/13 to 11/16/13 Ch# 176450 11/16/13

Day	Pay Type	Field	Job	Hours	Units		Rate	Total
	Salary	114000	Install/remove drip ta	0.00	1.0000		1,538.4600	1,538.46
			Totals:		1.0000			1,538.46

Days Worked: 6

If you check the **Print Days Worked on Salary Lines** box, then the number of days worked will be printed in place of the "1" in the Units column as shown here:

#4 AGUIRRE, PAUL XXX-XX-3244 11/10/13 to 11/16/13 Ch# 176450 11/16/13

Day	Pay Type	Field	Job	Hours	Units		Rate	Total
	Salary	114000	Install/remove drip ta	0.00	6.0000	Days	1,538.4600	1,538.46
			Totals:		6.0000			1,538.46

(This option was added to satisfy an especially picky state auditor.)

The regular weekly salary rate still prints in the **Rate** and **Total** columns.

Both options may be enabled at the same time. When this is done, the days worked will print both on the salary line item and at the bottom of the check stub.