

Health Insurance Payments-Owner

2 Ways to set it up.

Option 1- Setup Non-Cash Compensation Earning Code w/bypass send to accounting on.

Earning Code Setup

Edit Earning Code

Code **OWN** Description **Owners Health Ins** Type **Misc. Amount**

Settings

☒ Non-cash Compensation

W2 Setup

☐ Check box 13 (Retirement Plan)?

W2 Box **Box 14**

Code/Description **HEALTH**

Max box 12 code is 2 characters
Max box 14 description is 7 characters

GL Expense Distribution

Dept	GL Account	GL Desc
R01: Rosanne's Special Department		

Copy GLs From...

Taxes that don't apply to this earning

Check the taxes for which this earning is non-taxable
Display taxes that were active in the year:

2019 Save Changes

Tax Name	Effective Date
☐ US Federal Tax	Always
☒ US FICA	Always
☒ US Medicare	Always
☒ US Medicare HiEarn	Always
☒ US FUTA	Always

Check All Uncheck All

Setup a Non-Cash Compensation code. With the Federal and State taxes being the only taxes that apply. **WE ARE NOT A PAYROLL COMPANY AND CANNOT ADVISE HOW TAXES SHOULD BE SETUP. PLEASE MAKE SURE YOU ARE REVIEWING HOW TO SETUP THE TAXING UP WITH A CPA IF YOU ARE UNSURE.**

Have the setting to Allow Bypass of send to accounting checked in dealership setups.

Settings

Payroll run sort order **Department/Employee**

☐ Allow FICA Exempt Employees

☐ Allow FUTA Exempt Employees

☐ Allow Medicare Exempt Employees

☐ Print remaining PTO/sick on paystub

☒ Print Retirement Match on paystub

☒ Print Employer Match on paystub

☒ Do not print Direct Deposit paystubs

☐ Allow 0% SUTA Rate

☒ Allow bypass of send to accounting (GL)

Payroll Processing

In the payroll, the taxes would then be setup as “no W/H” for the Special Withholding box for State and Federal in the payroll for that employee(s)

Edit Tax Data

US: US Federal Tax

Filing Status: Single

Allowances: 0

Special Withholding: No W/H

CA: CA State Tax

Filing Status: Single

Allowances: 0

Addl. Allowances: 0

Special Withholding: No W/H

Ok Cancel

Their check would then show as adding the earning amount to the wage bases for state and federal and then showing the taxes as 0.

ROSE, KAYLEE (103963) Weekly: 12/09/19-12/16/19

US: Married, 0, Pre-2020 W4: Y, Deductions: 0.00, Other Income: 0.00, Only Two Jobs: N, Dependent Amount: 0.00, No W/H
NY: Married, 0, No W/H

Earnings Vacation: 0.00 Sick: 0.00

Description	Hrs	Rate	Amount	GL #
OWN: Owners Health Ins			\$10,000.00	
	0.00		\$10,000.00	

Deductions Double up deductions

Description	Amount 2x	GL #
	\$0.00	

Memos Double up memos

Description	Amount 2x	GL #
	\$0.00	

Check #1 (4661)	Cur	YTD
EARNINGS		
REGULAR		\$800.00
3RD PARTY SICK		\$1,100.00
salary		\$1,000.00
Owners Health Ins	\$10,000.00	\$10,000.00
Adjusted Earnings	\$10,000.00	\$12,900.00
Gross Earnings	\$10,000.00	\$12,900.00
POST-TAX DEDUCTIONS		
Non-Cash Earnings	-\$10,000.00	-\$10,000.00
Total	\$10,000.00	\$10,000.00
WITHHOLDINGS		
Federal		\$156.62
OASDI/EE		\$179.80
Medicare/EE		\$42.05
MedicareHE/EE		\$1.00
NY w/h		\$82.76
NY SDI/EE		\$2.20
NY Fam Leave Ins		\$3.75
Total Taxes	\$0.00	\$468.18
NET		
Net	\$0.00	\$2,431.82
NET PAY DISTRIBUTION		

Then approve payroll run and select Bypass of Send to Accounting. (This is very important. If you don't select this it will not let you finalize the payroll and you will get this error.)

Accounting Validation

Errors

- Employee: 103963 Check: 1
- Company 1 -

This transaction posting is empty. This is not allowed. SrcDocKey [referenceNumber=1, transactionDate=12/16/2019, srcID=40]

Print Close

Then you would go through the normal steps of finalizing the payroll.

Option 2-Setup Earning and Deduction Code

Allows payroll to be posted to accounting, creating a corresponding record in the journal.

Earning Code Setup

Edit Earning Code

Code 99 Description Health Insurance-Owner Type Misc. Amount

Settings

☐ Non-cash Compensation

W2 Setup

☐ Check box 13 (Retirement Plan)?

W2 Box None

Code/Description

Max box 12 code is 2 characters

Max box 14 description is 7 characters

GL Expense Distribution

Dept	GL Account	GL Desc
R01: Rosanne's Special Department		
K01: Krystle's Testing Department		
01: Chrysler NC Sales	01101	NEW SA
02: Chrysler Service Techs	01101	NEW SA
03: Chrysler Service Other	01101	NEW SA
04: Chrysler Parts	01101	NEW SA

Copy GLs From...

Taxes that don't apply to this earning

Check the taxes for which this earning is non-taxable

Display taxes that were active in the year:

2018 Save Changes

Tax Name	Effective Date
☐ US Federal Tax	Always
☒ US FICA	Always

Check All Uncheck All

Ok Cancel

With the Federal and State taxes being the only taxes that apply (note: NOT SETUP as Non-Cash Compensation). **WE ARE NOT A PAYROLL COMPANY AND CANNOT ADVISE HOW TAXES SHOULD BE SETUP. PLEASE MAKE SURE YOU ARE REVIEWING HOW TO SETUP THE TAXING UP WITH A CPA IF YOU ARE UNSURE.**

Deduction Code Setup

Edit Deduction Code

Code 99 Description Health Insurance-Owner

Options

Type Amount

Category None

W2 Setup

☐ Check box 13 (Retirement Plan)?

W2 Box Box 12

Code/Description DD

Max box 12 code is 2 characters

Max box 14 description is 7 characters

GL Liability Distribution

Default 01101 (used if no GL set for a dept.)

Dept	GL Account	GL Desc
R01: Rosanne's Special Department		
K01: Krystle's Testing Department		
01: Chrysler NC Sales		
02: Chrysler Service Techs		
03: Chrysler Service Other		
04: Chrysler Parts		
05: Chrysler Clerical		

Copy GLs From...

Taxes that don't tax this deduction

Check the taxes for which this deduction is pre-tax

Display taxes that were active in the year:

2018 Save Changes

Tax Name	Effective Date
☐ US Federal Tax	Always
☐ US FICA	Always
☐ US Medicare	Always
☐ US Medicare HiEarn	Always
☐ US FUTA	Always
☐ Alaska Bear Tax	Starting 09/07/2
☐ AL State Tax	Always
☐ CA State Tax	Always
☐ CA SUTA	Always
☐ CA TDI	Always
☐ CO State Tax	Always
☐ CT State Tax	Always

Check All Uncheck All

Ok Cancel

NOTE: Set the earning & deduction code up using the same GL and, in the deduction, make sure none of the taxes are checked. You can also have it set to “bypass send to accounting” to avoid it posting anything to accounting.

Payroll Processing

In the payroll, the taxes would then be setup as “**no W/H**” for the Special Withholding box for State and Federal in the payroll for that employee(s). (Unless you would like to collect those taxes from the employee and then you would have to adjust the deduction to account for the tax difference and account for it there.)

Edit Tax Data

US: US Federal Tax

Filing Status: Single

Allowances: 0

Special Withholding: No W/H

CA: CA State Tax

Filing Status: Single

Allowances: 0

Addl. Allowances: 0

Special Withholding: No W/H

Ok Cancel

Their check would then show as adding the earning amount to the wage bases for state and federal and then showing the taxes as 0.

AMU | Chat | Payroll Processing

☐ Bypass Direct Deposit

Employees

FORNIA, CAL I. - CAL001 (De=01)

Weekly: 12/17/18-12/24/18

Check #1 (null) Check Date 12/24/2018 Posting Date Not Set

EARNINGS

	Cur	YTD
Health Insurance-Owner	\$12,000.00	\$12,000.00
Adjusted Earnings	\$12,000.00	\$12,000.00
Gross Earnings	\$12,000.00	\$12,000.00

POST-TAX DEDUCTIONS

	Cur	YTD
Health Insurance-Owner	-\$12,000.00	-\$12,000.00
Total	-\$12,000.00	-\$12,000.00

NET

	Cur	YTD
Net	\$0.00	\$0.00

NET PAY DISTRIBUTION

	Cur	YTD
Physical Check	\$0.00	\$0.00

TAX WAGE BASES

	Cur	YTD
US: US Federal Tax	\$12,000.00	\$12,000.00
EEFICA: US FICA	\$0.00	\$0.00
EE Medicare: US Medicare	\$0.00	\$0.00
EE Medicare: US Medicare HiEam	\$0.00	\$0.00
CA: CA State Tax	\$12,000.00	\$12,000.00
CALETDI: CA TDI	\$0.00	\$0.00
FUTA: US FUTA	\$0.00	\$0.00
CASUTA: CA SUTA	\$0.00	\$0.00

Earnings: Vacation 24.00 Sick 12.00

Deductions: 99: Health Insurance-Owner \$12,000.00

Memos: 99: Health Insurance-Owner \$12,000.00

1 emp, 1 check, 0 DDs

Add Checks Import Preview Paycheck(s) Preview Journal Worksheet

Validate Actions Save Close

The preview journal should look like this. If you have “bypass send to accounting” setup there will not be any entry.

Preview Journal

AUTO/MATE, INC.

ACCTTRANJRN

PAGE 1

ACCOUNTING

TRANSACTION JOURNAL

RUN DATE: 12/24/2018

RUN TIME: 09:09

RUN BY: automate

SOURCE: 40

TRAN DATE : 12/24/2018

POSTED BY :automate

REF#.	LN#	CONTROL#	ACCT#	CNT	DEBITS	CREDITS	APPLY#/COST	CTR NAME
1	1	CAL001	01101		\$12,000.00	.00		CAL I. FORNIA
1	2	CAL001	01101		.00	\$12,000.00		CAL I. FORNIA
Gross Profit:					\$0.00	0.00%		
Journal Totals					\$12,000.00	\$12,000.00		

Close