EmpowerTax

PAYROLL TAX TUTORIAL

November 1, 2014

empower
SOFTWARE SOLUTIONS

Passion at work.

Table of Contents

Using the Online Help Guide

Purpose

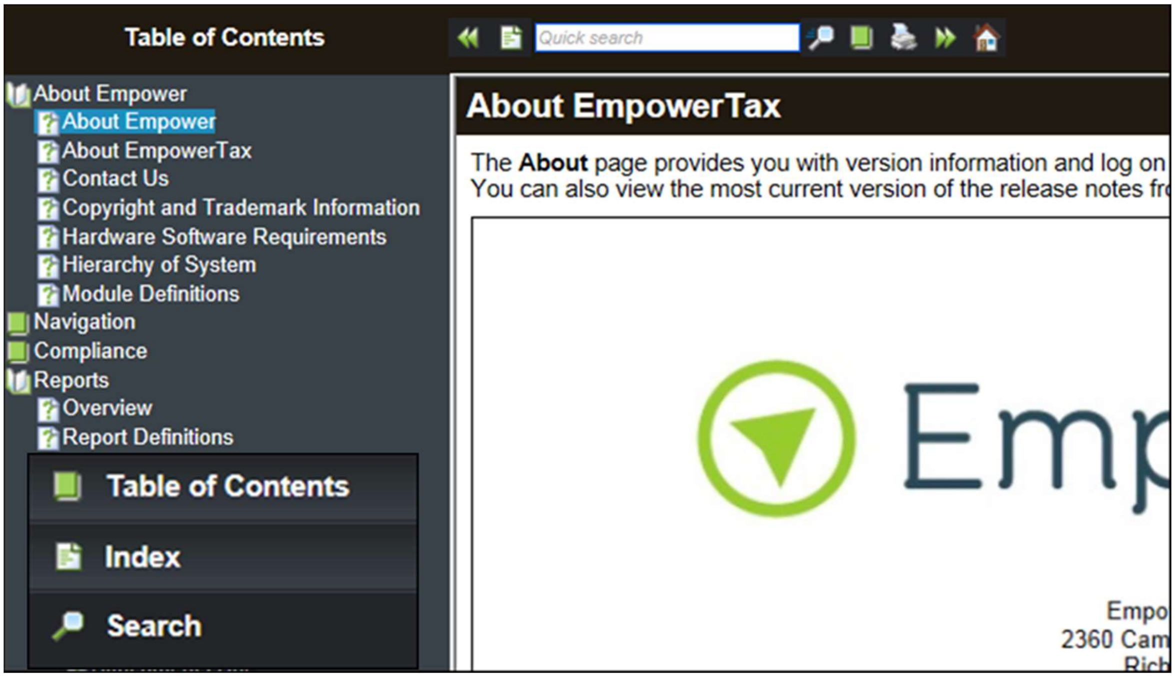
It is the scope of this help guide to define and explain the features of EmpowerTax and provide step-by-step instructions for performing the most common tasks. Because a single guide cannot be an exhaustive reference, this help guide is designed to be a companion to your company's procedures.

Books, Chapters and Documents

Each module of the system is broken down into books that are displayed on the Table of Contents tab located in the left pane of your browser window. Click on a book to view the chapters (book icon) or documents (topic icon) for that module. Click once on the document to view it in the right pane.

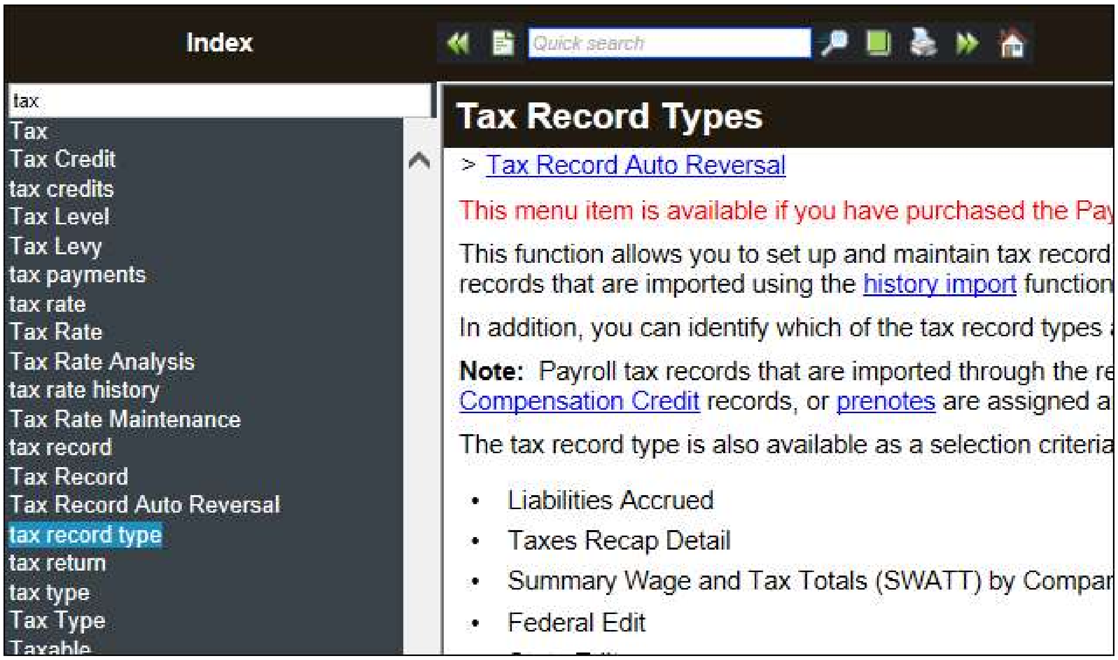
Table of Contents

1. Select the **Table of Contents** tab or click on the **Book** icon from the help toolbar.
2. To print a document, click on the **Print** icon from the help toolbar, or right-click on the page to select **Print**.



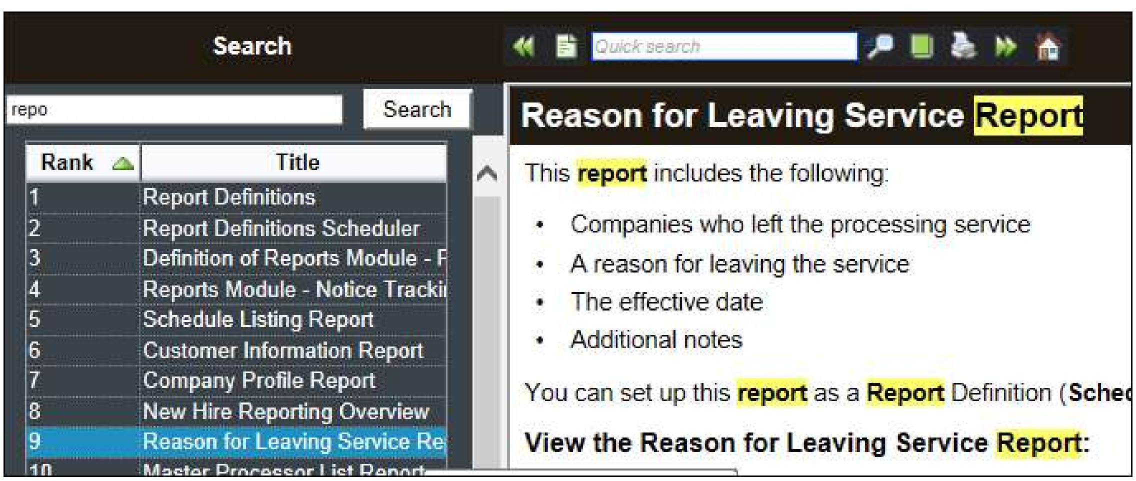
Index

1. Select the **Index** tab or click on the **Index** icon from the help toolbar.
2. Enter your text in the empty field. Note that a list of references displays in the pane below.
3. Select the word, phrase, or topic and relates closest to your index text. Note that a list of documents containing that word, phrase, or topic displays.
4. Select the desired document to view in the right pane.



Search

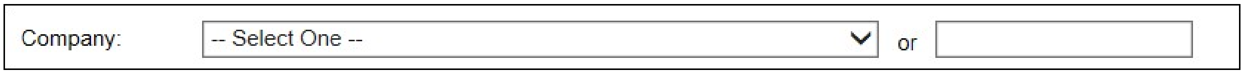
1. Select the **Search** tab or click on the **Search** icon from the help toolbar.
2. Enter your text in the empty field. Note that a list of documents containing that word, phrase, or topic displays.
3. Select the desired document to view in the right pane.



Field Usage Tips

Company Field

You may select the drop-down button to locate your Company, or you may enter the Company directly into the secondary field.



Agency Field

This feature allows you to quickly pull down the agencies alphabetically. Note that this feature only displays if there are 100+ agencies in the list.

Date Field

Enter either as:

- 03212003
- 3/21/2003

*Note that you must *always* enter all four digits of the year.

Default Company Settings

Goals of this Section

By the end of this training module you should know how to:

- Define the settings that will apply to each Company
- Understand the meaning of each setting

Online Help Location
HELP > System Administration > Default Company Settings

The Default Company Settings function allows authorized users to specify the default Company settings for new companies. Only those settings that are applicable to the modules installed appear.

When manually adding a new company in Master File Setup, the Company Settings will be created based on the defaults set in the Default Company Settings screen.

When importing a new company using the Master File Setup Import, the Company Settings will be created based on the defaults set in the Default Company Settings screen unless the import file contains overriding Company Settings.

1. Select **System Administration > Default Company Settings**.
2. Choose **Yes/No** for each setting.
3. Click **Update**.

Master File Setup

Goals of this Section

By the end of this training module you should be able to:

- Set up, edit and delete a Company
- Understand Payroll ID and Unit
- Set up, edit and delete an Agency

Company Setup

Online Help Location
HELP > Master File Setup > Company

Level 3 - Company

A Level 3 setup establishes the top level (Company Level) for wage and tax tracking and filing. Liabilities from Level 4 and Level 5 are combined to create the Company total amounts for wages and taxes. Levels 3, 4, and 5 are all required in the EmpowerTax system.

1. Select the **Master File Setup** menu item.
2. Select **Company**.
3. Click **Add** to add a new company.
4. Click **Submit**.

Add Company - Screen Definitions	
Country	US or Canada (if you have purchased the Canadian Tax Module)
Company ID	xx2394369 (FEIN for US and Business Number for Canada)
Suffix	Only appears if Canada is selected as the Country so that the Payroll Account may be entered (Example: RP0001). A separate Company must be setup for each Business Number/Payroll Account
Inactivate Company	Check this box if the Company is no longer active.
Use Default Payroll ID & Unit	Check this box if you do not want to setup specific Payroll (PayID1) & Unit ID's (Unit1)
Company Name	Enter registered name for this EIN
Name Control	Populate with IRS assigned if filing Federal Returns electronically
Address Information	Enter registered address for this EIN
SUI Exempt	Check this box if the Company ID is not subject to State Unemployment Taxes
Contact Information	Enter a contact for this EIN
Processing Dates	Enter the valid processing dates for this Company ID for Payments and Returns
Preparer Information	Preparers information for returns

Level 4 - Payroll ID

Level 4 is a required setup in the EmpowerTax system. This level is useful for tracking wages and taxes for separate divisions.

For example, you would want to set this level up if you wanted to run reports for distribution to various business units. Level 4 is attached to Level 3.

1. Select the **Master File Setup** menu item.
2. Select **Company**.
3. Choose your **Company** from the drop-down list.
4. Click **Add** next to **Payroll ID** to add a new Payroll ID.
5. Click **Submit**.

Add Payroll ID - Screen Definitions	
Payroll ID	MD101
Description	Enter a description for the Payroll ID
Calendar Code	Choose a different Calendar Code from the drop-down or check Same As Company to utilize the same Calendar as your Level 3 setup.
Contact Information	Enter a Contact Name and Phone Number (optional)
Comments	Enter any notations specific for this ID (optional)
Use Default Unit	Check this box if you do not want to setup a specific Unit for this Payroll ID
Payroll ID	MD101
Description	Enter a description for the Payroll ID

Level 5 - Unit

Level 5 is a required setup in the EmpowerTax system. This level is useful for tracking wages and taxes for separate departments.

For example, you would want to set this level up if you wanted to run reports for distribution to various business units.

1. Select the **Master File Setup** menu item.
2. Select **Company**.
3. Choose your **Company** from the drop-down list.
4. Choose your **Payroll ID** from the drop-down list.
5. Click **Add** next to **Unit** to add a new Unit ID.
6. Click **Submit**.

Add Unit ID - Screen Definitions	
Unit	Unit1
Description	Enter a description for this Unit ID
Calendar Code	Choose a different Calendar Code from the drop-down or check Same As Company to utilize the same Calendar as your Level 3 setup.
Contact Information	Enter Contact Name and Phone Number (optional)
Comments	Enter any notations specific for this Unit (optional)
Unit	Unit1
Description	Enter a description for this Unit ID

Agency Setup

Online Help Location
HELP > Master File Setup > Agency

Setting up an agency allows you to enter agency/tax type-specific information for each agency to which you pay taxes for a given company.

- Vendor and General Ledger numbers are required for any Accounts Payable or General Ledger Interfaces. These numbers are also populated on several reports.
- Any changes to Tax Rates, GL #'s, and Deposit Cycles after they are first setup must be made through the Master File Utilities menu item.

Federal 941 Setup

1. Select the **Master File Setup** menu item.
2. Select **Agency.**
3. Click **Add/Update**.
4. Click **Add Agency**.

Agency Setup – Screen Definitions	
Company	xx2394369
Tax Level	Federal
Agency	941
Agency Active	If checked, the Agency is active
Safe Harbor Active	Check this to calculate 98% and 2% liabilities separately
Calendar Effective Date **Deposit Cycle**	Enter the effective date for this Deposit Cycle. 1/1/200x From the drop-down menu, select the correct Frequency for this EIN and Agency combination Semi-Weekly
Processing Center	From the drop-down list, select your IRS processing center Ogden
Vendor Number	Enter the Vendor Number as assigned by your Accounts Payable System
Payment Method	Click the radio button to tell the system how payments are to be made
Load Returns as Paid	Check this box if you would like EMPOWERTAX to assume that all payments were made at the time of return creation
Seasonal Employer	Check this box if the employer is a seasonal employer. Enter the corresponding dates for the season
Income Tax GL #	Enter the General Ledger # as assigned by your G/L System

State Setup

1. Select the **Master File Setup** menu item.
2. Select **Agency.**
3. Click **Add/Update**.
4. Click **Add Agency**.

Agency Setup – Screen Definitions	
Income Tax Active Box	Only applicable for states with I.T. Withholding. Defaults to checked
I.T. Calendar Effective Date **I.T. Deposit Cycle**	Enter the effective date for this Deposit Cycle. 1/1/200x From the drop-down menu, select the correct Frequency for this EIN and Agency combination Quarter-Monthly
I.T. - Processing Center	This field is automatically populated
I.T. - Vendor Number	Enter the Agency Vendor number as assigned by your Accounts Payable System
I.T. - Payment Method	Click the radio button to tell the system how payments are to be made
I.T. – GL #	Enter the General Ledger # as assigned by your G/L System
U.I. - ER ID Number	Insert your EIN as assigned by the state
U.I. Calendar Effective Date **U.I. - Deposit Cycle**	Enter the effective date for this Deposit Cycle 1/1/200x Defaults to quarterly
U.I. - Processing Center	This field is automatically populated
U.I. - Vendor Number	Enter the Agency Vendor number as assigned by your Accounts Payable System
U.I. - Payment Method	Click the radio button to tell the system how payments are to be made
File Return Electronically **File Wage Listing Electronically**	Check the box to generate an electronic return. Please review the Electronic Returns Status. Check this box to create an electronic wage listing
U.I. - Employer Rate	Enter the TRUE SUI Rate. Do not enter the Combined Rate 2.4
U.I. – GL #	Enter the General Ledger # as assigned by your G/L System
Auto Populate other tax types	Selecting this option will populate EIN, EFT EIN, Payment Method, Deposit Cycle, Vendor Number, Processing Center, EFT PIN and EFT Password.

Local Setup

1. Select the **Master File Setup** menu item.
2. Select **Agency.**
3. Click **Add/Update**.
4. Click **Add Agency**.

Agency Setup – Screen Definitions	
Company	xx2394369
Tax Level	Local
Agency	St Louis, MO
Income Tax Active	Box is checked by default
Employer ID Number	Enter the EIN as assigned by the Locality
I.T. Calendar Effective Date **I.T. Deposit Cycle**	Enter the effective date for this Deposit Cycle 1/1/200x From the drop-down list, select the correct Frequency for this EIN and Agency combination Monthly
Processing Center	This field is automatically populated
Vendor Number	Enter the Agency Vendor number as assigned by your A/P System
Payment Method	Click the radio button to tell the system how payments are to be made
I.T. GL #'s	Enter the General Ledger # as assigned by your G/L System

Master File Utilities

Goals of this Section

By the end of this training module you should be able to:

- Maintain Tax Rates
- Maintain Deposit Cycles
- Reactivate Companies

Agency Tax Rate Maintenance

Online Help Location
HELP > Master File Utilities > Agency Tax Rate Maintenance

Agency Tax Rate Maintenance is used for changing a tax rate for a specific agency tax type for all companies. Therefore, this should only be used for rates that are assigned by the agency where all companies have the same rate.

For example this would not be used for unemployment rate changes.

1. Select **Master File Utilities** from the main menu.
2. Select **Agency Tax Rate Maintenance**.
3. Click **Add/Update Rate**.

Agency Tax Rate Maintenance – Screen Definitions	
Agency	New Jersey
Tax Type	SDI
Rate	2.8
Effective Date	07/01/200x

Tax Rate Maintenance

Online Help Location
HELP > Master File Utilities > Tax Rate Maintenance

Tax Rate Maintenance is used for changing agency tax rates once set up and saved. Any changes to the Agency setup rate once saved must be made through Tax Rate Maintenance.

1. Select the **Master File Utilities** menu item.
2. Select **Tax Rate Maintenance**.
3. Click **Display**.
4. To update the tax rate click **Add/Update Rate**.

Tax Rate Maintenance – Screen Definitions	
Company	xx2394369
Tax Level	State
Agency	Illinois
Tax Type	Unemployment Insurance

5. Click **Add/Update Rate**.

Add Tax Rate – Screen Definitions	
Effective Date	The notice will tell you when the effective date is. This is critical in calculating the correct SUI Amount Due for quarter-end filing 1/1/200X
Employer Rate	The notice will tell you what the new SUI Rate is

Bulk Tax Rate Maintenance - Setup

1. Select the **Master File Utilities** menu item.
2. Select **Bulk Tax Rate Maintenance**.
3. Click **Display Tax Rate**.

Bulk Tax Rate Maintenance – Screen Definitions	
Company	xx2394369
Tax Level	Blank
Agency	Blank
Tax Type	Blank
Effective Date	7/1/200x

4. Click **Add/Update Rate**.

Add Tax Rate – Screen Definitions	
New Jersey UI New ER Rate	The notice will tell you what the new SUI Rate
Illinois UI New ER Rate	The notice will tell you what the new SUI Rate

Deposit Cycle Maintenance

Online Help Location
HELP > Master File Utilities > Deposit Cycle Maintenance

Deposit Cycle Maintenance is used for changing the deposit cycles once setup and saved. Any changes to the deposit cycle once saved must be made through Deposit Cycle Maintenance.

1. Select the **Master File Utilities** menu item.
2. Select **Deposit Cycle Maintenance**.
3. Click **Submit**.
4. Click **Add Deposit Cycle**.

Deposit Cycle Maintenance – Screen Definitions	
Company	xx2394369
Tax Level	State
Agency	Illinois
Tax Type	Income Tax
Effective Date	The notice will tell you when the effective date is. This is critical in calculating the correct Due Date for your tax liabilities 3/1/200X
Employer Rate	The notice will tell you what the new Deposit Cycle is Quarter-Monthly

Payroll Tax Records

Goals of this Section

By the end of this training module you should be able to:

- Manually add Payroll Tax Records
- View Payroll Tax Records
- Change Payroll Tax Records
- Delete Payroll Tax Records

Online Help Location
HELP > Payroll Tax Records > Payroll Tax Records

Add Payroll Tax Record

Each Payroll Tax Record contains Summary Wage and Tax Total information. The breakdown of this data is dependent on how your organizational structure is set up in Master File Setup.

Payroll Tax Records are created either through an import or by manually entering the data. The most common reason for manually entering data is for quarter-end balancing or adjustment purposes.

1. Select the **Payroll Tax Records** menu item.
2. Select **Add/View/Edit**.
3. Click **Insert**.

Payroll Tax Records Selection Criteria – Screen Definitions	
Company	xx2394369
Payroll ID	MD101
Unit	Unit1
Tax Level	Federal
Agency	Federal 941
Pay Date for Insert	2/15/200**x**

4. Click **Add and Calculate**.

Payroll Tax Records Input – Screen Definitions	
Employee Count	50
Income Tax Subject Wages	20,001,250.00
Income Tax Taxable Wages	20,001,250.00
OASDI Taxable Wages	20,001,250.00
OASDI Taxable Tips	
HI Taxable Wages & Tips	20,001,250.00
Income Tax - EE/R	3,987,921.44
OASDI - EE/R	1,240,077.50
OASDI - ER/R	1,240,077.50
HI - EE/R	290,018.12
HI - ER/R	290,018.12
EIC - EE/R	Keyed as a positive and the system will convert to a negative
HIRE Exemption - ER/R	Keyed as a positive and the system will convert to a negative

Notes