Salary Adjustment

The Council or County Program Director may decide to adjust an employee’s salary rate retroactive to a prior pay period or calendar month or adjust salary rate in the middle of the pay period. Before adding the adjustment to a paycheck, create a new Payroll item named “Salary Adjustment” or “Retroactive Salary” or another appropriate name.

Issues:
- A separate Salary Payroll Item must be identified and selected to pay multiple salary rates on one paycheck. (see “Employer Payroll Item” procedure)
- The Payroll Item must identify an appropriate salary expense account, e.g. 2700 or 2730.
- A class code must be identified for each salary transaction.
- One Paycheck can be created for multiple salary rates within same pay period.

Create a new Payroll Item for Salary Adjustment

- Select Lists from the menu bar.
- Select Payroll Item List
- Click the Payroll Item button at lower left corner of screen.
- Select New

Add Salary Adjustment to Paycheck – Retroactive Pay

This example is for a retroactive pay adjustment. For example, employee’s adjustment is for 210 hours at 12 cent increase for prior, paid pay periods.

- Select Employees from menu bar, Payroll Center, Pay Employees.
- Insert a checkmark preceding employee’s name.
- Click the Open Paycheck Detail button.
- After entering regular salary data, select the Salary Adjustment Payroll Item on second line under Item Name.
- Enter the pay increase in Rate column.
- Enter hours.
- Enter Class code.
- Review remaining tax and benefit data.

Note: Federal and State taxes should be calculated on the combined Regular Salary and Salary Adjustment totals.

Reminder: Enter the new Salary Rate in the employee’s Payroll Data file so future paychecks will reflect the new rate.
Add Salary Adjustment to Paycheck – *Pay Increase in Middle of Pay Period*

This example is for a *pay increase* adjustment. For example, an employee receives a salary increase in the middle of the 80-hour pay period, resulting in two different salary rates for one paycheck.

- Select **Employees** from menu bar, **Payroll Center**, **Pay Employees**.
- Insert a checkmark preceding employee’s name.
- Click the **Open Paycheck Detail** button.
- After entering regular salary data, select the **Salary Adjustment** Payroll Item on second line under Item Name.
- Enter the new salary rate in Rate column.
- Enter hours,
- Enter Class code.
- Complete remaining tax and benefit data.

**Note:** Federal and State taxes should be calculated on the combined Regular Salary and Salary Adjustment totals.

**Reminder:** Enter the new Salary Rate in the employee’s Payroll Data file so future paychecks will reflect the new rate.