Payroll Plan Subscriptions in QuickBooks 2016

Payroll plan subscriptions for University of Missouri Extension expire at the beginning of May each year. As of now, each extension office can receive a copy of the payroll enhanced subscription for their county books.

Mu Extension will pay one check to Intuit for all subscriptions and will not seek reimbursement from each extension office. This method of payment offers a university price discount.

Payroll Plan	Number of Active Employees	Details
Enhanced B	Unlimited employees	Missouri and federal forms - 941, 944, W2, W3, 1099; Federal & State Tax Tables; Federal and State Tax Tables downloaded

No Payroll Subscription

With no payroll subscription, the Bookkeeper manually will calculate employee/employer Social Security and Medicare taxes and will look up the taxes from Federal and Missouri Tax tables.

From previous experience, manual calculation of taxes sometimes resulted in user error in either overstating or understating tax amounts. This has resulted in tax penalties for understated tax amounts.

The Payroll Voucher, created in Microsoft Word, may be utilized for employee payroll entry and calculations. See **Payroll Vouchers instructions**. County Program Directors will be asked to examine and sign this document each pay period and compare the voucher with the manually-prepared QuickBooks payroll data. Data verification will be crucial.

The county's accounting software is adjusted to eliminate the Payroll Center. Employee paychecks still can be created in QuickBooks with manual tax input by the bookkeeper.

Subscription Services

Federal and State Tax Tables (Enhanced Plan)

The tax tables include the most recent federal and state tax amounts. You will be reminded to download and update the tax tables monthly. **Employees, Get Payroll Updates.**

- Select **Download only changes and additions.....**
- Click **Update button.**

Discrepancies

My federal tax withholding is $1.00 more than what I had been withholding earlier this year.

It is recommended that you retain the amount that the Tax Service retrieved from the updated Tax tables. The tax withholding amount that was entered manually may have been retrieved from the Employer's Tax Booklet dated January of this year. Consider reviewing current tax exemptions in the employee data file.

Social Security and Medicare Taxes

The tax Service within QuickBooks' Payroll is **self-adjusting** for social security and medicare taxes for employee and employer. If taxes were underpaid or overpaid in prior paychecks, QuickBooks will adjust (add or subtract) the difference of the underpayment or overpayment to the next paycheck, for both the employee and employer's share.

Allow QuickBooks to make the adjustment! Make adjustments only if conflicts arose in prior pay periods.

QuickBooks calculated my social security tax $2.56 higher than it should be; my medicare tax was $1.20 higher. What's going on? What shall I do?

QuickBooks is trying to "catch-up" since taxes probably were underpaid all year. To determine if the extra taxes truly are correct, examine the Payroll Detail Review Report. (see sample below)

Reports, Reports Center, Employees and Payroll, Payroll Detail Review.

- Change the Date range to display January 1 to current date.
- Review the **Income Subject to Tax** and **Wage Base columns** for the employee and for each type of tax. Taxes are calculated on the wage amount reported for each type of tax. (If this amount is incorrect, contact the QB Administrator for assistance.)
- Review the **Amount Column**. This is the tax amount actually paid.
- Review the **Calculated Amount column**. This is the correct tax that should have been paid, as determined by the Payroll Tax service.
- The **Amount Difference column** is the difference between the Amount column and the Calculated Amount column.
- Calculate the year-to-date social security or medicare tax by multiplying the year-to-date wage reported for the tax by the tax rate. Has the employee been paying the correct amount? The difference will be added/subtracted to the employee's next paycheck.

All-American County Extension Council
Payroll Detail Review
January 1 through September 13, 2007

Date	Entered/La...	Tax T...	Income Subject To Tax	Wage Base	Payroll T...	User Edit?	Amount	Calculated Amo...	Amount Differe...
07/31/2007	09/04/2007...	20710	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/04/2007...	20710	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/04/2007...	20710	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/13/2007...	20710	0.00	0.00		N	1,581.13	1,581.13	0.00
Total SALARY - HOURLY			**0.00**	**0.00**			**1,581.13**		
Federal Withholding									
04/09/2007	04/09/2007...	20708	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/04/2007...	20710	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/04/2007...	20710	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/04/2007...	20710	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/13/2007...	20710	1,464.83	1,464.83		Y	-145.00	-155.00	10.00
Total Federal Withholding			**1,464.83**	**1,464.83**			**-145.00**		
Medicare Withholding - Employee									
04/09/2007	04/09/2007...	20708	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/04/2007...	20710	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/04/2007...	20710	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/04/2007...	20710	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/13/2007...	20710	1,616.43	1,616.43	1.45%	Y	-20.00	-23.44	3.44
Total Medicare Withholding - Employee			**1,616.43**	**1,616.43**			**-20.00**		
Soc.Sec. Withholding - Employee									
04/09/2007	04/09/2007...	20708	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/04/2007...	20710	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/04/2007...	20710	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/04/2007...	20710	0.00	0.00		N	0.00	0.00	0.00
07/31/2007	09/13/2007...	20710	1,616.43	1,616.43	6.2%	Y	-98.00	-100.22	2.22
Total Soc.Sec. Withholding - Employee			**1,616.43**	**1,616.43**			**-98.00**		

Errors

Payroll Tax Subscription Signup

Contact your QuickBooks Administrator for payroll plan subscription setup.

- Payroll items for salary, taxes, and benefits are identified.
- Payroll Liabilities may be scheduled. Optional.
- The Payroll subscription number is matched with the EIN (employer's identification number).