

# Salary Adjustment

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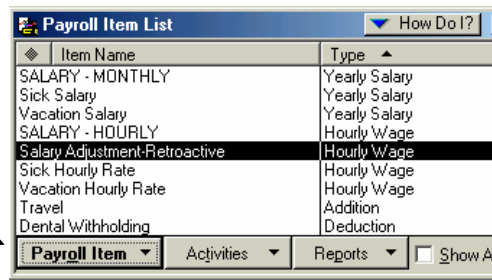
The Council or County Program Director may decide to adjust an employee’s salary rate retroactive to a prior pay period or calendar month or adjust salary rate in the middle of the pay period. Before adding the adjustment to a paycheck, create a new Payroll item named “**Salary Adjustment**” or “**Retroactive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

**Issues:**

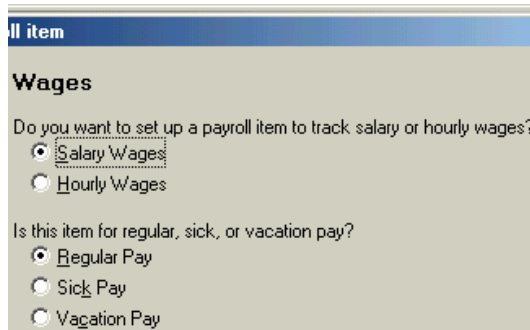
- A separate **Salary Payroll Item** must be identified and selected to pay multiple salary rates on one paycheck. (see “Employer Payroll Item” procedure)
- The Payroll Item must identify an appropriate **salary expense account**, e.g. 2700 or 2730.
- A **class code** must be identified for each salary 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 of screen.
- Select **New**



corner



- Select **Wages (hourly,**

**salary), Next.**

- Select **Salary Wages and Regular Pay**, Next.
- Enter a name for the Payroll Item, Next, e.g. **Salary Adjustment or Retroactive Salary**.
- Select appropriate Salary Expense **account number**, e.g. 2700 or 2730.
- Click **Finish**

**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.

Item Name	Rate	Hours	Customer/Job	Class
SALARY - HOURLY	9.50	40:15		1000 County Appropriations
Salary Adjustment-Retroac	0.12	210:00		1000 County Appropriations

Item Name	Rate	Quantity	Item Name	Amount	YTD
			SALARY - HOURLY	382.38	7,006.28
			Salary Adjustment-Retroactive	25.20	25.20
			Federal Withholding	0.00	-270.00
			Soc. Sec. Withholding - Employer	0.00	-410.68
			Medicare Withholding - Employer	0.00	-96.05
			MD - Withholding	0.00	-86.00

**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.

Earnings				
Item Name	Rate	Hours	Customer:Job	Class
SALARY - HOURLY	9.62	48:00		1000 - County Appropriations
Salary Adjustment - Hourly Ra	10.00	32:00		1000 - County Appropriations

Other Payroll Items			Employee Summary (adjusted)	
Item Name	Rate	Quantity	Item Name	Amount
Retirement PEBSCO Withholding	-20.00		SALARY - HOURLY	461.76
MCHCP Medical Withholding	-35.00		Salary Adjustment - Hourly Rate	320.00
MCHCP Medical Benefits-Employ	1.53		Retirement PEBSCO Withholding	20.00
			MCHCP Medical Withholding	35.00

**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.