

Set Up New Employee

Important Issues:

- ✓ Payroll Items and employee data must be updated or completed before payroll data is entered.
- ✓ Assign a Class code
- ✓ Enter appropriate hourly or annual rate
- ✓ Select appropriate employee deductions and employer contributions.
- ✓ Enter all tax withholding information.

If you are a Council-paid employee, one of the first things you need to do in Quick Books is set yourself up as an employee in the system. **Create an Employee Data File**, as outlined below.

- Select **Employees** from the menu bar.
- Select **Employer Center**
- Click **New Employee**. The following dialog box should appear.

- Enter the appropriate information under the **Personal and Address & Contact tabs**.
- Do NOT enter information under the **Additional Info Tab**.
- Under the **Payroll Info Tab**, and then under the **Earnings Item Name**, select the appropriate Salary type, e.g. Salary Hourly, Salary Monthly.
NOTE: When you click in any Item List column in the Payroll Info tab, a drop down arrow will appear. Left clicking on that drop down arrow will cause the entire Payroll Item List to appear. You may then select the appropriate payroll item.
- For Hourly-Paid Employee, enter the **hourly rate**.
- For Salary-Paid Employees, enter the **annual salary**.
- Make sure to select the **appropriate Pay Frequency**, and identify the proper **class**.
NOTE: If there is a need to allocate Salary and Employer Payroll Expenses between two or more classes, to comply with Council or CPD recommendations, review procedure, [Allocate Salary Between 2 Classes](#).
- If you want QuickBooks to track your **sick leave and annual leave** usage and balances, enter the rate for sick and vacation pay. Then click on the Sick/Vacation button to enter beginning balances. When finished entering the beginning balances, click **OK** to return to the **Payroll Info** tab. For details, review procedure, [Sick and Vacation Salary](#).
- Under **Additions, Deductions and Company Contributions**, select appropriate employee and employer payroll items, as shown in sample employee data screen.
- Under the **Taxes** button, enter appropriate employee tax withholding information.
 - The Federal Unemployment tax, "FUTA" should **NOT be checked**.
 - Under State, "**Subject to SUI**," should be checked if the Council is required to pay State Unemployment tax.
- If QuickBooks **Time Sheet** will be used, then select Use time data to create paychecks

ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS		
ITEM NAME	AMOUNT	LIMIT
Health Insurance Reimbursement	300.00	0.00
MCHCP Medical Withholding	-20.00	0.00
MCHCP Medical Benefits-Empl...	50.00	0.00
Retirement PEBSCO Withholding	-10.00	0.00
Health Co Contribution	103.85	0.00
(EAP) Employee Assistance Pr...	50.00	