

Payroll Files Affected During Year-end Processing

Important Points to Remember

- The Payroll module maintains one Payroll year at a time.
- Prior years' history may be retained if the Retain Perpetual Payroll History check box is selected.
- It is important to close the current Payroll year **before** you begin the first Payroll cycle of the next year.
- Make sure the Quarterly Tax Report, Quarterly Governmental Report, Quarterly 941, and the W-2 Forms have been printed **before** proceeding with Year-end Processing.
- If you are using Electronic Reporting (formerly Magnetic Media), make sure that your files have been created before completing Year-end Processing.
- After Year-end Processing is completed, install the latest Tax Table Update and verify the accuracy of your state(s) Unemployment Tax Rates for each company in Tax Table Maintenance before processing the next quarter's Payroll.

Select **Payroll Options** from the Payroll **Setup** menu to view the data affected during Year-end Processing.

Payroll Options (PR0)
<p style="text-align: center;">MAIN TAB</p> <p>Current Processing Year: Increments current year to the next year.</p> <p>Current Processing Period: Changes current quarter from 4 to 1.</p> <p>Retain Year to Date Check History: If selected, the Check History file is purged in Year-end Processing only. If not selected, the Check History file is purged during each Quarter-end Processing.</p> <p>Retain Perpetual Payroll History: If selected, retains check history indefinitely. To manually clear perpetual history, select and perform Purge Perpetual Payroll History from the Period End menu.</p> <p style="text-align: center;">ADDITIONAL TAB</p> <p>Reset Employee Benefits Limits at Year End: If selected, modifies the Benefits section of the Earnings and Vacation Inquiry screen in Employee Maintenance as follows.</p> <ul style="list-style-type: none">• The Hrs Accrued column is set to zero.• The Hrs Used column is set to zero.• The Carry-Over column is supplemented by the difference of the Hrs Accrued column minus the Hrs Used column. <p>If the Base Benefit Availability is set to Accrual and the employees benefit code does not have an Eligibility Wait period defined in Benefit Maintenance, the Available column is populated based on the formula:</p> $(\text{Hrs Accrued} - \text{Hrs Used}) + \text{Carry-Over}$ <p>If the Base Benefit Availability is set to Limit, the Available column is populated based on the formula:</p> $(\text{Annual Limit} - \text{Hrs Used}) + \text{Carry-Over}.$

Employee Masterfile (PR1)

MAIN TAB

Termination Date: This field changes based on employee status. If a termination date exists, the employee will be purged. However, if an inactive date exists, the employee will be not purged.

MAIN TAB – EARNINGS BUTTON

Vacation Carry-Over Hours = Vacation Hours Accrued – Vacation Hours Used

Vacation Hours Accrued is reset to zero

Vacation Hours Used is reset to zero

Sick Carry-Over Hours = Sick Hours Accrued – Sick Hours Used

Sick Hours Accrued is reset to zero

Sick Hours Used is reset to zero

3rd Benefit Carry-Over Hours = 3rd Benefit Hours Accrued – 3rd Benefit Hours Used

3rd Benefit Hours Accrued is reset to zero

3rd Benefit Hours Used is reset to zero

If the Reset Employee Benefit Limits at Year-end flag is selected in P/R options.

MAIN TAB – TAX SUMMARY BUTTON – FEDERAL BUTTON

Pension Plan **field** is reset to zero

Cafeteria Plan Deduction **field** is reset to zero

Allocated Tips **field** is reset to zero

Fringe Benefits **field** is reset to zero

Non-Qualified Plan **field** is reset to zero

Dependent Care Benefits **field** is reset to zero

If the Reset Employee Benefit Limits at Year End flag is selected in P/R Options:

- **Annual Limit hours (Vacation)** is reset to Benefit Schedule Code defaults
- **Annual Limit hours (Sick)** is reset to Benefit Schedule Code defaults
- **Annual Limit hours (3rd Benefit)** is reset to Benefit Schedule Code defaults

Employee Tax Summary (PR3)

Federal Tax records: QTD & YTD fields for wages and taxes are reset to zero

State Tax records: QTD & YTD fields for wages and taxes are reset to zero

Local Tax records: QTD & YTD fields for wages and taxes are reset to zero

Employee Earnings/Deductions Summary (PR4)

Earnings Records

All Earnings Codes records are removed. New records get created upon posting the initial payroll for the new year

Deductions records

- The QTD, YTD Deduction Amount fields are set to zero for all Deduction Codes
- The Month 1, 2, and 3 fields are set to zero for all Deduction Codes
- Deduction Codes that have achieved their Deduction Goals are purged. The exception to this is for pension-type deductions with a standard limit amount. The flag in Deduction Code Maintenance allows you to reset pension-type deduction balances at year-end equal to the goal.

Check History (PR5)

The Check History file is cleared.

Worker's Comp Detail File (PRM)

The Worker's Compensation Detail file is cleared.

Quarterly Tax Recap (PRO)

The Quarterly Tax Recap file is cleared.

941 Form File (PRR)

The 941 Form File is cleared.