

GEMINI ACCOUNTING PAYROLL SETUP PROCEDURE

STATE UNEMPLOYMENT TAX RATE AND MASTER DEDUCTION SETUP (MULTI-STATE SUTA DEDUCTION)

The information which follows provides the minimum information required for setting up state unemployment tax withholding for your state. It is designed to be used for all states. When you see the abbreviation **ST** within this document, substitute your two letter state abbreviation. For example, if you were using this document to set up the state unemployment for Florida, you would substitute the letters **FL** for **ST**. **The user is responsible for obtaining updated state tax changes, updating state tax tables and rates information, and verifying that deduction calculation results are correct as necessary.**

You may also need to create a state income tax withholding deduction if your state collects personal income tax. The appropriate deduction document is either available for download on the Prosoft website or can be obtained from Prosoft.

Please review your existing Deduction Tax Rates and/or Master Deductions to see if the **ST** Tax Rate and/or the deduction which follows already exists in your system. If they do, you may need to simply update existing information. If they do not, you will need to create a new Tax Rate and/or a new deduction. Please proceed to Step 1, below, to begin.

STEP 1 – PAYROLL TAX RATE TABLE(S): Add/Change **ST** Tax Rate Table(s) (**PR | Payroll Setup | Tax Rates**: If the **ST** Tax Rate table shown does not presently exist, select **Insert**. If the table does exist, highlight it and then select **Change**. Enter/update/verify the **ST** Tax Rate table data as necessary. Select **OK | Close** to return to the main Gemini window.

State/Federal ID: **ST**

Description: **ST** St Unemp Tax

Employer State ID: Enter your Employer Identification Number (EIN) for the above state
In the **Employer Rates** * block: (1) Enter your SUTA % Rate (expressed as a *percentage amount*) *
(2) Enter the annual *Cutoff* amount

* The UI/SUTA information employers receive from most states is expressed as a percentage *rate*. Gemini expects a true percentage amount so you may need to convert. For example, assume you have a SUTA percentage *rate* of 0.15632. First off, Gemini won't accept all the digits to the right of the decimal point (it will only accept three of them). To convert the percentage *rate* to a percentage *amount*, simply move the decimal point two places to the right and enter the result (in this example, 15.632 percent).

b. When you are finished, click on **OK** to close the "Rates will be Added" window, verify the new SUTA tax rate has been added to the tax rates list, and then click on **Close** to exit the "Payroll Tax Rates" window.

STEP 2 – UPDATE RELATED PAYROLL MASTER DEDUCTION: Not applicable.

STEP 3 – CREATE PAYROLL MASTER DEDUCTION: Select **PR | Payroll Setup | Master Deductions**. If the **ST**SUTA deduction does not presently exist, select **Insert**. If it does exist, select **Change**. Enter/update/verify the deduction information shown, below, and then select **OK | Close** to return to the main Gemini window:

a. **General tab:**

Deduction Code: **STSUTA**

Description: **ST St SUTA**

Deduction Group: Select a deduction group if desired (and if defined). See **NOTE**, below.

Withholding GL Acct: Enter a liability account number. This is the liability account to which SIT will accrue and from which it will be paid out through Accounts Payable. Select the search button to the right of the field if you need to search for/Insert/Change the appropriate account number.

Variable Name: Not applicable.

Union ID: Not applicable.

Deduction Type: **SUTA**

Deduction Type ID: Not applicable.

Employee/Employer: Select **Employer Expense**.

Expense Acct: Enter the appropriate Payroll tax expense account number. This is the employer's expense account to which SUT will accrue each time payroll is posted. Select the search button to the right of the field if you need to search for/Insert/Change the appropriate account number.

In State ID: **ST**

Load Sequence: Locate your two-character state, US capital or territorial possession designator and enter the Load Sequence number to the right of it (NOTE: Load Sequence numbers in the list are not sequential): **AK=215, AL=205, AR=235, AZ=225, CA=245, CO=255, CT=265, DC=285, DE=275, FL=295, GA=305, GU=315, HI=325, IA=365, ID=335, IL=345, IN=355, KS=375, KY=385, LA=395, MA=425, MD=415, ME=405, MI=435, MN=445, MO=465, MS=455, MT=475, NC=545, ND=555, NE=485, NH=505, NJ=515, NM=525, NV=495, NY=535, OH=565, OK=575, OR=585, PA=595, PR=605, RI=615, SC=625, SD=635, TN=645, TX=655, UT=665, VA=685, VT=675, WA=695, WI=715, WV=705, WY=725**

Default Deduction: We recommend this box be checked if all your employees work in-state. If some employees work out-of-state, select and check if desired. When this box is checked, Gemini automatically adds this deduction to all new employees and, if it is a new deduction, allows you to automatically add the deduction to all existing employee's list of deductions when you click on **OK** to accept it.

Reset at End-of-Year: Select and check.

NOTE: The maximum number of deductions that can be shown on a check stub/voucher is nine. When the number of deductions exceeds the maximum, **Deduction Groups** allows multiple similar deductions to be consolidated and totaled under a single group heading (for example, Union Dedns). Select the "search button" to the right of the Deduction Groups field to select a deduction group from an existing list of groups. The list can be updated "on-the-fly" if/as necessary and can also be updated by selecting **PR | Payroll Setup | Deduction Groups**.

b. **Labels tab:**

Labels for User Amounts: Not applicable/leave blank

Labels for Tables: Not applicable/leave blank

Help Text: Either type or copy and paste the following information into the Help Text Box. Help information to be typed/copied is shown in 12 pitch **Times New Roman Bold blue** font.

ST EMPLOYER SUTA (STATE UNEMPLOYMENT TAX ACT) DEDUCTION

The Employer SUTA deduction is a mandated state deduction. In order to operate properly, it requires the use of external tax rate tables to properly calculate the employer's SUTA amount.

The user is responsible for insuring this deduction, as well as any external tax rate tables or other information required for it's proper operation, is operating correctly and is updated as changes occur.

To check that SUTA tax % Rate and Cutoff amounts are correct, select PR | Payroll Setup | Tax Rates. Highlight the appropriate SUTA ID code for your state and select Insert/Change.

c. **Vendor Link tab:** If desired, enter the vendor to whom this accrued payroll deduction element will be paid. If you use a vendor link at this level, a single Accounts Payable batch entry will be created to be posted into AP. The batch invoice amount will be equal to the total deducted from all employees with this deduction.

d. **Formula tab:** Either type or copy and paste the following information into the Deduction Formula text box over any existing formula text. Formula information to be typed/copied is shown in 12 pitch **Times New Roman Bold blue** font.

" ST EMPLOYER SUTA DEDUCTION"

"VARIABLES"

PRETAX = AFLACA + CAF125 + LIFE50 + MEDSAVE;

"FORMULA"

GROSS = TAXABLEPAYS - PRETAX;

BASIS = LIMIT(GROSS,BASISYTD,SUTAERC);

RESULT = BASIS * (SUTAERR/100);

e. Testing the formula:

(1) Verify the formula, above, is typed/copied in correctly by clicking on the **Test Formula** button. If you get a formula definition error of any type as soon as you click on the **Test Formula** button, you **must** find and correct the formula entry error before proceeding further (the error message window will display the offending text area to help you locate and correct the error). If you do not receive a formula error, a window titled **Formula Test:...** will appear with empty data fields for testing.

(2) Although we have thoroughly tested the deduction formula for correct operation, you may wish to verify it yourself. You can manually create a scenario whereby you test the formula by filling in the various formula data fields. Alternatively, you may wish to use the example deduction scenario outlined in your state tax publication(s) and/or forms noted at the beginning of this document. After test data has been entered in the various formula data fields, click on the **'Calculate'** button to obtain the **Result, Basis, and Gross** amounts. The **Result** you obtain should be very close to your manual calculations, example deduction scenario amount, or the standard table amount if your state uses periodic tax tables (weekly, monthly, etc). Please note that periodic tax table amounts are for an income "range" and may be off by a few dollars whereas, unless your state requires rounding, Gemini calculates to the penny.

(3) Click on **Done** to return to the *Formula* tab and, if you are finished with the formula, click on **OK** to save your deduction; the system will return you to the Master Payroll Deductions window. Click on **Close**.

STEP 4 – UPDATE EMPLOYEE DATA FILES:

a. Select **PR | Employee Maintenance:**

b. Select an employee and click on **Change**; the *Update Records* window should appear for the selected employee. At the bottom of the window, select **Deductions** to display the "Deductions for..." window.

c. If you did **not** check the **Default Deduction** box in Step 3a, above, either click on the **Insert** button or press the **Insert** key on your keyboard to display the Deduction will be Added window. Either type in **STSUTA** in the **Deduction** field or click on the search button to the right of it to display and select the **STSUTA** deduction from the Master Payroll Deductions window.

d. You should now be on the window titled either Deduction will be Changed or Deduction will be Added – it makes no difference which.

(1) Enter an AP vendor number in the **Vendor Link** field if desired. If there is a vendor number in this field, it takes precedence over a vendor number entered in the PR Master Deduction (Vendor Link tab). Please note that any Vendor Link activated at this level produces a single AP batch invoice entry for each employee with this deduction.

(2) Verify the **Show on Check Stub** box is **NOT** checked.

e. When finished, click on **OK** at the bottom of the screen to save the information and return to the “Deductions for...” window. If this is a new deduction, it should appear at the bottom of the employee’s list of deductions and should be highlighted. It may be left where it is or, if desired, click on the “Up Arrow” box below the deductions list to move the deduction up in the employee's list of deductions to where it should be.

f. Click on **Close** to get back to the “Update records...” screen and then select **OK** to update employee data; the system should return you to the window titled **Employee List**. Select and update the next employee’s deductions list as necessary.

This concludes the setup of the **ST** State Unemployment Tax deduction.