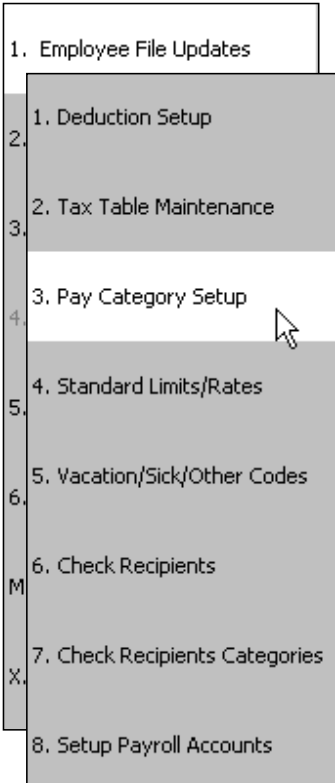




A Division of Harris Computer Systems

## PAYROLL: PAY CATEGORY SETUP



A pay category is a designation for the type of pay that an employee is receiving. The standard categories are Regular, Overtime, Sick, Vacation and Holiday. However, if the municipality needs to have a category other than these, or if one of the standard categories needs to be edited, the following steps will cover that process.

1. From the **General Entry** menu, select **B. Payroll > 6. Table and File Setups > 3. Pay Category Setup**.
2. If no pay categories have been added yet, there will be five pre-built categories listed that can be edited to suit the town's needs. If a new category needs to be added, select *File > New Category*.
3. A screen will display asking for a category number. It will default to the next available number. Enter the number to use and click on *OK*.
4. This will create a new line at the bottom of the list of categories. Fill in the *Description*, *Multiplier* and *Type of Pay* for this category.
5. Enter the *Multiplier* in the *Mult* column. This is typically 1 for Regular pay, 1.5 for Overtime or 2 for Double Time.
6. Select the type of pay this will be in the *Type* Column. Use *Hours* if this category is going to be used for employees that are paid hourly. Use *Dollars* if this category is going to be used for employees that get paid a flat fee on a regular basis. *Non-Pay (Hours)* is used to manually enter an amount of earned time during *Data Entry* in the payroll process. This can be useful when entering Comp Time or similar benefit.
7. Make a selection in the *Tax* field, which deals with the tax status for this category. This setting dictates whether or not the Pay Category is fully taxable or if it is exempt from certain types of taxes, such as Federal or FICA. The default is *T* for *Taxable*.
8. The next four boxes determine if pay coming from the category will be included in totals for *M – Maine State Retirement*, *E – Earned Income Credit*, *U – Unemployment* and *W – Workers comp*. If this category qualifies for any of these programs, check off the appropriate box.
9. The next 10 columns need to be set up only if this category is going to be exempt from certain deductions. The first, third, fifth, seventh and ninth columns are the deduction number and the second, fourth, sixth, eighth and tenth columns determine which part of the deduction the category is exempt from. The available options are: *R – Employer*, *E – Employee*, *B – Both*, *XR – Exempt All But (Employer)*, *XE – Exempt All But (Employee)* and *XB – Exempt All But (Both)*. *R – Employer* is used to make the category exempt from the employer's match portion of a deduction. *E – Employee* is used to make the category exempt from the employee's portion of the exemption. *B – Both* is used to make this category exempt from both employer and employee portions of a deduction. The *X* prefix for the next three codes designates that the category is exempt from all deductions, except for the deduction in the field directly to the left. Selecting a deduction number of 9999 will include all deductions for the exemption. **Note** – This only prevents percentage based deductions from being taken out for this category. Dollar based deductions will still be deducted.
10. Repeat these steps to add all the different Pay Categories that are needed. Press **F12** or select *Save and Exit* from the *File* menu to save this screen.