HUMAN RESOURCES

EMPLOYEE DEDUCTION MAXIMUMS

This document explains how you can control the maximum deduction amounts for a particular cost code. There are **three** scenarios:

For an employee:

1. Set a calendar year annual maximum in the Cost Code Table.
2. Set a maximum deduction in the Employee File.

Re-establish the maximum amounts at the end of a calendar year:

3. Reset Cost Code Annual Maximums on a mass basis.

WARNING: MUST RUN BEFORE POSTING 1ST PAYROLL OF THE YEAR
If you fail to reset annual maximums before the first payroll of the calendar year, you will not be able to use the Reset Cost Code Annual Maximums process, and you will have to change each employee individually on the Employee Deduction Screen (see section 1.2 for instructions).

SUMMARY OF STEPS

To set a calendar year annual maximum in the **Cost Code Table**:
- ❑ Select **Human Resources ▶ Tables ▶ Cost Code**
- ❑ Select the cost code you want to work with
- ❑ Enter the Employee Annual Maximum
- ❑

To set a maximum deduction in the **Employee File**:
- ❑ Select **Human Resources ▶ Maintenance ▶ Employee Maintenance**
- ❑ On the **Deductions** tab, add or select the cost code you want to work with.
- ❑ Enter the maximum amount in the **Original Amount** field.
- ❑

To reset annual maximums on a mass basis:
- ❑ Select **Human Resources ▶ Year-End Processing ▶ Reset Cost Code Annual Maximums**
- ❑ Reset the files
- ❑ Create a work file
- ❑ Print an edit list
- ❑ Maintain the work file
- ❑ Process the new amounts

1. FOR AN EMPLOYEE

You can control the maximum deduction amounts for a cost code for an employee in two ways:

1. Enter a calendar year annual maximum in the Cost Code table. This will apply to all employees who have that cost code.

2. Enter all other maximums on the individual employee's deduction screen. You do this when the amount is different for each employee, or when the amount is an absolute maximum, or when the amount is to be taken within a period other than a calendar year.

1.1 SET MAXIMUM AMOUNT IN COST CODE TABLE

❑ Click **Human Resources ▶ Tables ▶ Cost Code**
❑ Select the **Cost Code**
❑ Click on the **Detail** button

❑ Enter the **Calendar Year Annual Maximum** for the employee in the table.

The system will automatically keep track of the amounts deducted each payroll period, and will stop taking the deduction when the maximum amount has been deducted. In this example, the system will stop when it reaches $1,000 for each employee using this code.
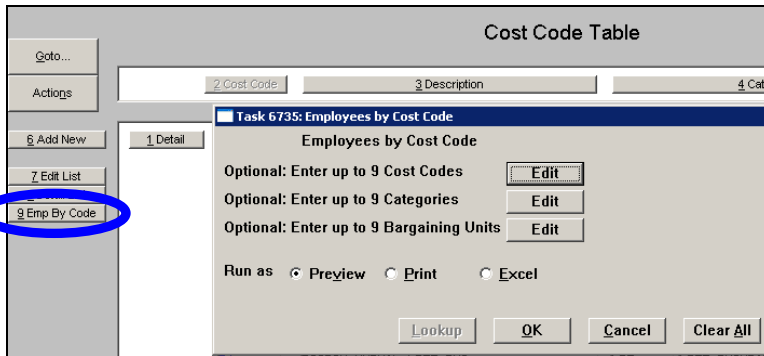
HELP

The system does not automatically apply the **Calendar Year Annual Maximum** to an individual employee when you enter it here, and you do not have to apply it to every employee who uses the cost code.

To see a list of employees who have that cost code assigned,

- ❑ Click **Human Resources ▸ Tables ▸ Cost Code**
- ❑ Click on the **EMP BY CODE** button
- ❑ Enter up to 9 Cost Codes

The report will display a list of all employees who have the cost code(s).

You can then enter the maximum amount for desired employees. Please refer to section 1.2 for instructions.

1.2   SET MAXIMUM AMOUNT IN EMPLOYEE DEDUCTION FILE

You enter the maximum amount in the Employee file when the amount is different for each employee, or when the amount is an **absolute** maximum, or when the amount is to be taken within a period other than a calendar year.

- ❑ Select **Human Resources ▸ Maintenance ▸ Employee Maintenance**
- ❑ Locate the desired employee
- ❑ Click on the **Ded/Ben** tab
- ❑ Select the **Cost Code** you want to work with
- ❑ Enter the maximum amount in the **Original Amount** column

Whenever you enter an original amount, the system will automatically set the Remaining Balance equal to the original amount, overwriting any previous value. You can change the remaining balance at any time if you need to make an adjustment. The payroll process will automatically calculate the remaining balance after it takes the deduction in a payroll run, and will continue making deductions until the remaining balance is zero. In the above example, we use code DEFCOMP.

The original amount can be absolute or periodic.

- If the amount is **absolute**, the deduction is taken until the maximum is reached, and no further action is required. For example, an employee wanted to contribute a total of $1,000 annually to a deferred comp plan at $50 weekly. The deductions would continue for 20 weeks and then stop.

- If the amount is **periodic**, the deduction is taken until the maximum is reached. In our example, the **DEFCOMP** has an annual maximum of $1,000.00, which is deducted at the rate of $50 per period. If you want the deduction to be taken again for another period, you will need to reset the **Remaining Balance** amount back to the **Original Amount**, and/or establish a new **Original Amount**.

2. RESET COST CODE ANNUAL MAXIMUMS

This process allows you to reset the **Original Amount** and the **Remaining Balance** on a mass basis. You can choose the cost codes to reset.

At the end of a calendar year, or other period, you may need to re-establish the maximum amounts. Rather than entering the data on each employee's screen, you can use the **Reset Cost Code Annual Maximums** process to reset the remaining balance for employee deductions to the amount of the cost code table annual maximum or the employee's original amount. You will have the option to use the annual maximum deduction established in the cost code table, or the one entered in the employee file.

WHEN DO YOU RUN THIS?
You would normally do this before the first payroll of the calendar year for calendar annual maximums. You can do it at specific times for other period-based maximums, such as the fiscal year.

❑ Select **Human Resources ▸ Year-End Processing ▸ Reset Cost Code Annual Maximums**

You will be presented with a steps menu to lead you through the process:

Reset Cost Code Annual Maximums		
Description	Date	Start
Reset Files		
Create Cost Code Annual Maximum Reset File		
Edit List		
Maintain Work File		
Reset Annual Maximum Balances		

2.1   RESET FILES

This process will simply discard any records that you've previously gathered. It's like erasing your work file and starting from scratch.
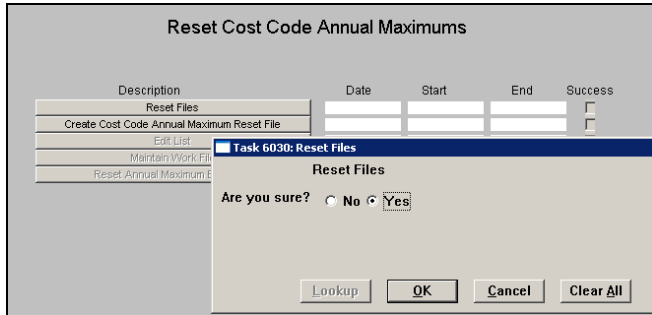
You only need to run this step if you have already started to build a work file and you decide you want to start over.

Otherwise, you may skip this step.

2.2   BUILD THE WORK FILE

This command will gather:

+ All of the Cost Codes where annual maximum have been set,
+ Locate all of the employees who have those cost codes in their deduction file, and
= Put those employees into the Work File.

+All employees who have an Original Amount in their Employee Deduction file, and
= Put those employees into the Work File.

The end result is that you have a workfile containing everyone who has either (a) a cost code containing a maximum, and (b) employees who have deductions with maximums.
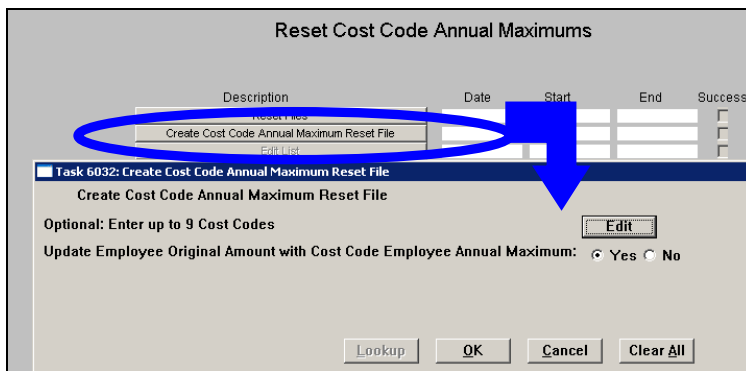

HOW DO I ANSWER THE PARAMETER…
Do you want to Update Employee Original Amount with Cost Code Employee Annual Maximum? See the table below.

YES	NO
Select **Yes** if you want to apply the cost code table annual maximum to both the Original Amount and Remaining Balance field for active employees.	You would choose **No** if you do not want to use the cost code table, but do want to use the Original Amount that currently exists in the employee file. The cost code table is ignored, and the Remaining Balance is set to the amount that is already in the Original Amount field in the employee file.

Select **Yes** if you want to apply the cost code table annual maximum to both the Original Amount and Remaining Balance field for active employees.

Example:

Cost Code table:

Employee deduction file *before* running the process:

Employee deduction file *after* running the process:

You would choose **No** if you do not want to use the cost code table, but do want to use the Original Amount that currently exists in the employee file. The cost code table is ignored, and the Remaining Balance is set to the amount that is already in the Original Amount field in the employee file.

Example:

Employee deduction file *before* running the process:

Employee deduction file *after* running the process:

2.3 PRINT AN EDIT LIST

The edit list displays the current annual maximums and remaining balances, and what the new ones will be after the balances are reset.
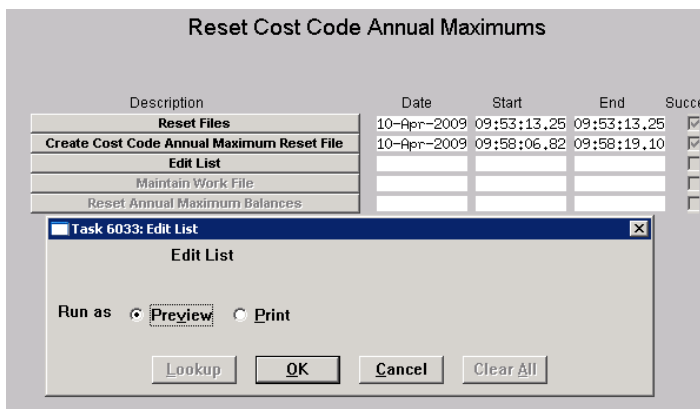
The Edit List report tells you what will happen when you run the last step. It shows the current original amount and the remaining balance, and the new values that will be in the employee file.

```
6033-HRRESETANNMAXEDT.REP          Printed 10-Apr-2009 at 10:13:41 by ROSCOE                  Page 1

                                   Town of ADMINS, Inc.
                                        Edit List

UNPOSTED
====================== ============== ==================== ===========              ========    ========
Employee               Position       Cost Code            Effective               Original    Balance
====================== ============== ==================== ===========              ========    ========

002855  SANDLIN, ROSCOE  T210POLDISP-02 AN-NY NEW YORK LIFE  01-Jan-2008  Current:    600.00      100.00
                                                                          New:        600.00      600.00

002855  SANDLIN, ROSCOE  T210POLDISP-02 UNWAY UNITED WAY     01-Apr-2009  Current:    500.00       50.00
                                                                          New:        500.00      500.00


#Records: 2
```

2.4 MAINTAIN THE WORK FILE

This will show you a list of all employees who have the cost codes you specified in **Section 2.2** called **BUILD THE WORK FILE**.

Reset Files
Create Cost Code Annual Maximum Reset File
Edit List
Maintain Work File
Reset Annual Maximum Balances

On this screen, you can change the new original amount for individual employees. You can also choose to ignore specific employees. You may want to do this, for example, if individual employees have additional deductions over and above the cost code table amount.

Maintain Work File

Sel	4 Cost Code	5 Name	6 Employee #	Position	Effective	Current Original Amt	Current Balance	New Original Amt	New Balance
☑	457SB	ALTOMONTE, JOSEPH J	004142	T220FIRFGTR-01	20-Jul-1995	16500.00	16290.00	123.00	123.00
☑	457SB	COAKLEY, NEIL F	004159	T220FIRFGTR-04	18-Sep-1997	16500.00	16325.00	123.00	123.00
☑	457SB	DACOSTA, VICTOR L	002794	T220FIRFGTR-05	12-Apr-2007	16500.00	16430.00	123.00	123.00
☑	457SB	DELORME, MICHAEL J	004112	T220FIRLT -01	14-Mar-1985	16500.00	16325.00	123.00	123.00
☑	457SB	DESLAURIERS, JOSEPH L	008016	T220FIRFGTR-06	16-Aug-1979	16500.00	16080.00	123.00	123.00
☑	457SB	LACHAPELLE, PAUL E	002670	T220FIRFGTR-11	30-Jun-2000	16500.00	16255.00	123.00	123.00
☑	457SB	MANNING, JOSEPH B	002265	T220FIRFGTR-13	10-Jul-1997	16500.00	16290.00	123.00	123.00
☑	457SB	PREW, GREGORY M	003125	T220FIRFGTR-15	22-Jul-1999	16500.00	16115.00	123.00	123.00
☑	457SB	WASHBURN, PETER E.	002775	T220FIRFGTR-16	07-Feb-2002	16500.00	16360.00	123.00	123.00
☑	ALT21I	FULLER, MARILYNN	009963	S009TEASUBS-01	01-Sep-1995	459.00	196.68	459.00	459.00
☑	ALT21I	RIGAMONTI, MONICA S.	010207	S004TEAGR02-01	30-Aug-1999	459.00	99.98	459.00	459.00

You can select or de-select individual employees. If you "uncheck" employees, the process will ignore them and will not reset the amounts for them. If you ignore an employee, you will need to either run this process again or make changes on the employee's deduction screen.

You can change the new original amount.

2.5 RESET THE BALANCES

The final step in the process will update the employee file. It will change the **original amount** and **remaining balances** to the amounts you specified in the work file. The system will automatically produce an edit list that includes only the employees who were updated.

Reset Files
Create Cost Code Annual Maximum Reset File
Edit List
Maintain Work File
Reset Annual Maximum Balances

Using cost code **DEFCOMP**, here is the employee file before running the process:

1 Contact	2 Personal	3 Ded/Ben	4 Add Wages	5 Payroll	6 Accounting	7 Salary	8 Dates/Class	9 Degrees	0 Custom

CostCode	Effective	Stop Date	Table Amount Message	Additional Amount	Additional Start Date	Additional Stop Date	Original Amount	Remaining Balance
DEFCOMP	01-Jan-2008		50.00				1,000.00	100.00
OTRDER	12-May-2006		999,999.99					

And here is the employee file after running the process:

1 Contact	2 Personal	3 Ded/Ben	4 Add Wages	5 Payroll	6 Accounting	7 Salary	8 Dates/Class	9 Degrees	0 Custom

CostCode	Effective	Stop Date	Table Amount Message	Additional Amount	Additional Start Date	Additional Stop Date	Original Amount	Remaining Balance
DEFCOMP	01-Jan-2008		50.00				1,000.00	1,000.00
OTRDER	12-May-2006		999,999.99					

Notice the **remaining balance** changed from $100 before running the process to the **Annual Maximum** balance of $1000.

IMPORTANT NOTE!
Once you click the button and run the process called "Reset Annual Maximum Balances", you have posted all of the entries in your work file. This doesn't "reset" the work files. Rather, it is a posting routine that "resets" the maximums in the employee deduction file for the new-year.