



ORACLE
NETSUITE

Payroll Guide



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Payroll Setup

SuitePeople U.S. Payroll is a full-service payroll solution for businesses or subsidiaries based in the United States. All earnings, taxes, deductions, and company contributions are automatically calculated using the latest tax data. This feature also provides federal forms W-2, 940, and 941 for printing and filing with the Internal Revenue Service (IRS).

In addition, Payroll provides federal, state, and local tax filing, tax payments, and direct deposits to employees' bank accounts. Other features include service-printed paychecks, vouchers, and year-end forms (W-2, W-2C, and 1099-NEC).

Implementing the Payroll Feature

To use NetSuite to process your payroll, you must enable and implement SuitePeople U.S. Payroll. Implementing Payroll requires the assistance of a SuitePeople U.S. Payroll Professional Services Consultant. As a part of the setup process, you will submit forms and contracts to your consultant. Contact your NetSuite account manager for details about implementing Payroll.



Important: Implementing Payroll requires 45–60 business days. You must begin the implementation process a minimum of 60 business days before the intended first check date using the service.

For more information about the setup procedure for payroll, see [Steps for Setting Up Payroll](#).

After you complete payroll setup tasks, you can generate payroll transactions in NetSuite. For more information, see [Payroll Transactions](#).

NetSuite provides a number of reports and forms that you can use to track payroll data. For more information, see [Payroll Reports and Workbooks](#).

Steps for Setting Up Payroll

Review the steps below to enable and set up the Payroll feature. You may have completed some of these steps when you first set up your NetSuite account, but you must enter additional information to process payroll.

The setup process includes the following:

1. [Enabling Payroll](#)
2. [Entering Company Information for Payroll](#)
3. [Entering Workplace Records for Payroll](#)
4. [Updating Payroll Information](#)



Note: You repeatedly perform this step after you change workplace records, payroll preferences, payroll items, or employee records.

5. [Payroll Preferences](#)
6. [Retirement Plan Setup](#)
7. [Payroll Items Setup](#)
8. [Payroll Setup for Employees](#)

9. [Running Test Payroll Batches](#)
10. [Setting up Year-To-Date Information From Your Previous Payroll System](#)
11. [Entering a Payroll Start Date](#)

Enabling Payroll

Follow the steps below to enable the Payroll feature. You must complete this task on the first day of the implementation process.



Important: Enable the Payroll feature a minimum of 30 business days before your next payday with the service. Payday is the date that checks are dated and direct deposits are deposited.

To enable the Payroll feature:

1. Go to Setup > Company > Enable Features.
2. Click the **Employees** subtab.
3. Check the **Payroll** box.
4. For additional payroll related features, such as time tracking and service printed checks and stubs, select the applicable boxes.
5. Click **Save**.



Note: To enable Payroll, you must read and agree to the terms and conditions.

Entering Company Information for Payroll

On the Company Information page, you enter basic identifying information about your company. For information about setting up subsidiaries, see the help topic [Creating Subsidiary Records](#).

Enter or select information in the following fields:

- Company Name
- Legal Name
- Address, City, State, and Zip
- Employer Identification Number (EIN)
- Phone

To enter the company information required for Payroll:

1. Go to Setup > Company > Company Information.
2. Enter or select the information in the fields listed above.
3. Click **Save**.

For more information on entering company information, see the help topic [Configuring Company Information](#).

Any changes made to these fields must be committed on the Update Payroll Information page. For more information, see [Updating Payroll Information](#).

Entering Workplace Records for Payroll

To use SuitePeople U.S. Payroll, you **must** create workplace records for each location where you have a tax ID and maintain paid employees. NetSuite uses workplace records to define the taxes the employer must withhold and pay. Each employee you include in a payroll batch must have a designated workplace.

Note: The workplace address may be used in conjunction with a home address.

To create workplace records:

1. Go to Lists > Employees > Workplaces > New.
Workplaces also are listed in the **Main Office** field on the **Preferences** tab of the Set Up Payroll page. If you are new to the Payroll feature, you must create a workplace record for your main office.
2. In the **Name** field, enter a name for the workplace.
This name appears on forms and reports that require you to choose a workplace.
For example, you might name one location **Georgia Warehouse** and another **California Headquarters**.
3. If this is a subworkplace of an existing workplace, select the parent workplace from the list in the **Subworkplace of** field.
4. To enter the address of the workplace, click the **Edit** link next to the **Address** field. Complete the fields in the address, including the following:
 - a. In the **Attention** field, enter the person at this address who should be notified of receipt of documents or goods.
 - b. In the **Addressee** field, enter the company name for this workplace that should show on labels and transactions.
This name appears under the name you enter in the **Attention** field.
 - c. Enter the phone number for this workplace the way it should appear on all forms.
 - d. Enter the address for this workplace.
You must include the full street address, state, and zip code for each workplace record. The Payroll feature uses this address to calculate taxes.
 - e. Click OK.
5. Click **Save**.

If the workplace is located in Alaska, after you save the workplace, you can edit it and add a geographic code to the workplace. For more information, see [Adding Geographic Codes to Alaska Workplaces](#).

After the Workplace record is created, you can select it in the Workplace field on the Payroll subtab of the employee record.

Note: You cannot delete a workplace if it is referenced in any employee record. If you do not want a workplace to appear in lists, check the **Workplace is Inactive** box.

Adding Geographic Codes to Alaska Workplaces

If a workplace is in Alaska, you must enter a geographic code on the workplace record.

Before you can add geographic codes to Alaska workplaces, you must install the U.S. Payroll Compliance SuiteApp.

- **Bundle Name:** Payroll Compliance
- **Bundle ID:** 202280

To learn how to install a SuiteApp, see the help topic [Installing a Bundle](#).

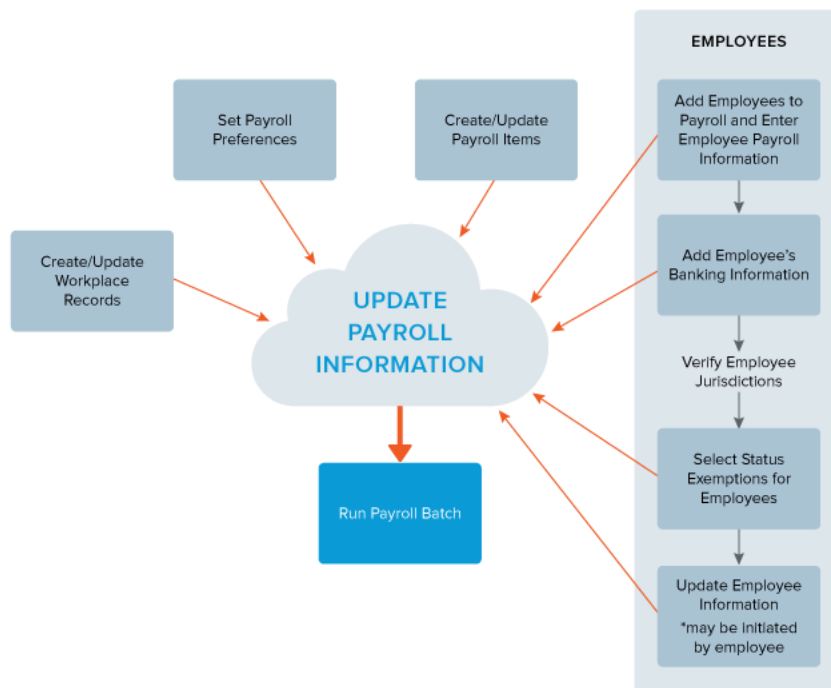
To add a geographic code to an Alaska workplace:

1. Go to Lists > Employees > Workplaces.
2. Beside an Alaska workplace, click **Edit**.
3. In the **Geographic Code** field, enter the two-digit geographic code. For more information about geographic codes, see live.laborstats.alaska.gov/erg/geocodes.cfm.
4. Click **Save**.

Updating Payroll Information

When you use SuitePeople U.S. Payroll, changes or updates made to the Set Up Payroll page must be committed to the payroll tax engine. The same is true for changes made to the employee, workplace, or payroll item records.


The Update Payroll Information page is a guide for issues that need to be resolved. It is also a reference for what changed since your last update. You must complete these steps often during the setup process, and whenever you make changes to records that affect payroll.



To view the history of any employee payroll changes, such as pay rate increases, go to the [Employee Payroll Item History Report](#).


To commit payroll changes and updates:

1. Go to Setup > Payroll > Update Payroll Information.
2. If you have a NetSuite OneWorld account, select a subsidiary from the list in the **Subsidiary** field. For more information, see the help topic [Payroll Setup in OneWorld](#).

3. On the Update Payroll Information page, review the information shown on the following subtabs:
 - **Updated Records** – This subtab lists any records that have been updated since you last updated your payroll information. The record types listed may include your company record, payroll items, employees, and workplace records. You can click the name of a record in the Name column to verify any changes that you have made.
 - **Employees Excluded from Payroll** – This subtab lists employees for whom the **Include In Payroll** box is clear on the **Payroll** subtab on the employee record. You should review the list of employees and verify that you do not want to pay them using NetSuite. For example, employees who work outside of the United States should appear on this list.
To add an employee to your payroll, click the **Name** of the employee. Then, check **Include in Payroll** box on the **Payroll** subtab of the employee record.
 - **To Resolve** – This subtab contains a list of error codes and messages for payroll-related errors that currently exist in your account. To resolve an issue, click the name of the record in the Record column.
-  **Important:** All issues listed on this subtab must be resolved before you can run payroll.
4. Read the statement that begins **I have reviewed all information...**, and then check the **Agree** box.
 5. Click **Commit Updates**.
 6. After committing your updates, review the **To Resolve** subtab again. If there are no items to resolve, you can run payroll. For more information on issues that may need to be resolved, see [Payroll Errors During Setup](#).

Payroll Errors During Setup

You might receive the following errors during the setup process for SuitePeople U.S. Payroll. These errors appear on the To Resolve subtab of the Update Payroll Information page.

 **Important:** You cannot process payroll until all errors are resolved.

Error	Explanation
Pending Authorization from Tax Agency	Payroll is verifying Tax Agency Information. This process begins after you submit your sign-up forms to your Professional Services Consultant. When the forms are approved, this message is automatically removed. For more information, contact your SuitePeople U.S. Payroll Professional Services consultant . This process takes up to 2 business days.
Company bank account is not active	You are required to activate your bank account. This warning remains until you enter the required information on the Activate Bank Account page. For more information, contact your SuitePeople U.S. Payroll Professional Services consultant . This process takes up to 2 business days to complete due to the interaction with the ACH Network.
Funding Account is not activated	You are required to activate the bank account you plan to use to fund payroll. This warning remains until you enter the required information on the Activate Bank Account page. For more information, contact your SuitePeople U.S. Payroll Professional Services consultant . This process takes up to 2 business days to complete due to the interaction with the ACH Network.
Tax liability payments must be recorded	You must enter and commit any tax deposits you made prior to starting with SuitePeople U.S. Payroll.

Payroll Preferences

Before you set up employee records for SuitePeople U.S. Payroll, edit payroll items, or process paychecks, you must go to Setup > Payroll > Setup Tasks > Set Up Payroll to set preferences.

Some of the tabs and fields described below might not be available to you. The options available on the Set Up Payroll page differ based on the features enabled in your account.

- [Setting the Subsidiary for Payroll](#)
- [General Payroll Preferences](#)
- [Setting up Automatic Catch-up Over Age 50 Calculations](#)
- [Enabling Employees to Update Direct Deposit Information](#)
- [Specifying When Employees Can View Paychecks](#)
- [Setting Default Accounts for Payroll](#)
- [Setting Preferences for Jurisdictions](#)
- [Setting Specific Tax Rates](#)
- [Setting Up Email Alerts for Payroll Issues](#)

After you finish entering information on the Set Up Payroll page, click the **Save** button.

Before you save changes on the Set Up Payroll page, you must set the following preferences:

- Select a type of organization
- Set the number of days to pay PTO and pay earnings prior to a pay period
- Enter an email address to receive payroll alerts
- Select a main-office workplace
- Select a payroll funding account.

If you do not set these preferences, NetSuite reminds you before permitting you to save your payroll preferences.



Important: After updating any payroll preferences and options, you must go to the Update Payroll Information page and commit those changes. This ensures that all changes have been reviewed and committed to the tax engine. For more information, see [Updating Payroll Information](#).

Setting the Subsidiary for Payroll

If you use NetSuite OneWorld, you can specify the subsidiary or root-parent company for which payroll is run. After you select a subsidiary, the other preferences that you set on the Set Up Payroll page apply to only that subsidiary.

Each subsidiary must have:

- Unique Employer Identification Number (EIN) from the U.S. Internal Revenue Service (IRS)
- Unique Vendor Name for each tax agency. For example, you have two subsidiaries located in California. You need two uniquely named Vendors for the IRS, and two uniquely named Vendors for the California Franchise Tax Board.

For more information about subsidiaries and OneWorld, see


To select a subsidiary for payroll:


1. Go to Setup > Payroll > Setup Tasks > Set Up Payroll.
2. From the **Subsidiary** list, select a subsidiary. This list displays only US subsidiaries.



General Payroll Preferences

The following table describes the preferences available on the Preferences subtab of the Set Up Payroll page. This page is located at Setup > Payroll > Setup Tasks > Set Up Payroll.

After you set a preference, you must update payroll information. For more information, see [Updating Payroll Information](#).

Field Name	Function
General	
Calculate Funding	<p>Check this box if you want NetSuite to create a funding transaction.</p> <p>When this box is checked, a single transaction for the total of the payroll run is posted to your checking account. If this box is not checked, a transaction is listed for each individual paycheck in your checking account.</p>
Expand Account Lists for Payroll Items	<p>Check this box to associate additional general ledger accounts with payroll items.</p> <p>When this box is clear, you can associate payroll items with only their default accounts. Expense accounts for earning payroll items, and liability accounts for deduction payroll items.</p> <p>When this box is checked, you have more options:</p> <ul style="list-style-type: none"> ■ Deduction payroll item can be associated with a liability account, asset account, or expense account. If you associate a deduction payroll item with an asset or expense account, that account is credited in the general ledger. ■ Earning payroll item can be associated with an expense account, asset account, or liability account. If you associate an earning payroll item with an asset or liability account, that account is debited in the general ledger. <div>  Important: This preference impacts the general ledger. After you check the box, you can clear the box only after all payroll items are associated with their default accounts. For example, deduction payroll items associated with liability accounts. </div>
Pay PTO Prior to Pay Period (Days)	<p>Enter the number of days prior to the current pay period to pay personal time off (PTO) for approved time entries.</p> <p>You should enter zero unless you plan to pay employees before the last pay period ended.</p>
Pay Earnings Prior to Pay Period (Days)	<p>Enter the number of days prior to the current pay period that you want to pay earnings not included in the last pay period.</p> <p>You should enter zero unless you plan to pay employees before the last pay period ended.</p> <p>If your employees have been tracking their time using the Time Tracking feature, note the following. If you are adding them to payroll and want to use this preference, you must enter their last paid date manually on their employee records. Manual entry ensures that the employee's pay is calculated correctly. For more information, see Including an Employee in Payroll.</p>
Payroll Issues Alert Email Addresses	<p>Enter the email addresses for users who should receive alert messages when payroll issues occur. Use commas, semi-colons, or spaces to separate multiple addresses.</p>
Main Office	<p>Select the name of the workplace that represents the main or home office for your business. This workplace is used to calculate taxes for an employee when a workplace is not selected on the employee record. See Entering Workplace Records for Payroll.</p>

Field Name	Function
Type of Organization	<p>Select the type of organization that best describes your company: corporation, government agency, LLC (limited liability corporation), partnership, or proprietorship.</p> <p>The selection you make may affect the options available when setting up your payroll. For example, selecting Partnership enables you to set up partners with the correct tax exemptions.</p>
Paychecks	
Show Paychecks with Zero Amounts	Check this box to see paychecks for employees who worked zero hours on the Payroll Batch page.
Pay Expenses on Paychecks	<p>Check this box to pay approved expense report amounts in NetSuite to employees on their paychecks.</p> <p>You must create an expense payroll item to use this preference. For more information, see the help topic Paying Expenses on Employee Paychecks with Payroll.</p>
Pay Employee Commissions on Paychecks by Default	<p>Check this box to pay approved commission amounts in NetSuite to employees on their paychecks.</p> <p>You must create a commission payroll item to use this preference. For more information, see Payroll Items Setup.</p>
Always Classify Individual Paycheck Lines	Check this box if you want the Classify Individual Paycheck Lines box checked by default on paychecks. When the Classify Individual Paycheck Lines box is checked, you can classify individual paycheck lines by class, department, or location. For more information, see Classifying Individual Paycheck Lines .
Default "To Be Printed" on Paychecks	Check this box if you want the To Be Printed box checked by default when processing individual paychecks and when you process payroll.
Default "Do Not Accrue Time" on Paychecks	<p>Check this box if you want the Do Not Accrue Time box on paychecks checked by default when processing individual paychecks and when processing payroll.</p> <p>If you check this box, sick and vacation accruals do not process.</p>
Default "Pay Bonuses" on Paychecks	<p>Check this box if you want the Pay Bonuses box on payroll batches checked by default. If the Pay Bonuses box is checked on payroll batches, bonuses for the pay period are added to paychecks when the payroll batch is calculated.</p> <div>  Note: This preference is available only if the Compensation Tracking feature is enabled in your account. For more information, see the help topic Integrating Bonuses with Payroll. </div>
Pay Sick/Vacation Time on Paychecks	<p>Check this box if you want the Pay PTO box on paychecks checked by default when processing individual paychecks and when processing payroll.</p> <p>If you do not check this box, sick time and vacation time are not paid.</p>
Show Only Vacation and Sick Payroll Items in PTO Hours	<p>Check this box to limit the payroll items that appear in the PTO Hours subtab of paycheck records to Earning:Sick or Earning:Vacation. These payroll items appear in the PTO Hours subtab if you associate them with time-off pay codes. Paid time off codes are Paid Time Off – Taxable, Sick Pay, Holiday, and Personal.</p> <p>Clear this box to include any payroll item associated with a time-off pay code on the PTO Hours subtab. For example, you might want to include a payroll item related to jury duty.</p>
Mask Social Security Numbers on Vouchers	Check this box to mask employees' social security numbers on paycheck vouchers.

Field Name	Function
	<p>When this box is checked, only the last four digits of the social security number are shown on the voucher (for example, xxx-xx-1234).</p> <p>For vouchers, this preference is influenced by the state of permissions and preferences. For example, Bob has full permission to view social security numbers. When this box is checked, social security numbers are masked when Bob views a voucher.</p> <p>For more information, see the help topic Working with Employee Social Security Numbers.</p>
Print Single Copy Voucher	<p>Check this box to include only one copy of the paycheck voucher with the paycheck.</p> <p>When this box is clear, the taxes and deductions included on paychecks may be truncated for employees with numerous tax and deduction line items. In addition, NetSuite prints two vouchers when you select vouchers at Transactions > Management > Print Checks and Forms.</p>
Enable Multi-State Calculation	<p>Check this box to calculate pertinent taxes for employees who work in different states during a pay period.</p> <p>Pertinent taxes include the jurisdiction where work is performed and the employee's primary office and home jurisdictions. For more information, see Setting up Taxes for Employees who Work in Different States During a Pay Period.</p>
Decrease Elective Deferral Limits and Automatically Calculate Catch-Up	<div style="border: 1px solid #f08080; padding: 5px; margin-bottom: 10px;">  Warning: Do not set this preference if you use 457(b) plans. </div> <p>Check this box to do the following:</p> <ul style="list-style-type: none"> ■ Decrease the annual elective deferral limit for specific employees on their employee records. ■ Decrease the annual catch-up over age 50 limit for specific employees on their employee records. <div style="border: 1px solid #add8e6; padding: 5px; margin-bottom: 10px;">  Note: If you need to clear or edit limits, you must do so at the beginning of each year. </div> <ul style="list-style-type: none"> ■ Automatically calculate catch-up over age 50 for employees who meet the following criteria: <ul style="list-style-type: none"> □ Have a catch-up over age 50 deduction assigned on their record □ Reach the annual elective deferral limit □ Be 50 years of age or older by the end of the current calendar year <p>For more information, see Decreasing Elective Deferral Limits for an Employee and Setting up Automatic Catch-up Over Age 50 Calculations.</p>
Show Payroll Item Descriptions on Summary Tab of Paychecks	<p>Check this box to show payroll item descriptions on the Summary subtab of paychecks. You can add descriptions to payroll item records to provide additional information about a payroll item to your employees. For more information, see Creating Payroll Items.</p>
Paychecks Visible to Employees	<p>Specify when paychecks should be visible to employees in the Employee Center. Options are when the payroll batch is committed, on the check date, one day before the check date, or two days before the check date.</p> <p>If you use NetSuite OneWorld, this preference applies to all employees within a subsidiary who are paid with SuitePeople Payroll. If you do not use OneWorld, this preference applies to all employees in your organization who are paid with SuitePeople U.S. Payroll. For more information, see Specifying When Employees Can View Paychecks.</p>

Field Name	Function
Reporting	
Report Payroll Liabilities By	Choose to report your payroll liabilities quarterly or year-to-date (YTD).
Use Year-to-Date Values on Reports (This option is applicable only in the year that payroll is first implemented.)	Check this box if you want reports to reflect the YTD values you entered for employees during setup. When this box is checked, the values for checks and adjustments entered prior to the YTD data will not appear on reports. If this box is clear, check and adjustment amounts may result in report data not matching the amounts you committed during payroll setup.
Self-Service	For more information, see Enabling Employees to Update Direct Deposit Information .
Employees Can View or Change Banking Information	Check this box to let employees make changes to their bank accounts for direct deposit. Employees can edit their bank account information using their Employee Center roles.
Employees Can Choose to be Paid by Check	Check this box to let employees change their net payment method from direct deposit to check. Employees use the Employee Center role to change their payment method. This preference is available only if the Employees Can View or Change Banking Information box is also checked.

Setting up Automatic Catch-up Over Age 50 Calculations


You can set a preference to automatically calculate catch-up over age 50 for respective retirement plans. NetSuite automatically calculates catch-up over age 50 for employees who meet the following criteria:

- A catch-up over age 50 payroll item is assigned to the employee
- The employee is 50 years or older in the current calendar year
- The employee reached their annual elective deferral limit

When this preference is set, you can also decrease the elective deferral and catch-up over age 50 limit for specific employees. For more information, see [Decreasing Elective Deferral Limits for an Employee](#).

To set up automatic catch-up over age 50 calculations:

1. Ensure employees included in payroll have the correct birth date on their records. You can add a birth date to an existing employee by doing the following:
 - a. Go to Lists > Employees > Employees.
 - b. Click **Edit** next to an employee.
 - c. Click the **Human Resources** subtab.
 - d. In the **Birth Date** field, enter or select the employee's date of birth.
2. Go to Setup > Payroll > Setup Tasks > Set Up Payroll.
3. Click the **Preferences** subtab.
4. Check the **Decrease Elective Deferral Limits and Automatically Calculate Catch-Up** box.

 **Warning:** Do not set this preference if you use 457(b) plans.

5. Click **Save**.

After an eligible employee reaches their annual elective deferral limit, NetSuite automatically calculates catch-up over age 50 using a weighted average.

For example, an employee over 50 years old might contribute \$400 to their retirement plan per pay check. They already contributed \$19,200 in the current calendar year to their retirement plan. They are also assigned a catch-up over age 50 payroll item. In the next payroll, \$300 is automatically deducted for their standard 401(k) plan and \$100 is deducted for 401(k) catch-up over age 50.

Enabling Employees to Update Direct Deposit Information

You can let employees set up and edit their own bank account information for direct deposit. Employees can edit their net account and add up to nine secondary bank accounts. To allow employees to edit their own banking information, complete the following tasks:

- [Setting Self-Service Banking Preferences](#)
- [Setting Employee Center Access Levels for Banking Information](#)

Setting Self-Service Banking Preferences

To enable employees to update direct deposit banking information, you first need to set banking preferences.

To set self-service banking preferences:

1. Go to Setup > Payroll > Set Up Payroll.
2. On the **Preferences** subtab, in the Self Service section, check the **Employees Can View or Change Banking Information** box.
3. To allow employees to change their payment method from direct deposit to check, check the **Employees Can Choose to be Paid by Check** box.
If you want to pay employees only by direct deposit, leave this box clear.
4. Click **Save**.

Setting Employee Center Access Levels for Banking Information

To permit employees to update their banking information, you need to create a custom Employee Center role. Then, you must change the Personal Banking Information permission access level to Full. If your Employee Center users use a customized role, you must ensure that the Personal Banking Information permission access level is Full.

To set Employee Center access levels for banking information:

1. Go to Setup > Users/Roles > Manage Roles.
2. Depending on whether your Employee Center users are using the standard Employee Center role or a custom Employee Center role, do one of the following:
 - If employees are using the standard Employee Center role, next to the role, click **Customize**, and then enter a **Name** for the custom role.
 - If employees are using a custom Employee Center role, next to the custom role, click **Edit**.
3. Click the **Permissions** subtab, and then click the **Transactions** subtab.

4. In the list of permissions, beside **Personal Banking Information**, verify the access level and change it if necessary:
 - To permit employees to view their banking information, edit their banking information, and add new bank accounts, set the level to **Full**.
 - To permit employees to view their banking information, but not to edit their banking information or add new bank accounts, leave the level at **View**.
 - To prevent users from viewing or editing their banking information, set the level to **None**.
5. Click **Save**.

After you create a custom Employee Center role, make sure that you assign the role to your employees. If necessary, remove the standard Employee Center role from their list of roles. For more information, see the help topic [Giving an Employee Access to NetSuite](#).



Important: After employees update their banking information, NetSuite sends notifications to:

- The employee
- The email address that is set in the Payroll Issues Alert Email Address field at Setup > Payroll > Set Up Payroll

If you receive notification that an employee changed direct deposit banking information, you must update payroll information to ensure changes can be validated and applied. For more information see [Updating Payroll Information](#).

Specifying When Employees Can View Paychecks

You can set a preference to specify when employees can view their paychecks in the Employee Center. By default, paychecks are visible on the check date. You can also make paychecks visible when the payroll batch is committed, one day before the check date, or two days before the check date.



Note: To view their paychecks in NetSuite, employees require access to NetSuite with an Employee Center role. For more information, see the help topic [Granting Access to the Employee Center](#).

This preference applies to all employees within your organization or subsidiary who are paid with SuitePeople U.S. Payroll.

To specify when employees can view paychecks:

1. Go to Setup > Payroll > Set Up Payroll.
2. Click the **Preferences** subtab.
3. In the **Paychecks Visible to Employees** list, select one of the following options:
 - When Payroll Batch is Committed
 - On Check Date
 - One Day Before Check Date
 - Two Days Before Check Date
4. Click **Save**.

After you specify when employees can view paychecks, make sure that you update payroll information. For more information, see [Updating Payroll Information](#).

Setting Default Accounts for Payroll

To view and edit the following fields, click the **Default Accounts** subtab.

To set default accounts for Payroll:

1. Go to Setup > Payroll > Set Up Payroll.
2. Click the **Default Accounts** tab.
3. In the **Gross Pay** list, select the general ledger account to use for your gross pay.
4. In the **Payroll Expenses Account** list, select the account to use for payroll expenses. This is used as the default expense account.
5. In the **Payroll Liabilities Account** list, select the account to use for payroll liabilities.
6. In the **Payroll Funding Account** list, select the account to use to fund payrolls. NetSuite withdraws funds from this account to satisfy payments to employees and tax agencies.



Important: The account you select here must match the payroll funding account that you indicate in your paperwork when you first implement SuitePeople U.S. Payroll. If you are updating the payroll funding account, you must follow the instructions in [SuiteAnswers article 79774](#).

If you use NetSuite OneWorld, not all bank accounts are available. To appear in this list, a bank account must be restricted to the Payroll Subsidiary defined at the top of the Set Up Payroll page. The currency should be USA (U.S. dollars).

7. Click **Save**.

After you set default accounts, make sure that you update payroll information. For more information, see [Updating Payroll Information](#).

Setting Preferences for Jurisdictions


The jurisdictions listed on the Jurisdictions subtab are based on the addresses of your workplaces. Jurisdictions are also listed on each workplace record. If the jurisdictions list is empty, ensure you have entered a company address or an address for each workplace. Then, go to Setup > Payroll > Update Payroll Information to commit any changes. For more information, see [Entering Workplace Records for Payroll](#).

To set preferences for jurisdictions:

1. Go to Setup > Payroll > Set Up Payroll.
2. Click the **Jurisdictions** subtab.
3. Click the subtab for each jurisdictions. You should see one federal subtab and, for each state in which you have workplaces, a state subtab.
4. Verify that the information for each jurisdiction is correct. If necessary, update the information for a jurisdiction. For example, you might need to change the federal deposit schedule or your state employer account number.


5. Click **Save**.

If you make changes to jurisdictions preferences, make sure that you update payroll information. For more information, see [Updating Payroll Information](#).

 **Tip:** You can use the Workplace Tax Jurisdictions workbook to identify and verify tax jurisdictions for each workplace. For more information, see [Workplace Tax Jurisdictions Workbook](#).

Setting Specific Tax Rates

SuitePeople U.S. Payroll determines the federal, state, and local tax items applicable to your company, based on your company's main office address and list of workplaces. These tax items are displayed on the Taxes subtab of the Set Up Payroll page.

 **Note:** Tax rate fields that appear dimmed are maintained by the tax engine and cannot be updated by you. If these fields are not the correct rate, contact Customer Support.

Some tax rate fields are editable so that you can set rates specific to your organization. If you set your own tax rates, updates are your responsibility.

To set specific tax rates:

1. Go to Setup > Payroll > Set Up Payroll.
2. Click the **Taxes** subtab.
3. Do any of the following:
 - If your company is exempt from a tax rate, check the **Exempt** box beside the tax rate.
 - If a tax rate has changed for your company, enter the new rate in the **Rate** column.
 - To change the effective date for the tax rate, in the **Effective Date** column, enter a date (mm/dd/yyyy). You can also use the calendar icon.
 - To view the history of rate changes and the effective or expiration date for that change, click **View** in the **History** column.
4. Click **Save**.

After you make changes to tax rates, make sure that you update payroll information. For more information, see [Updating Payroll Information](#).

Setting Up Email Alerts for Payroll Issues

You can set up email alerts to notify selected users when issues occur with payroll transactions or when employees update their banking information.

To receive payroll alerts:

1. Go to Setup > Payroll > Set Up Payroll.
2. On the **Preferences** subtab, enter one or more email addresses in the **Payroll Issues alert email addresses** field. You can use commas, semi-colons, or spaces to separate multiple addresses.
3. Click **Save**.

Retirement Plan Setup

You can set up 401(k) retirement plans to automatically calculate employee contributions and employer match based on your company's policy. Your role must have the Set Up Payroll permission to set up retirement plans.

To learn how to set up retirement plans, see the following topics:

- [Creating Retirement Plans](#)
- [Editing a Retirement Plan](#)
- [Inactivating a Retirement Plan](#)

After you set up a retirement plan, you can derive the pay rate of deduction and employer contribution payroll items from the retirement plan. For more information, see [Deriving a Payroll Item from a Retirement Plan](#).

Creating Retirement Plans

You can create 401(k) retirement plans to automatically calculate employee contributions and employer match.

To create a retirement plan:

1. Go to Setup > Payroll > Setup Tasks > Retirement Plans > New.
2. In the **Plan Name** field, enter a name for the retirement plan.
3. In the **Description** field, enter a description for the retirement plan.
4. If you use NetSuite OneWorld, in the **Subsidiary** field, select the subsidiary that can use this retirement plan.



Note: After you create a retirement plan, you cannot edit the subsidiary.

5. In the **Compensation** field, select the type of compensation you want to base the plan on.
You can select either Gross Amount or a Payroll Item Group of eligible earnings. For more information, see [Creating Payroll Item Groups](#).
6. Check the following employee contribution boxes to include them in the retirement plan:
 - **Employee Contributions**
 - ☐ Pre-Tax Contributions
 - ☐ Designated Roth Contributions
 - **Catch-Up Contributions (Over 50)**
 - ☐ Pre-Tax Contributions
 - ☐ Designated Roth Contributions
7. If an employee contribution is eligible for employer match, below the employee contribution, check the **Eligible for Employer Matching** box. You can set up either a basic or advanced formula to calculate employer match.
8. Set up a basic or advanced formula to calculate employer match.
 - To set up a basic match formula, do the following:

1. Enter the employer match percentage.
2. Enter the employer match cap.



Note: You can also set a limit on the payroll item. For more information, see [Setting a Limit for a Payroll Item](#).

For example, you enter 50% in the first field and 6% in the second field. The maximum employer match for an employee's compensation of \$1000 is calculated as $\$1000 \times 50\% \times 6\% = \30 .

- To set up an advanced match formula, do the following:
 1. Click the arrow beside **Advanced Match**.
 2. Check the **Use Advanced Match** box.
 3. Under **Tier of Contributions**, select either percentage or amount.
 4. Set the employer match percent.
 5. Set the employer match cap.
 6. Click **Add** to create additional tiers.

For example, you want to match the first 3% of an employee's contribution. Then, you want to match 50% of the next 3% of an employee's contribution. To do this, you would enter the following:

Match 100% of the first 3% of employee's contribution

Match 50% of the next 3% of employee's contribution

9. Click **Save**.

After you create a retirement plan, you can derive the respective deduction and company contribution payroll items from the plan. For more information, see [Creating Payroll Items](#) and [Deriving a Payroll Item from a Retirement Plan](#).

Editing a Retirement Plan

You can edit all fields on an existing retirement plan, except for the plan's subsidiary. You cannot clear an employee contribution box if a payroll item uses it.

To edit a retirement plan:

1. Go to Setup > Payroll > Setup Tasks > Retirement Plans.
2. Click the number next to the retirement plan you want to edit.
3. Make your changes.
4. Click **Save**.

Inactivating a Retirement Plan


You can prevent the use of a retirement plan by inactivating it. You can inactivate an existing retirement plan as long as a payroll item is not using it.

To inactivate a retirement plan:

1. Go to Setup > Payroll > Setup Tasks > Retirement Plans.

2. Check the **Show Inactives** box.
3. Beside the retirement plan you want to inactivate, check the **Inactive** box.
4. Click **Submit**.

Payroll Items Setup

 **Note:** This topic applies to payroll items that are used with SuitePeople U.S. Payroll. Additional payroll item types are available for partners developing solutions with the **Paycheck Journal** feature. See [Paycheck Journal Feature](#).

NetSuite provides a list of predefined payroll items that your company can use to set up earnings, deductions, and contributions. You must create new payroll items to pay employees and to track payroll liabilities and expenses.

Typical new payroll items include:

- Regular Pay or Hourly Wages (Earning:Wage)
- Overtime Pay or Hourly Wages (Earning:Wage)
- Salary (Earning:Salary)
- Bonus (Earning:Addition)
- Third Party Sick Pay Taxable or Third Party Sick Pay Non Taxable (Earnings received from a third party, usually for short or long-term disability). For more information, see [Recording Third-Party Sick Pay Payments](#).
- Health Insurance (Company contribution for portion and deduction for employee-paid portion)
- Union dues (Deduction)
- Savings (Deduction)

To view the complete list of payroll items, go to Lists > Employees > Payroll Items.

To learn how to set up payroll items, see the following topics:

- [Payroll Item Types](#)
- [Creating Payroll Items](#)
- [Creating Payroll Item Groups](#)
- [Setting a Limit for a Payroll Item](#)
- [Payroll Item Derivation](#)
- [Applying a Default Rate to a Payroll Item](#)
- [Inactivating or Deleting Payroll Items](#)
- [Editing a Payroll Item](#)
- [Scheduling Payroll Item Changes](#)
- [Mapping Pay Codes to Payroll Items](#)
- [Standard Pay Codes](#)

To make new payroll items available in a payroll batch, add the new payroll items to the Payroll subtab of the appropriate employee records. Then, update payroll information. For more information, see [Payroll Setup for Employees](#).

Payroll Item Types

The table below includes basic information about each payroll item type.

Payroll Item Type	Description	Set Limit and Limit Quantity	Derive From	Set Default Rate	Automatically Calculated on Paychecks
Deduction	<p>A deduction to the employee's earnings, such as taxes or health insurance premiums.</p> <p>You can associate this item with a liability account by default. You can use an expense or asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll.</p>	Choose to apply a limit to the deduction for all employees and choose to base this limit on a quantity.	You can derive a deduction from another earning or deduction. You can also derive a deduction from a retirement plan.	Choose to apply a default rate in percent or dollars for the deduction and choose to apply the indicated rate to all employees.	This item is automatically calculated on a paycheck.
Earning: Addition	<p>An addition to the employee's earnings that can be continuous or one-time, such as allowances, bonuses, or holidays.</p> <p>You can also use this payroll item type to record overtime pay for wage employees.</p> <p>You can associate this item with an expense account by default. You can use a liability or asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll.</p>	Choose to apply a limit to the addition for all employees and choose to base this limit on a quantity.	You can derive an Earning:Addition from another earning.	Choose to apply a default rate in percent or dollars for the addition and choose to apply the indicated rate to all employees.	<p>This item is automatically calculated on a paycheck if one of the following is true:</p> <ul style="list-style-type: none"> On the employee record, in the Payroll subtab, the Default box is checked beside this item. The Rate and Default Hours specified are added on a paycheck. On the payroll item record, Based on Quantity is checked, and time entries for that pay period have been approved.
Earning:Commission	<p>An earning that is given to the employee as commission.</p> <p>You can use Earning:Commission only if the Employee Commissions feature is enabled in your account. For more information, see the help topic Commissions. If the Employee Commissions feature is not enabled in your account, use Earning:Addition.</p>	—	—	—	<p>This item is automatically calculated on a paycheck if the Employee Commissions feature is set up.</p> <p>If the Default box is checked on the Payroll subtab of the employee record, Rate and Default Hours specified are added on a paycheck.</p>

Payroll Item Type	Description	Set Limit and Limit Quantity	Derive From	Set Default Rate	Automatically Calculated on Paychecks
	<p>You can associate this item with a liability account by default. You can use an expense or asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll.</p>				For wage employees, this item is automatically calculated on a paycheck if time entries have been approved for that pay period.
Earning: Expense	<p>A payment to the employee to reimburse an expense.</p> <p>You can use Earning:Expense only if you have the Expense Reports feature enabled in your account. For more information, see the help topic Expense Reporting. If the Expense Reports feature is not enabled in your account, use Earning:Addition to enter expense reimbursements directly into payroll.</p> <p>You can associate this item with a liability account by default. You can use an expense or asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll.</p>	—	—	—	<p>This item is automatically calculated on a paycheck if the employee has filed expense reports.</p> <p>If the Default box is checked for the Earning:Expense item on the Payroll subtab of the employee record, then Rate and Default Hours specified are added on a paycheck.</p>
Earning:Salary	<p>An annual salary that is paid to the employee on a regular basis. Use Earning:Salary if the employee's pay is based on a set amount and does not use time tracking to pay the employee. Salary is calculated based on the pay frequency chosen on the employee record.</p> <p>If your exempt employees can earn overtime payments, use Earning:Salary for their regular hours and use Earning:Wage for their overtime pay.</p>	—	You can derive an Earning:Salary from another earning.	—	This item is automatically calculated on a paycheck for salaried employees.

Payroll Item Type	Description	Set Limit and Limit Quantity	Derive From	Set Default Rate	Automatically Calculated on Paychecks
	<p>You can associate this item with a liability account by default. You can use an expense or asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll.</p>				
Earning:Sick	<p>An earning that is given towards the employee's sick leave, with the ability to reduce auto earnings and track accrual balances.</p> <p>You can associate this item with a liability account by default. You can use an expense or asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll.</p>	—	You can derive an Earning:Sick from another earning.	—	This item is automatically calculated on a paycheck if time entries have been approved for that pay period.
Earning: Vacation	<p>An earning that is given towards the employee's vacation leave, with the ability to reduce auto earnings and track accrual balances.</p> <p>You can associate this item with a liability account by default. You can use an expense or asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll.</p>	—	You can derive an Earning:Vacation from another earning.	—	This item is automatically calculated on a paycheck if time entries have been approved for that pay period.
Earning: Wage	<p>An hourly earning that is paid to the employee, such as hourly wages or overtime pay.</p> <p>If you pay overtime for exempt employees, use Earning:Salary for their regular hours and use Earning:Wage for their overtime pay.</p> <p>You can associate this item with a liability account by default. You can use an expense or asset account if the Expand Accounts List for Payroll Items box</p>	—	You can derive an Earning:Wage from another earning.	—	<p>This item is automatically calculated on a paycheck if time entries have been approved for that pay period.</p> <p>If the Default box is checked for the Earning:Wage item on the Payroll subtab of the employee record, then Rate and Default Hours specified are added on a paycheck.</p>

Payroll Item Type	Description	Set Limit and Limit Quantity	Derive From	Set Default Rate	Automatically Calculated on Paychecks
	is checked in Set Up Payroll.				
Employer Contribution	<p>A contribution made by the employer on the employee's behalf, such as health insurance or a qualified 401(k) plan.</p> <p>You can associate this item with a liability or expense account by default. You can use an asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll.</p>	Choose to apply a limit to the employer contribution for all employees and choose to base this limit on a quantity.	You can derive an employer contribution from an earning, deduction, or employer contribution. You can also derive it from a retirement plan.	<p>Choose to apply a default rate in percent or dollars for the employer contribution and choose to apply this rate to all employees.</p> <p>If the employer contribution is derived from a retirement plan, the rate is based on the retirement plan's matching formula.</p>	This item is automatically calculated on a paycheck.

Creating Payroll Items

You can create payroll items for each type of earning, deduction, and contribution that you use in your organization. You then assign payroll items to employees.

To create payroll items:

1. Go to Lists > Employees > Payroll Items > New.
2. If you have a NetSuite OneWorld account, from the **Subsidiary** list, select a subsidiary.
3. In the **Item Type** field, select a payroll item type. For more information see [Payroll Item Types](#).
4. In the **Item Name** field, enter a name for the payroll item.
5. To include a description, which appears on the Summary subtab of employees' paychecks, enter a **Description**.


Descriptions can help employees to understand the different items on their paychecks.

Note: Employees view their paycheck records in the Employee Center. To ensure that employees with access to the Employee Center can see descriptions, go to Setup > Payroll > Set Up Payroll. Check the **Show Payroll Item Descriptions on Summary Tab of Paychecks** box.

6. If the **Account Category** list is displayed, select the type of account to associate with this payroll item.

Note: This option appears for Earning and Deduction payroll items only if the **Expand Account List for Payroll Items** box is checked. Go to Setup > Payroll > Set Up Payroll.

7. From the **Expense Account**, **Liability Account**, or **Asset Account** list, select the general ledger account to associate with the payroll item.

 **Note:** For employer contribution payroll items, you must select both a liability account and an expense account.

8. If the payroll item is associated with a liability account, from the **Agency** list, select the tax agency to which this deduction is paid. The Agency ID for this tax vendor is pulled automatically from the vendor record. For more info, see the help topics [Vendor Records Overview](#) and [Associating a Vendor With a Payroll Item](#).
9. From the **Pay Code** list, select the appropriate pay code for the payroll item. The pay code determines how the payroll item is taxed and reported and whether the item appears on employees' W-2s. For more information, see [Standard Pay Codes](#).
10. Depending on the payroll item type, you might also be able to do the following:
 - Set a limit for the payroll item. For more information, see [Setting a Limit for a Payroll Item](#).
 - Derive the rate for the payroll item from a payroll item, item group, or retirement plan. For more information, see [Payroll Item Derivation](#).
 - Apply a default pay rate to the payroll item. For more information, see [Applying a Default Rate to a Payroll Item](#).
11. To specify where this payroll item amount should appear in payroll reports, from the **Report Section** list, select a report.
12. Click **Save**.


After you create a payroll item, update payroll information. For more information, see [Updating Payroll Information](#).

Creating Payroll Item Groups

You can create a payroll item group that contains two or more earning or deduction payroll items. Before you create a payroll item group, ensure the payroll items you want to include in the group are created in your account. For more information, see [Creating Payroll Items](#).

To create a payroll item group:

1. Go to Lists > Employees > Payroll Item Groups > New.
2. If you have a OneWorld account, from the **Subsidiary** list, select a subsidiary.
3. In the **Group Name** field, enter a unique and meaningful name for the payroll item group.
4. In the **Payroll Items** list, select at least two payroll items to include in the payroll item group.

 **Note:** You can only include earning or deduction payroll items in a payroll item group.

5. Click **Save**.

After you create a payroll item group, you can derive the pay rate of a deduction or contribution from a payroll item group. If you derive a payroll item from a payroll item group, you can specify a default rate to apply to employees. For more information, see [Payroll Item Derivation](#) and [Applying a Default Rate to a Payroll Item](#).

Editing a Payroll Item Group

You can edit a payroll item group's name and the payroll items included in the group.

To edit a payroll item group:

1. Go to Lists > Employees > Payroll Item Groups.

2. Beside the payroll item group that you want to edit, click **Edit**.
3. Make your changes.
4. Click **Save**.

Inactivating or Deleting Payroll Item Groups

You can inactivate or delete existing payroll item groups.

Inactivating a Payroll Item Group

You can prevent the use of an existing payroll item group by inactivating it.

To inactivate a payroll item group:

1. Go to Lists > Employees > Payroll Item Groups.
2. Beside the payroll item group that you want to inactivate, click **Edit**.
3. Check the **Inactive** box.
4. Click **Save**.

To view inactive payroll item groups, go to the list page and check the **Show Inactives** box.

Deleting a Payroll Item Group

You can delete an existing payroll item group if there are no payroll items that derive their value from it. If you want to delete a payroll item group that has been used, inactivate it instead. You cannot delete a payroll item group if it is used in a retirement plan.

To delete a payroll item group:

1. Go to Lists > Employees > Payroll Item Groups.
2. Beside the payroll item group that you want to delete, click **Edit**.
3. From the **Actions** list, select **Delete**.

Setting a Limit for a Payroll Item

For earning:addition, deduction, or employer contribution payroll items, you can set a limit. If the limit is reached, the payroll item is no longer included in payroll calculations. A limit can be applied to employee wages or employee withholdings.

Note: If you set the **Decrease Elective Deferral Limits and Automatically Calculate Catch-Up** preference on the Set Up Payroll page, all deductions ignore payroll item limits. Limits set for employer contributions still take effect. For more information, see [Decreasing Elective Deferral Limits for an Employee](#).

To set a limit for a payroll item:

1. While creating or editing a payroll item, in the **Limit** field, enter a dollar amount equal to the annual limit.
2. Select the limit type:
 - To apply the limit to wages, select **Wage**. When the year-to-date wages for an employee is above the limit specified, the payroll item is no longer applied.
 - To apply the limit to the amount withheld, select **Withholding**. When the year-to-date withholdings are above the limit specified, the payroll item is no longer applied.

3. To apply the limit to all employees, check the **Apply Limit to All Employees** box.
4. Click **Save**.

Payroll Item Derivation

You can derive a payroll item from another payroll item, a payroll item group, or a retirement plan. For more information, see the following topics:

- [Deriving a Pay Rate from Another Payroll Item](#)
- [Deriving a Pay Rate from a Payroll Item Group](#)
- [Deriving a Payroll Item from a Retirement Plan](#)

You can derive the following payroll item types:

- Deduction
- Earning:Addition
- Earning:Salary
- Earning:Wage
- Earning:Sick
- Earning:Vacation
- Employer Contribution

Earning payroll items can be derived from other earning payroll items. Deduction payroll items can be derived from earnings, deductions, or retirement plans. Employer contributions can be derived from earnings, deductions, employer contributions, or retirement plans.

When you assign a payroll item that includes a derived rate, you must also assign the payroll item from which the rate is derived. For example, create an earning:addition payroll item called Annual Bonus. Its rate is derived from an earning:salary payroll item called Annual Salary. You must assign both the Annual Bonus and the Annual Salary payroll item to the employee. For more information, see [Payroll Setup for Employees](#).

After you calculate a payroll batch that includes derived pay rates, note the following. The payroll items with derived pay rates appear in the Net Pay subtab of the Complete subtab. For more information, see [Creating a Payroll Batch](#).

Deriving a Pay Rate from Another Payroll Item

You can derive an earning payroll item from another earning payroll item. You can derive a deduction payroll item from another earning or deduction payroll item. You can derive an employer contribution payroll item from another earning, deduction, or employer contribution payroll item.

To derive a pay rate from another payroll item:

1. Go to Lists > Employees > Payroll Items.
2. Click **New** to create a new payroll item or click **Edit** beside an existing payroll item that you want to edit. For more information, see [Creating Payroll Items](#).
3. For an earning payroll item, in the **Derived From** list, select the payroll item you want to derive the pay rate from.
4. For a deduction or employer contribution payroll item, in the **Derived From Type** list, select **Payroll Item**.
In the **Derived From Payroll Item** list, select the payroll item you want to derive the pay rate from.
5. In the **Rate Multiplier** field, enter the multiplier as a number, not a percentage.

This number can be a decimal fraction, such as 0.25. Negative numbers are also supported.

6. Click **Save**.

Deriving a Pay Rate from a Payroll Item Group

You can derive a deduction or employer contribution payroll item from a payroll item group. For more information about payroll item groups, see [Creating Payroll Item Groups](#).

To derive a pay rate from a payroll item group:

1. Go to Lists > Employees > Payroll Items.
2. Click **New** to create a new deduction or employer contribution payroll item. For more information, see [Creating Payroll Items](#).
You can also click **Edit** beside an existing deduction or employer contribution payroll item that you want to edit.
3. In the **Derived From Type** list, select **Payroll Item Group**.
4. In the **Derived From Payroll Item Group** list, select the payroll item group you want to derive the pay rate from.

Note: You can derive a deduction payroll item from a group that only contains earnings. You can derive a contribution payroll item from a group that contains earnings or deductions.

5. In the **Default Rate** field, enter the default rate as a percentage. For example, enter 2% for two percent. For more information, see [Applying a Default Rate to a Payroll Item](#).

Note: To apply specific rates to individual employees, you can edit the rate on the payroll item's page. You can also edit the rate on an employee's record. For more information, see [Payroll Setup for Employees](#).

Deriving a Payroll Item from a Retirement Plan

After you set up a retirement plan, you can derive deduction or employer contribution payroll items from the plan. For more information about retirement plans, see [Retirement Plan Setup](#).

To derive a payroll item from a retirement plan:

1. Go to Lists > Employees > Payroll Items.
2. Click **New** to create a new deduction or employer contribution payroll item. For more information, see [Creating Payroll Items](#).
You can also click **Edit** beside an existing deduction or employer contribution payroll item that you want to edit.
3. In the **Pay Code** field, select the appropriate 401(k) pay code.
4. In the **Derived From Type** list, select **Retirement Plan**.
5. In the **Derived From Plan** list, select the retirement plan you want to derive the payroll item from.

Note: If you derive a deduction from a retirement plan, retirement plans only appear in this list if the plan supports the deduction's pay code. For more information, see [Requirements for Deriving a Deduction from a Retirement Plan](#).

6. If you derive a deduction from a retirement plan, in the **Default Rate** field, enter the default rate as a percentage.

For example, enter 2% for two percent or 2.00 for two dollars. For more information, see [Applying a Default Rate to a Payroll Item](#).

If you derive an employer contribution from a retirement plan, the rate is calculated using the retirement plan's matching formula.

Note: To apply specific rates to individual employees, you can edit the rate on the payroll item's page. You can also edit the rate on an employee's record. For more information, see [Payroll Setup for Employees](#).

Requirements for Deriving a Deduction from a Retirement Plan

Deductions derived from a retirement plan only appear in the **Derived From Plan** list if the plan supports the deduction's pay code. The following table shows the employee contribution that must be selected on the retirement plan when each pay code is selected for a deduction item.

Deduction – Pay Code Selection	Retirement Plan – Employee Contribution Selection
401(k) Contribution	Pre-Tax Contributions
401(k) Roth Contribution	Designated Roth Contributions
401(k) – Catch-up	Catch-Up Contributions – Pre-Tax Contributions
401(k) Roth – Catch-up	Catch-Up Contributions – Designated Roth Contributions

For more information about deriving a payroll item from a retirement plan, see [Deriving a Payroll Item from a Retirement Plan](#).

Applying a Default Rate to a Payroll Item

For earning;addition, deduction, or employer contribution payroll items, you can enter a default rate that is applied to employees who are assigned the payroll item. For deduction or employer contribution payroll items, you can enter a default rate if the item is derived from a payroll item group.

If you derive a payroll item from another payroll item, the Default Rate field does not appear. You cannot use both a rate multiplier and a default rate on the same payroll item.

To apply a default rate to a payroll item:

1. While creating or editing a payroll item, in the **Default Rate** field, enter a default amount or percentage. For example, enter 2.00 for two dollars, or 2% for two percent.

Note: If you derive a payroll item from a payroll item group, enter the default rate as a percentage.

2. To apply the default rate to all employees, check the **Apply Rate to All Employees** box.
3. To apply specific rates to individual employees, you can edit the rate in the **Employees** tab on the payroll item's page. You can also edit the rate on an employee's record. For more information, see [Payroll Setup for Employees](#).
4. Click **Save**.

Inactivating or Deleting Payroll Items

Use the following procedures to inactive or delete payroll items.

Inactivating a Payroll Item

You can prevent the use of an existing payroll item by inactivating it.

You cannot inactivate a payroll item that is included in a payroll item group. If you want to inactivate a payroll item that is in a group, remove the payroll item from the group.

To inactivate a payroll item:

1. Go to Lists > Employees > Payroll Items.
2. Beside the payroll item that you want to inactivate, click **Edit**.
3. Check the **Inactive** box.
4. Click **Save**.

To view inactive payroll items, go to the list page view and check the **Show Inactives** box.

Deleting a Payroll Item

You can delete an existing payroll item if it has never been used. If you want to delete a payroll item that has been used, inactivate the payroll item instead.

You cannot delete a payroll item that is included in a payroll item group. If you want to delete a payroll item that is in a group, remove the item from the group.

To delete a payroll item:

1. Go to Lists > Employees > Payroll Items.
2. Beside the payroll item that you want to delete, click **Edit**.
3. From the **Actions** menu, select **Delete**.

Editing a Payroll Item

Use the following procedure to edit a payroll item.

To edit a payroll item:

1. Go to Lists > Employees > Payroll Items.
2. Beside the payroll item that you want to edit, click **Edit**.
3. Make your changes.
4. Click **Save**.

Scheduling Payroll Item Changes

You can schedule changes for payroll items, such as wage and deduction changes for employees. You can enter an effective date and expiration date to determine when a payroll item starts or stops for an employee.

The option for an effective date and expiration date enables scheduling items such as a salary increase, bonus, increase in 401(k) contribution, and more.

To schedule a payroll item change:

1. Go to Lists > Employees > Employees.
2. Next to an employee name, click **Edit**.
3. Click the **Payroll** subtab.
4. On the **Earnings**, **Deductions**, **Company Contributions**, or **Accrued Time** subtabs, enter an effective and expiration date for payroll item changes.



Tip: You can schedule payroll item changes for multiple employees from the payroll item record. Go to Lists > Employees > Payroll Items. Beside a payroll item, click Edit. In the Employees list, you can adjust the Effective Date and Expiration Date fields for each applicable employee.

Mapping Pay Codes to Payroll Items

Mapping pay codes to payroll items is a two-part process:

- First, NetSuite automatically maps its payroll items to pay codes, such as Federal Withholding items.
- Second, you can change the automatic mapping to different codes as appropriate for your organization. To view a list of codes and definitions, see [Standard Pay Codes](#).

To map payroll items:

1. Go to Setup > Payroll > Map Payroll Items.
2. On the Map Payroll Items page, if you have a NetSuite OneWorld account, select a subsidiary from the list in the **Subsidiary** field.
3. Review the selection in the **New Code** column for each item on the **Earnings**, **Deductions**, or **Company Contributions** subtabs.
4. Select a different code from the dropdown lists in the **New Code** column as appropriate for the payroll item.
5. Check the **Inactivate** box to make a payroll item inactive.
6. Click **Save**.
7. On the Update Payroll Information page, check the **Agree** box, and then click **Commit Updates**.

Standard Pay Codes

Standard pay codes are available for earnings, deductions, and employer contributions. These same pay codes are listed in the Pay Code field on payroll item records. The pay code that you select in the Type field affects the way that the payroll item appears on the employee's Form W-2.

Earning codes identify a range of compensation and other payments received by employees, both taxable and non-taxable. Earning codes are available for regular pay, bonuses, and overtime as well as expense reimbursements and non-taxable sick pay. Learn more about the standard pay codes for earnings:


- [Taxable Earning Pay Codes](#)
- [Fringe Benefit Earning Pay Codes](#)
- [Other Earning Pay Codes](#)

Deduction codes identify a range of deductions from employees' compensation that an employer may have to factor into a paycheck or direct deposit. Most employee deductions are voluntary, but some are not (for example, after-tax deductions such as Child Support and Garnishments). Deduction codes also include employer contributions paid to third parties for benefits such as medical insurance and pension contributions. Learn more about the standard pay codes for deductions:

- [Miscellaneous Pre-Tax Employee Deduction Pay Codes](#)
- [Pension Plan Contribution Pay Codes](#)
- [Education Plan Contribution Pay Codes](#)
- [Cafeteria Plan Contribution Pay Codes](#)
- [After-Tax Deduction Pay Codes](#)

Employer contribution codes are used to record employer contributions. They do not appear on paychecks or affect taxation or net pay in any way. The employer contributions are recorded to create checks on the Pay Payroll Liabilities page. For more information, see [Employer Contribution Pay Codes](#).

Taxable Earning Pay Codes

 **Important:** In most cases, these codes are treated as regular earnings for W-2 purposes.

Code Name	Description	Additional Information	FIT Taxable	FICA Taxable	W-2 box
Bonus - Taxed as Regular Income	Bonus payments made to employees	These bonus payments should be made as part of the regular payroll check.	Y	Y	box 1, 3, 5
Bonus - Taxed as Supplemental	Bonus payments made to employees	Typically bonus payments identified separately and taxed as supplemental earnings.	Y	Y	box 1, 3, 5
Health Care Premiums - Domestic Partner (Employer)	Federal law requires that premiums for health insurance for domestic partners is taxable. This code adds the employer contribution to the earnings for taxation. An automatic deduction ensures that the employee is not paid for this amount.				
Holiday	Code to track payments made for holiday pay	These payments are reported as regular earnings.	Y	Y	box 1, 3, 5
ISO - Ordinary Income	W-2 income resulting from a disqualifying disposition of EE stock originated from a company's stock option plan. See IRS pub 525.	An offsetting deduction can be used if you would like to record the ISO through payroll rather than directly paying it to the employee.	N	N	box 1, 16
Overtime Premium	Overtime Premium earnings	Overtime Premium is used to pay overtime hours at 0.5 x standard pay rate. In case of Double time, the Overtime Premium Code should be used to pay overtime hours at 1 x standard pay rate.	Y	Y	box 1, 3, 5
Overtime Straight	Overtime earnings paid at straight time	This code pays overtime at the regular hourly rate.	Y	Y	box 1, 3, 5

Code Name	Description	Additional Information	FIT Taxable	FICA Taxable	W-2 box
		Hours entered here are also reflected in overtime premium.			
Paid Time Off - Taxable	Code to track payments made for any paid time off	These payments can include vacation and sick paid time off in accordance with company policy and are reported as regular earnings.	Y	Y	box 1, 3, 5
Personal	Code to track payments made for any personal time off	This tracks personal time off in accordance with company policy. Payments are reported as regular earnings.	Y	Y	box 1, 3, 5
Regular	Code for regular time worked	These payments are reported as regular earnings.	Y	Y	box 1, 3, 5
Retroactive Pay	Code for back pay owed to an employee	These payments are reported as regular earnings and taxed at supplemental rates. If combined with regular earnings, these payments will be taxed at regular rates.	Y	Y	box 1, 3, 5
Severance	Code for pay owed to an employee at termination	This tracks termination pay in accordance with company policy. In most cases, termination is non-voluntary. Payments, when not combined with regular pay, are reported as supplemental earnings for withholding purposes.	Y	Y	box 1, 3, 5
Sick Pay	Code to track payments made for any sick time paid by employer	This tracks regular sick time in accordance with company policy. Payments are reported as regular earnings.	Y	Y	box 1, 3, 5
Supplemental Pay	Pay for other than regular hours worked	These payments are reported as regular earnings and taxed at supplemental rates.	Y	Y	box 1, 3, 5
Unpaid Hours	This is a memo field	Use this field to track any hours not yet paid.	Y	Y	box 1, 3, 5

Fringe Benefit Earning Pay Codes

In most cases, these codes are additions to earnings for taxation purposes. They account for payments made to employees outside of the payroll system. They are also used for company assets such as vehicles that have value to the employee.

Note: Fringe earnings on a paycheck must be offset by a deduction with the same amount. You must create a matching deduction to ensure the employee receives no additional cash on the paycheck. To offset a fringe earning code, use a deduction code based on the Fringe Benefits Offset type.

Code Name	Description	Additional Information	FIT Taxable	FICA Taxable	W-2 box
Advances - Non-Loans	Code for any advance where repayment is not expected	These are non-loan payments that were made to the employee and need to be reported as taxable income.	Y	Y	box 1, 3, 5
Cost of Employer-Sponsored Health Coverage	Code for health care contributions made by employer Use the Fringe Benefits Offset deduction code to remove the net pay effect of these contributions		N	N	box 12 Code DD
Cost of Employer-Sponsored Health Coverage (Offset)					
Employee FICA Paid By Employer	Code for when the employer chooses to pay the employee's FICA (Federal Insurance Contributions Act tax)	This code is used to offset the FICA paid by the employer.	Y	Y	box 1, 3, 5
Health Care Premiums: Domestic Partner/ Civil Union/Same-Sex Marriage (Employer)	For employer contribution for health insurance	Federal law requires that premiums for health insurance for domestic partners is taxable. This code adds the employer contribution to the earnings for taxation. An automatic deduction ensures that the employee is not paid for this amount.	Y	Y	box 1, 3, 5, and 14
HSA (Employer Contribution)	Employer contribution to the Employees Health Spending Account	Paid into a qualified plan. Some states tax these contributions. Set up a matching deduction to ensure the employee is not paid for this amount. Note: This amount is not considered for calculation of base wages for 401(k) contributions.	N	N	box 12 Code W
Moving Expenses - Qualified	This code records qualified moving expenses.	These are expenses that were paid to the employee,	N	N	box 12 Code P

Code Name	Description	Additional Information	FIT Taxable	FICA Taxable	W-2 box
	Used when expenses for an employee's relocation are paid by the employer directly to service providers. The money is already paid to the third party. Therefore, the check should include an offsetting deduction so this amount does NOT increase check's net payment.	but not through payroll. These qualified expenses do not affect net pay and are reported in W-2 box 12 Code P.			
Non-Cash Compensation	This records taxable non-cash compensation	This code tracks non-cash compensation, received by the employee, for which value needs to be added to the employee's earnings for taxation purposes. Code is fully taxable.	Y	Y	box 1, 3, 5
Non-Qualified Stock Option	This records non-qualified stock options and is W-2 reportable and taxable.	This code tracks non-qualified stock options, exercised by the employee, for which value needs to be added to the employee's earnings for taxation purposes. Code is fully taxable.	Y	Y	box 1, 3, 5, and box 12 Code V
Pension Plan Contribution (Employer)					
Third Party Sick Pay - Taxable		For a sick pay plan, that the employee contributed to, that is paid by a third party. This code does not affect earnings or net pay. An automatic deduction ensures that the employee is not paid for this amount.			box 1, 3, 5
Third Party Sick Pay - Nontaxable	This code records nontaxable sick pay	This code tracks sick pay plans that employees contribute to and is paid by a third party. This code does not effect earnings or net pay. It enables the amount to be recorded in W-2 box 12 Code J.	N	N	box 12 Code J
Group-Term Life Insurance over \$50,000	This records the value of group term life. The IRS determines the standard amount and provides a table for computing the value of the insurance that is in excess of the standard. This code	You must manually create a matching deduction to ensure the employee receives no additional cash on the paycheck. Set up a matching deduction to ensure the employee is not paid for this amount.	Y	Y	box 1, 3, 5, and box 12 Code C

Code Name	Description	Additional Information	FIT Taxable	FICA Taxable	W-2 box
	records the value of the excess in regular earnings and reports the value in W-2 box 12 Code C. (Box 1, 3, and 5 of W-2)	For details on creating deductions, see Creating Payroll Items .			
Tips	This records tips paid directly by customers to the employee.	These payments are added to earnings and are fully taxable.	Y	Y	box 1, 3, 5
Unsubstantiated Reimbursements	Reimbursements for expenses that do not meet the federal rules for exclusion from taxation	These are reimbursements that were previously paid and now determined to be unsubstantiated. They are added to earnings and are fully taxable.	Y	Y	box 1, 3, 5, and 14
Health Ins Employer Pd--2% Shrhldrs	This code is used to set the amount paid by an employer to cover health insurance premiums of an employee of an s-corporation. This employee must be a 2%+ shareholder of the company.	These employer payments are taxed at supplemental rates and if combined with regular earnings, taxed at regular rates.	Y		box 1, 14
Non Taxable Fringe Benefit	This code should be used very carefully. Use only when the payroll administrator cannot match a benefit on hand with any of fringe code types available in the system.	Because it cannot be matched, it cannot be taxed properly and this code is never taxed. It is up to an employee to report it correctly on personal tax returns. If the amount is large and the benefit taxable, the employee could be liable for an estimated tax payment during the tax year.			
Pension Plan Contribution (Employer)	Records an employer's contribution to any employee's pension plan. 401(k) match is a typical example.				
QSEHRA Coverage	Code for QSEHRA contributions made by employer Use the Fringe Benefits Offset deduction code to remove the net pay effect of these contributions	QSEHRA allows eligible employers to pay or reimburse medical care expenses of eligible employees after the employees provide proof of coverage.	N	N	box 12, code FF
QSEHRA Coverage (Offset)					


Other Earning Pay Codes

In most cases, these pay codes are used for special reporting.

Code Name	Description	Additional Information	FIT Taxable	FICA Taxable	W-2 box
1099	Earnings for independent contractors This item is for SuitePeople U.S. Payroll only.	All pay for independent contractors should go into this code. Earnings will be reported on Form 1099-NEC box 7.			Form 1099-NEC, box 7
Advances - Loans	Code for any advance where repayment is expected	These amounts are not included as income for tax-reporting purposes. It is anticipated that they will be paid back to the employer.	N/A	N/A	N/A
COBRA Premiums (Employer Under ARRA)					
Golden Parachute In Excess Of the Limit	Payment to a key executive when terminated due to a change of ownership	Golden Parachute payments in excess of the federal limit are subject to an additional excise tax. The amount withheld must be reflected in both W-2 box 2 - Federal Income tax withheld and in box 12 Code K.	Y	Y	box 12 Code K
Tips Paid by Employer	Allocated tips paid by employer	In most cases, this code is used by large food and beverage employers who are required to allocate a certain percentage of tips to employees. This appears in box 8 on W-2s.	Y	Y	box 8
Tips		Adds to earnings and is fully taxable. An automatic deduction ensures that the employee is not paid for this amount.			box 7
Moving Expenses - Qualified Reimbursement	Qualified moving expenses paid to employees on their paychecks This code is used when expenses for an employee's relocation are paid out-of-pocket by the employee and the employer reimburses the amount. The check should NOT include an offsetting deduction so this amount does increase check's net payment.	Outcome is to increase net pay without increasing taxable wages - reported in box 12 Code P.	N	N	box 12 Code P

Code Name	Description	Additional Information	FIT Taxable	FICA Taxable	W-2 box
Non-Taxable Reimbursement	Code to use when reimbursing expenses on paychecks	Expenses should be business related and substantiated as per federal rules. This code does not effect earnings or taxes.	N/A	N/A	N/A
NQDC Distributions	Non-Qualified Deferred Compensation contributions are payments that are made to the employee for work done or services performed in the past. They are reported on Form W-2, Box 11, but are also included as taxable wages in Box 1.				box 11

Miscellaneous Pre-Tax Employee Deduction Pay Codes


Code Name	Description	Additional Information	W-2 box
Commuter Checks	<p>Employee deduction for the employee's contribution to pay for commuter checks</p> <p>Note the following about Internal Revenue Code Section 132 and the Transportation Equity Act for the 21st Century (TEA-21). Employers can offer employees the opportunity to set aside a portion of their salary to pay for certain transportation expenses. The employee is not taxed on amounts set aside and used for qualified expenses (pre-tax dollars are used to pay the commuting expenses).</p> <p>For IRS information specific to Transportation (Commuting) Benefits, see  http://www.irs.gov/pub/irs-pdf/p15b.pdf.</p>	Employee payment for vouchers that the employee redeems for transit passes, tickets or tokens and/or payment for vanpool fares. Employers provide these tax-free vouchers to employees in amounts up to the federally mandated monthly limit. Employers may also provide commuter checks in the form of cash or cash equivalents in lieu of vouchers. Commuter checks are a pre-tax employee deduction benefit, either as a substitute for taxable salary or a supplemental benefit.	
Fringe Benefits Offset	This code should be used as a base type for all deduction codes used to offset the fringe earnings. Such deduction codes should not be used for any other purposes.	Fringe earnings should not affect a net pay of the check. It is achieved by offsetting every fringe earning on the check with a deduction of the same amount as matching earning.	
Health Ins Employer Pd-2+ pct Shrldrs	This type was designed as an offset to a fringe earning type with a matching name. Do not use this type. Instead, use the generic offset type Fringe Benefits Offset .		box 14 with label Health Ins

Pension Plan Contribution Pay Codes



Important: In most cases, these pay codes identify pre-tax deductions used to calculate federal and state individual income taxes.

Code Name	Description	Additional Information	W-2 box
401(k) Contribution	Employee's contribution to qualified 401(k) Plan	A retirement plan funded through pre-tax payroll deductions for eligible employees. 401(k) plans are not taxed on any capital gains, dividends, or interest until they are withdrawn.	box 12 Code D
401(k) Additional After-Tax Contribution	Employee's after-tax contribution to qualified 401(k) Plan	After-tax 401(k) contributions are subject to taxation again when they are withdrawn.	box 14
401(k) Catch-up			box 12, Code D
401(k) Loan Repayment	Employee deduction for 401(k) loan repayment	After-tax payments deducted from employee's paycheck to repay funds obtained from a 401(k) in the form of a loan.	N/A
401(k) Roth Contribution	All Roth contributions are after-tax and distributions from the plan are not taxable.	Designated Roth contribution to 401(k) Plan In Lieu of Elective Deferral You will find more details available at http://www.irs.gov/Retirement-Plans/Roth-IRAs .	box 12 Code AA
401(k) Roth - Catch-up			box 12 Code AA
401(a) Contribution	Employee contribution to 401(a) Plan	Pre-tax contribution to employer-sponsored pension plan under 401(a)	box 14 optional. Box 13, Retirement Plan Indicator Required
403(b) Roth Contribution	Employee's contribution to qualified 403(b) plan. All Roth contributions are after-tax and distributions from the plan are not taxable.	Designated Roth Contribution to 403(b) In Lieu of Elective Deferral You will find more details available at https://www.irs.gov/retirement-plans/irc-403b-tax-sheltered-annuity-plans .	box 12 Code BB
403(b) Roth - Catch-up - With 15 Years Of Service		Designated Roth Contributions to 403(b)) Plan In Lieu of Elective Deferral. Use either With 15 Years Of Service or After The Age Limit.	box 12 Code BB
403(b) Roth - Catch-up - After The Age Limit		Designated Roth Contributions to 403(b)) Plan In Lieu of Elective Deferral. Use either With 15 Years Of Service or After The Age Limit.	box 12 Code BB
403(b) Contribution	Employee's contribution to qualified 403(b) plan	A retirement plan for university, civil government and not-for-profit employees funded through pre-tax payroll deductions. 403(b) plans have the same characteristics and benefits of 401(k) plans.	box 12 Code E
403(b) - Catch-up - With 15 Years Of Service		Designated contributions to 403(b) plan. Use either With 15 Years Of Service or After The Age Limit.	box 12 Code E

Code Name	Description	Additional Information	W-2 box
403(b) - Catch-up - After The Age Limit		Designated contributions to 403(b) plan. Use either With 15 Years Of Service or After The Age Limit.	box 12 Code E
Govt. Employee Deferred - 457(b)	Government employee deduction for deferred compensation plan	Non-qualified, pre-tax, deferred compensation plans established by state and local government and tax-exempt employers.	box 12 Code G
Govt. EE 457(b) - Catch-up - Standard			box 12 Code G
Govt. EE 457(b) - Catch-up, Additional - 3 Years To Retirement			box 12 Code G
MQGE Pension Plan Contribution (Employee)	Medicare Qualified Government Employment (MQGE)	MQGE is a special class of government employees. There are special pension plans for this class. You will find more details are available at  http://www.irs.gov/pub/irs-pdf/p963.pdf .	box 14 optional. Box 13, Retirement Plan Indicator Required
SEP Contribution - 408(k)(6)	Simplified employee pensions	Pre-tax deduction for a Simplified Employee Pension (SEP). This is a retirement plan for employers who do not wish to sponsor or administer a qualified pension or profit-sharing plan.	box 12 Code F
SEP 408(k)(6) - Catch-up			box 12 Code F
SIMPLE - 408(p) Contribution	Saving Incentive Match Plans for employees of small employers	Pre-tax deduction for a Savings Incentive Match Plan, a retirement plan for employers with no more that 100 employees.	box 12 Code S
SIMPLE - 408(p) - Catch-up		Pre-tax deduction for a Savings Incentive Match Plan, a retirement plan for employers with no more that 100 employees.	box 12 Code S

Education Plan Contribution Pay Codes

Code Name	Description	Additional Information	W-2 Box
College Savings Plan (529)	Employee deduction for a qualified college savings plan	Employee contributions to a tax-deferred college savings plan. The initial employee deductions are not tax deductible. Tax is not paid by the employee on the account's earnings until the funds are disbursed to pay for college.	N/A

Cafeteria Plan Contribution Pay Codes

Note: Cafeteria plan contributions are considered exempt from FUTA tax. For more information for the current tax year, see IRS Publication 15-B (<http://www.irs.gov/pub/irs-pdf/p15b.pdf>). SUTA Tax requirements vary depending on the state.

Code Name	Description	Additional Information	W-2 Box
Cafeteria Contrib. - FSA: Adoption Assist.	Employee contribution to a pre-tax adoption assistance plan	A pre-tax payroll deduction for the employee's contribution to his or her employer's cafeteria plan for Adoption Assistance savings account.	box 12, Code T
Cafeteria Contrib. - FSA Dependent Care	Employee contribution to a pre-tax dependent care plan	A pre-tax payroll deduction for the employee's contribution to his or her employer's cafeteria plan for Dependent Care.	box 10
Cafeteria Contrib.-FSA: Health Care		A pre-tax payroll deduction for the employee's contribution to their employer's cafeteria plan for Health Care FSA.	box 14
Cafeteria Contrib. - POP	Employee contribution to a pre-tax premium-only cafeteria plan	A pre-tax payroll deduction for the employee's contribution to his or her employer's cafeteria premium-only plan to pay insurance premiums.	N/A
Cafeteria Contribution-Medical Care Premiums	Employees contribution to a pre-tax medical care plan	A pre-tax payroll deduction for the employee's contribution to his or her employer's cafeteria plan for medical care.	N/A
Cafeteria Contribution - HSA		Employee contribution to a Health Savings Account (HSA) through a Cafeteria Plan	box 12 Code W

After-Tax Deduction Pay Codes

These deductions do not reduce taxes.

Code Name	Description	Additional Information	W-2 Box
Advances - Repayment	Employee repayment of advance	Funds paid back to employer for a previous advance. This deduction does not reduce taxes.	N/A
After-Tax Employee Insurance Contribution	Employee contribution to insurance plans treated as an after-tax deduction	Insurance contributions made for any insurance that cannot be pre-tax. This deduction does not reduce taxes. This code is rarely used. In most cases, employers provide at the minimum a Premium Only Plan (POP) cafeteria plan. This plan shifts the insurance premiums to a pre-tax basis—reducing virtually all taxes, including employer taxes such as FICA, Medicare, and Unemployment.	N/A
Child Support	Employee deduction for child support payment	Money paid through payroll by the non-custodial parent to the custodial parent for the support of children. This	N/A

Code Name	Description	Additional Information	W-2 Box
		is an after-tax deduction and is often, but not always, mandated by a court order. This deduction does not reduce taxes.	
Employee Share SDI	Employee deduction for state disability insurance	This tracks the employee deduction for state disability insurance. This deduction does not reduce taxes.	box 14
Garnishment	Employee deduction for wage garnishment.	Wage garnishment is a legal procedure. A person's earnings are required by court order to be withheld by an employer for the payment of a debt. This deduction does not reduce taxes.	N/A
Health Care Premiums - Domestic Partner			
Long Term Disability	Employee deduction for long term disability insurance	After-tax deduction for employee's share of the cost of long term disability insurance. This deduction does not reduce taxes.	box 14
Misc. After-tax Deduction	General employee deduction which does not reduce taxes	Miscellaneous after-tax deduction that can be used for a deduction not listed. This deduction does not reduce taxes.	N/A
Term Life Insurance	Employee deduction for term life insurance which does not reduce taxes	Employee's after-tax contribution for a term-life insurance premium. This code should be rarely used. In most cases, this type of insurance is included in a pre-tax plan, such as a POP plan. This deduction does not reduce taxes.	box 14

Employer Contribution Pay Codes


These standard pay codes are used to record employer contributions. They do not appear on paychecks or affect taxation or net pay in any way. The employer contributions are recorded to create checks on the Pay Payroll Liabilities page.

Code Name	Description	Additional Information	W-2 Box
Medical (EMPLOYER)	Created to permit SuitePeople U.S. Payroll to automatically generate third-party checks for medical premiums.		N/A
Pension Contributions (EMPLOYER)	Created to permit SuitePeople U.S. Payroll to automatically generate third-party checks for employer matching pension contributions.		N/A
SIMPLE - 408(p) Contribution (EMPLOYER)	Optional SIMPLE matching contribution from employer.	This deduction does not appear on an employee's pay stub. It is provided so that the payroll system can make direct payments of the full SIMPLE payroll contributions to the pension administrator.	N/A
Term Life Insurance (EMPLOYER)	Created to permit SuitePeople U.S. Payroll to automatically generate		N/A

Code Name	Description	Additional Information	W-2 Box
	third-party checks for insurance providers.		

Payroll Setup for Employees

Each employee that you pay with SuitePeople U.S. Payroll must have an employee record in NetSuite. Employee records store all tax, earning, deduction, contribution, and time-related information that affects payroll. They also contain employees' home addresses and workplaces, and employees' banking information for direct deposit payments.

 **Important:** After you edit employee records, you must update payroll information. For more information, see [Updating Payroll Information](#).

Watch the following video for information about setting up employees for payroll:

 [Setting Up Employees For Payroll](#)

The following topics cover payroll setup for employees:


- [Including an Employee in Payroll](#)
- [Decreasing Elective Deferral Limits for an Employee](#)
- [Setting up Direct Deposit for an Employee](#)
- [Setting up Earnings for an Employee](#)
- [Setting up Deductions for an Employee](#)
- [Setting up Company Contributions for an Employee](#)
- [Setting up Accrued Time for an Employee](#)
- [Taxes and Jurisdiction Setup for Employees](#)
- [Updating Payroll Items for Multiple Employees](#)

Including an Employee in Payroll

After you enable the Payroll feature, the Payroll subtab is added to employee records. You must enter required information into this subtab so that you can use NetSuite to pay your employees.

To include an employee in Payroll:

1. Go to Lists > Employees > Employees, and do one of the following:
 - To create an employee record, click **New**.
 - To include an existing employee in payroll, beside the employee name, click **Edit**.
2. On the **Address** subtab, enter an address for the employee. The home address you enter is used to calculate state and local taxes. For more information, see the help topic [Entering an Address for an Employee](#).

 **Note:** The home address can be used in conjunction with a workplace address.

3. On the **Human Resources** subtab, enter values in the **Social Security Number**, **Birth Date**, and the **Hire Date** fields.
4. On the **Payroll** subtab, do the following:

- Check the **Include in Payroll** box. If this box is not checked, the employee cannot be paid with SuitePeople U.S. Payroll.

If you use NetSuite OneWorld, you must select a **Subsidiary** for the employee that matches the **Subsidiary** defined at Setup > Payroll > Set Up Payroll. Otherwise, this box is unavailable. After you select a subsidiary, save the employee record. Then, reopen the record in edit mode to check the **Include in Payroll** box.

- In the **Compensation Type** field, select **Wage** or **Salary**, depending on whether your company pays this employee an hourly wage or a periodic salary.



Important: If you use the Compensation Tracking feature, and you set up Payroll to copy compensation tracking information, note the following. Enter the compensation tracking information on the **Compensation Tracking** subtab in the employee record. For more information, see the help topic [Integrating Employees' Base Pay Information with Payroll](#).

- In the **Pay Frequency** field, select how often this employee is paid.
- In the **Last Paid Date** field, for existing employees, enter or verify the last date of this employee's most recent pay period.

This is the most recent date for which employees were paid or should be paid. For example, a pay period ends on October 7 but the paycheck is generated on October 10. The last paid date is October 7.

For new employees the Last Paid Date field should be blank.

If you add an existing employee to payroll for the first time, manually enter the last date of their first pay period. This field is automatically updated with the most recent pay-period end date each time you run payroll.



Note: If this employee uses the Time Tracking feature, you must enter the employee's last paid date. This ensures that the employee's pay is calculated correctly according to the Pay Earnings Prior to Pay Periods (Days) preference in payroll setup. For more information, see [General Payroll Preferences](#).

- From the **Workplace** list, select where this employee works.

The workplace determines the taxes that must be paid by the employer and the employee.



Important: If an employee lives in Washington, D.C. and works in a neighboring state, note the following. You must create a workplace with the same zip code as the employee's home address, but do not assign the workplace to the employee. After you create this workplace, if a reciprocity agreement is checked, employee tax withholding is calculated for only Washington, D.C. If a reciprocity agreement is not checked, withholding is calculated for both jurisdictions.

- If you set the **Decrease Elective Deferral Limits and Automatically Calculate Catch-Up** preference, you can override the employee's elective deferral limits. For more information, see [Decreasing Elective Deferral Limits for an Employee](#).


5. Click **Save**.

Decreasing Elective Deferral Limits for an Employee

By default, an employee's elective deferrals are capped at the IRS limit for the calendar year. If necessary, you can set custom elective deferral and catch-up over age 50 limits for employees on their records for the following plans:


- 401(k)
- 403(b)
- SARSEP
- SIMPLE IRA

Before you can override elective deferral limits, you must first set the **Decrease Elective Deferral Limits and Automatically Calculate Catch-Up** preference. This preference is on the Set Up Payroll page. After you set this preference, deduction limits set for payroll items are ignored. Limits set for employer contribution payroll items still take effect. For more information about this preference, see [General Payroll Preferences](#) and [Setting up Automatic Catch-up Over Age 50 Calculations](#).


 **Note:** Elective deferral limits set on the employee's record take precedence over limits set for payroll items.

To override an employee's elective deferral and catch-up over age 50 limit:

1. Go to Setup > Payroll > Setup Tasks > Set Up Payroll.
2. In the Paychecks section, check the **Decrease Elective Deferral Limits and Automatically Calculate Catch-Up** box.

 **Warning:** Do not set this preference if your company uses 457(b) plans.

3. Click **Save**.
4. Go to Lists > Employees > Employees.
5. Next to the employee's name, click **Edit**.
6. Click the **Payroll** subtab.
7. Ensure the employee is included in payroll. For more information, see [Including an Employee in Payroll](#).
8. You can check the following boxes to override limits:
 - **Override Elective Deferral Limit** - Check this box if you want to decrease the annual elective deferral limit for this employee. Enter the limit for this employee as a dollar amount.
 - **Override Catch-Up Limit** - Check this box if you want to decrease the annual catch-up over age 50 limit for this employee. Enter the limit for this employee as a dollar amount.

 **Important:** Overridden limits do not reset at the end of the calendar year. You must manually clear or update any overridden limits at the beginning of each year.

9. Click **Save**.

Setting up Direct Deposit for an Employee

You can set up employees for direct deposit payments by entering bank account information on employee records. You can also direct employees to set up their own direct deposit banking information. For more information, see [Enabling Employees to Update Direct Deposit Information](#).

To set up direct deposit for an employee:

1. Go to Lists > Employees > Employees.


2. Next to the employee that you want to set up for direct deposit, click **Edit**.
3. On the employee record, click the **ACH/Direct Deposit** subtab.
4. Check the **Use Direct Deposit** box.
5. In the **Accounts** table, add bank accounts for the employee:
 - a. Check the **Net Account** box to indicate that the net paycheck balance should be deposited in this account.

 For example, an employee's check amount is net pay of \$1,200.00. The employee record lists two direct deposit accounts, one **Savings** account showing an amount of \$200.00, and one **Net** account. The transaction will show a deposit of \$200.00 into the savings account, and the balance, \$1,000.00, is deposited into the Net account.

 For more examples of Direct Deposit payroll transactions, see [Printing Direct Deposit Vouchers](#).
 - b. If the account is a savings account, check the **Savings Account** box.
 - c. To run a prenote test transmission on the account, clear the **Prenoted** box.

 To process direct deposit transactions to this account without a prenote test, check the **Prenoted** box. NetSuite recommends that you run a prenote test for each account.
 - d. In the **Bank Name** column, enter the name of the employee's bank.

 You can enter up to 31 characters in this field.
 - e. In the **Routing Number** column, enter the 9-digit routing number for the employee's bank account.

 **Note:** International payment of employees' direct deposit is not yet supported by SuitePeople U.S. Payroll. You may consider using pay cards to pay employees with international bank accounts. Be aware that international transit numbers may require a specific number pattern. For example, Canadian transit numbers are regulated by the Canadian Payments Association. The number pattern for Electronic Fund Transactions (EFT) is OYYYXXXXX. The first four digits represent the transit number where YYY is an Institution Number. The last five digits represent the Branch Number. The last digit of the Branch Number, with few exceptions, indicates the geographical location of the branch.

 - f. In the **Account Number** column, enter the employee's bank account number.

 You can enter up to 20 characters in this field.
 - g. In the **Amount** field, enter the amount of the payment to be deposited to this bank account.

 For example, an employee requests that \$200.00 from every paycheck is deposited into their savings account. Enter 200 in the amount field next to the savings account information.

 If the account is the **Net Account**, leave this field blank.
 - h. To save the bank account on the employee record, click **Add**.

 You can repeat this process to add multiple accounts for this employee.
6. Click **Save**.

If a direct deposit to an employee's account fails and the error cannot be resolved, note the following. NetSuite changes the paycheck from direct deposit to Employer Paid and refunds the amount that initially funded the employee's direct deposit. The refund does not trigger a correcting journal entry. For this reason, when your company receives the refund, you must make a manual journal entry in your Payroll Funding Account. For more information, see the help topic [Making Journal Entries](#).

If you also use the ACH Vendor Payments feature, you can pay employee expenses by transferring funds into their bank account. For more information, see the help topic [ACH Vendor Payments](#).

Setting up Earnings for an Employee

For each employee who is included in Payroll, you can add earning payroll items on the employee record. These payroll items are used to determine the employee's gross pay.

Before you can set up earnings for an employee, you need to create earning payroll items. For information, see [Creating Payroll Items](#).



Important: If you use the Compensation Tracking feature, and you set up Payroll to copy compensation tracking information, note the following. Enter the compensation tracking information on the **Compensation Tracking** subtab in the employee record. For more information, see the help topic [Integrating Employees' Base Pay Information with Payroll](#).

To set up earnings information for an employee:

1. Go to Lists > Employees > Employees.
2. Next to the Employee's name, click **Edit**.
3. Click the **Payroll** subtab, and then click the **Earnings** subtab.
4. In the **Earning** field, choose one of the payroll items that you set up for earnings.
For example, you may have set up a payroll item called **Regular Hourly Wages**.
An employee should not have both wage and salary items during the same time period. If you previously selected a wage item for the employee, the wage item must be inactivated to add a salary payroll item.
5. In the **Rate** field, enter the rate that applies to that type of earning for this individual.
For example, if you are setting up wages for an employee, you might enter 22.00 for an employee earning \$22 per hour. If you are setting up annual salary for an employee, you might enter 45000.00 for an employee earning \$45,000 per year.
6. If this payroll item is the employee's main pay item, check the **Primary** box. The Primary box has the following uses:
 - You can use the **Primary** attribute to filter records for reporting and search purposes. This lets you obtain lists of employee salaries and wages, without the clutter of information from other earning payroll items. The following related fields are available as search filters and displayed as search results: **Primary Earning Type**, **Primary Earning Item**, and **Primary Earning Amount**.
 - If you use the Compensation Tracking feature, and you set up Payroll to copy compensation tracking information, note the following. The Compensation Tracking feature uses the Primary box to determine which payroll item to automatically update. For more information, see the help topic [Integrating Employees' Base Pay Information with Payroll](#).
7. In the **Default Hours** field, enter the default number of hours this person is paid for this earning type. To create an additional pay using the rate and default hours, check the **Default** box.
 - If you select a payroll item with the type Earning:Salary, the system calculates the amount even if you leave the **Default Hours** field blank. This is also true if you enter 0 (zero).
 - If you select a payroll item with the type Earning:Wage, the hours entered in time tracking are used to calculate earnings. In addition, checking **Default** will add an earning amount equal to default hours multiplied by rate, regardless of hours entered by time tracking.
 - If you select a payroll item and you leave the **Default Hours** field blank or enter zero, then the earning type is not calculated.
8. To prevent the use of this item for this employee, check the **Inactive** box.
9. If this item is to appear on the paycheck every time you run payroll, check the **Default** box. This additional pay is not calculated if you leave the **Default Hours** field blank or enter zero.

10. Enter the **Effective Date** and **Expiration Date** for the payroll item. These dates are checked against the payroll period ending date to determine which payroll items are affected.
11. Click **Add**.
12. Continue adding earning items as necessary.
13. Click **Save**.

You can also set up a one-time earning item for an employee.

To set up a one-time earning item for an employee:

1. Go to Transactions > Employees > Create Payroll > List.
2. Click **Edit** on the paycheck batch that includes the employee for whom you want to add the one-time earning item.
3. On the **Complete** subtab, click the **Paychecks** subtab.
4. Click **Edit** on the name of the person for whom you want to add the one-time earning item.
5. On the **Earnings** subtab, from the dropdown list, select the earning item.
6. Click **Add**.
7. Click **Save**.



Note: Ensure you recalculate the payroll batch after you make these changes.

Setting up Deductions for an Employee

For each employee who is included in Payroll, you can add deduction payroll items on the employee record.

You may need to create payroll deduction items before you can select them for employees. For information, see [Payroll Items Setup](#).

To set up deductions for an employee:

1. Go to Lists > Employees > Employees.
2. Click **Edit** next to the Employee's name.
3. Click the **Payroll** subtab, then click the **Deductions** subtab.
4. In the **Deductions** field, choose one of the payroll items you set up for deductions.
For example, you may have set up a payroll item called 401(k).
5. In the **Rate** field, enter the deduction per pay period for this individual as a dollar amount or as a percentage.
For example, you might enter 60 for sixty dollars or 15% for fifteen percent.
6. In the **Limit** field, enter a limit, if one applies.
For example, you could enter 10,500 as the annual limit for the employee's 401(k) deductions.
7. Click **Add**.
8. Continue adding deduction items as necessary.
9. Click **Save**.

Setting up Negative Deductions for an Employee

To correct an incorrect deduction on a previous paycheck, use a negative deduction to add it back to an employee's earnings. A negative deduction automatically calculates the taxes. The negative deduction feature complies with all federal, state, and local taxable wage rules. This feature is supported as long as it does not result in a negative paycheck. If needed, you can enter a negative amount on the Create Payroll page, and review it before you commit the payroll batch.



Tip: When adjusting a pre-tax deduction from a previous quarter, NetSuite recommends you make an adjustment instead of a negative deduction.

Negative deductions can be used for these pre-tax deductions:

- Cafeteria Contribution – FSA: Adopt. Assist
- Cafeteria Contribution – FSA: Dependent Care
- Cafeteria Contribution – FSA: Health Care
- Cafeteria Contribution – POP
- Cafeteria Contribution – Medial Care Premiums
- Commuter Check
- 401(K) Contribution
- 401(K) Catch-up
- 403(b) Contribution
- 403(b) Catch-up – After the Age Limit
- 403(b) Catch-up – With 15 Years of Service
- Government Employee Deferred – 457(b)
- Government EE 457(b) – Catch-Up Standard
- SEP Contribution – 408(k)(6)
- SEP 408(k)(6) – Catch-Up
- Simple 408(p) Contribution
- Simple 408(p) Catch-Up

Negative deductions should not be used for the Cafeteria Contribution – HSA pretax deduction.

To set up a negative deduction for an employee:

1. Go to Lists > Employees > Employees.
2. Click **Edit** next to the employee's name.
3. Click the **Payroll** subtab, and then click the **Deductions** subtab.
4. In the **Deductions** field, choose from a list of payroll items that are set up for negative deduction.



Note: If you allocate the negative deduction as a pretax deduction the system adds the amount to the taxable wage base. If you allocate it as an after-tax deduction the system treats it as an additional earning item with no tax implications.

5. In the **Rate** field, enter the negative deduction for the pay period as a dollar amount or as a percentage.

6. Enter the effective and expiration dates for the payroll item. These dates are checked against the payroll period ending date to determine which payroll items are affected.
7. Click **Add**.
8. Click **Save**.

When you create a payroll batch, the negative deduction is calculated as a reimbursement.

Setting up Company Contributions for an Employee

For each employee who is included in Payroll, you can add company contribution payroll items on the employee record.

You may need to create contribution payroll items before you can select them for employees. For more information, see [Payroll Items Setup](#).

To set up contributions for each employee:

1. Go to Lists > Employees > Employees.
2. Beside an employee name, click **Edit**.
3. Click the **Payroll** subtab.
4. Click the **Company Contributions** subtab.
5. In the **Company Contributions** field, choose one of the payroll items you set up for contributions.
6. In the **Rate** field, enter the contribution per pay period for this individual as a dollar amount or as a percentage.

NetSuite always inserts the correct rates for items that you choose from the tax tables. For a contribution you create yourself, such as for a benefits plan, you might enter 20 for twenty dollars or 1% for one percent.
7. In the **Limit** field, enter a limit, if one applies.

NetSuite always inserts the correct rates for items you choose from the tax tables.
8. Click **Add**.
9. Continue adding deduction items as necessary.
10. Click **Save**.

Setting up Accrued Time for an Employee

For each employee included in Payroll, you can set up accrued time by adding sick and vacation time payroll items to the employee record.

You may need to create earning payroll items for accrued time before you can select them for employees. For more information, see [Payroll Items Setup](#).



Important: If you use the Time-Off Management feature, see the help topic [Updating the Employee Record for Time-Off Management and Payroll](#).

To set up accrued time for each employee:

1. Go to Lists > Employees > Employees.
2. Next to the employee's name, click **Edit**.
3. Click the **Payroll** subtab, and then click the **Accrued Time** subtab.
4. In the **Accrued Time** subtab, do the following:
 - a. In the **Sick/Vacation Time** field, a payroll item for sick time, vacation time, or other paid time off (PTO) events.
For example, you might have set up a payroll item called **PTO – Vacation**.
 - b. If you are setting up accrued time for the first time for this employee, in the **Accrued Hours** field, enter a beginning balance.
After the beginning balance is set, the system keeps track of this total.
 - c. In the **Accrue As** field, select one of the following:
 - **Lump Sums**: Calculate accrual based on total hours for the year. Accrual occurs with the employee's first payroll of the year and does not increase with subsequent payrolls.
 - **Per Pay Period**: Calculate accrual per pay period.
 - **Per Hour Worked**: Calculate accrual per hours worked. This includes overtime if the time was recorded.
 - d. In the **Accrual Rate** field, enter the number of hours this employee accrues for the time period set in the **Accrue As** column.
 - If the **Accrue As** field is set to **Lump Sum**, the accrual rate should be the total number of hours per year.
 - If **Accrue As** is set to **Per Pay Period**, the accrual rate should be the number of hours the employee earns per pay period.
 - If **Accrue As** is set to **Per Hour Worked**, the accrual rate should be the amount of time off to accrue for each hour worked. For example, 0.04.
 - e. In the **Monetary Rate** field, enter the cost per hour of the accrued time.
 - f. To set the total accruals to zero and begin calculations again each calendar year, check the **Reset at Year End** box.
Employees' accrued time is reset when the period ending date is in the new year. Note the following about employees taking time off during a pay period that includes both the previous year and the next. The time is taken from their previous year's balance, and then reset. If an employee's last paid date is blank, the accrued time is not reset.
 - g. If your company sets a limit for accrued time, in the **Maximum Hours** field, enter the maximum number of hours that can be accrued.
 - h. Click **Add**. Continue adding payroll items as necessary.
5. Click **Save**.

Taxes and Jurisdiction Setup for Employees

Before you can start paying employees with SuitePeople U.S. Payroll, you need to set up taxes and jurisdiction-specific requirements for the employee. This involves first [Verifying the Jurisdictions for an Employee](#), and then [Selecting Status Exemptions for an Employee](#).

After you verify jurisdictions and select status exemptions for an employee, you can set up [Employee Tax Withholdings and Allowances](#). Optionally, depending on an employee's jurisdiction, you can complete the following tasks:

- [Tax Override Methods for Employee Withholding](#)

- [Setting up Taxes for Employees who Work in Different States During a Pay Period](#)
- [Adding Standard Occupational Classification Codes for Employees in Alaska, Louisiana, South Carolina, Indiana, and Washington](#)
- [Setting up California VDI for Employees](#)
- [Setting up Paid Family and Medical Leave Contributions for Employees in Washington](#)
- [Setting up Paid Family and Medical Leave Contributions for Employees in Massachusetts](#)
- [Setting up Payroll for Expatriate Employees](#)

Verifying the Jurisdictions for an Employee

The Jurisdictions subtab lists all of the federal, state, county, local, and school district jurisdictions applicable to an employee based on the employee's home address.



Important: Before you can verify jurisdictions for an employee, you must do the following:

1. Complete the steps in [Including an Employee in Payroll](#).
2. Update payroll information. For more information, see [Updating Payroll Information](#).

To verify an employee's jurisdictions:

1. Go to Lists > Employees > Employees.
2. On the Employees list, click **Edit** next to the name of the employee for whom you want to verify jurisdictions.
3. Click the **Payroll** subtab, and then click the **Jurisdictions** subtab.
Jurisdictions marked N/A do not apply to the selected employee.
4. Click **Cancel** to return to the Employees list.



Tip: You can verify jurisdictions for multiple employees with the Employee Tax Jurisdictions workbook. For more information, see [Employee Tax Jurisdictions Workbook](#).

Selecting Status Exemptions for an Employee

After you include an employee in payroll and update payroll information, you can select status exemptions for the employee.

To select status exemptions for an employee:

1. Go to Lists > Employees > Employees.
2. Next to the name of the employee, click **Edit**.
3. Click the **Payroll** subtab.
4. Check the boxes beside the exemptions that apply to this employee. The exemptions available can include the following:
 - Sole Proprietor
 - Minor Under 18 Employed by Parent

- F1/J1 Visa
- One Spouse Employed by Another
- Minor Under 21 Employed by Parent
- Partner of a Partnership
- Parent Employed by Child
- MQGE Pension Plan Participant (Social Security Exempt)
- Exempt Corporate Officer

5. Click **Save**.

Make sure that you update payroll information after you select status exemptions for employees. For more information, see [Updating Payroll Information](#).

Employee Tax Withholdings and Allowances

After you include an employee in payroll and update payroll information, SuitePeople U.S. Payroll uses the home address and workplace to create a list of applicable tax items for the employee. These tax items appear on the Taxes subtab, under the Payroll subtab of the employee record.

For each employee, you should do the following:

- Check the tax rates
- Add additional withholding information based on the information that employees submit in federal Form W-4 or in state-specific tax forms

Learn how to set up tax withholdings and allowances in the following topics:

- [Entering Form W-4 \(2020 version\) Information for an Employee](#)
- [Entering Legacy Form W-4 Information for an Employee](#)
- [Reverting to the 2019 Version of Form W-4](#)
- [Setting Up Other Tax Withholdings and Allowances](#)

To learn more about the taxes applicable for employees in each state in the U.S., you can visit the [IRS website](#).

Entering Form W-4 (2020 version) Information for an Employee



Important: The 2020 version of Form W-4 is available as of January 1, 2020.

U.S. employees are required to complete Form W-4 and submit it to their employers. NetSuite uses the information from the Form W-4 to calculate the appropriate amount of federal taxes to withhold from paychecks. Some states also use Form W-4 for state tax withholdings. For more information about Form W-4, visit the [IRS website](#).

To enter Form W-4 information for an employee:

1. Go to Lists > Employees > Employees.
2. Next to the employee's name, click **Edit**.
3. Click the **Payroll** subtab, and then click the **Taxes** subtab.

4. In the row containing federal withholding, or, if applicable, state withholding, in the **Tax Form** column, click **W-4**.
5. Enter the employee's information in the form:
 - If the employee has indicated that they are exempt from tax withholding, check the **Exempt** box.
If you check this box, the other fields on the form, with the exception of the Filing Status field, are no longer editable.
 - From the **Filing Status** list, select the employee's filing status.
 - If the employee has checked box 2(c) on Form W-4, check the **Multiple Jobs or Spouse Works** box.
 - In the **Dependents Total Amount** field, enter the amount from box 3 on the employee's Form W-4.
 - In the **Other Income** field, enter the amount from box 4(a) on the employee's Form W-4.
 - In the **Deductions** field, enter the amount from box 4(b) on the employee's Form W-4.
 - In the **Extra Withholding Per Pay Period** field, enter the amount from box 4(c) on the employee's Form W-4.



Note: If you enter an amount in this field, the **Override Amount** field on the Taxes subtab automatically populates with the same amount. The **Tax Override Method** field also changes to Adjusted Amount.

6. Click **Save**.

After you enter Form W-4 information, make sure that you update payroll information. For more information, see [Updating Payroll Information](#).

Entering Legacy Form W-4 Information for an Employee

You may be setting up taxes for employees who submitted the legacy version (the version used from 2019 or earlier) of Form W-4. If this is the case, use the following procedure to enter their Form W-4 information.

As of January 1, 2020, employees should submit the 2020 version of Form W-4 in the following scenarios:

- The employee is new to the company.
- The employee is updating their withholdings. This can be due to a life event, such as marriage or having a child.

For more information, see [Entering Form W-4 \(2020 version\) Information for an Employee](#).

To enter legacy Form W-4 information for an employee:

1. Go to Lists > Employees > Employees.
2. Next to the employee's name, click **Edit**.
3. Click the **Payroll** subtab, and then click the **Taxes** subtab.
4. In the federal withholding row, enter the information from Form W-4.
5. Click **Save**.

After you enter Form W-4 information, make sure that you update payroll information. For more information, see [Updating Payroll Information](#).

Reverting to the 2019 Version of Form W-4

If you accidentally updated an employee to the Form W-4 2020 version, you may have to revert to the 2019 version of Form W-4. You can revert the form only if the 2019 version of the form immediately precedes the current version of the form. If you make additional changes to the 2020 version of the form, you cannot revert to the 2019 version.

To revert to the 2019 version of Form W-4:

1. Go to Lists > Employees > Employees.
2. Next to the employee's name, click **Edit**.
3. Click the **Payroll** subtab, and then click the **Taxes** subtab.
4. In the row containing federal withholding, in the **Tax Form** column, click **W-4**.
5. At the top of the form, click **Revert**.
6. In the confirmation message, to confirm that you want to revert the form, click **Revert**.

Setting Up Other Tax Withholdings and Allowances

You may need to set up state withholdings and allowances for your employees.

To set up tax withholdings and allowances for an employee:

1. Go to Lists > Employees > Employees.
2. Next to the employee's name, click **Edit**.
3. Click the **Payroll** subtab, and then click the **Taxes** subtab.
4. For the applicable tax items, complete the following:
 - In the **Filing Status** column, verify that the selected status for each tax item is correct. This information is available on the employee's tax forms.
 - If the employee qualifies as exempt for any of the listed taxes, check the **Exempt** box for the tax item.
 - In the **Exemptions/Allowances** column, enter the number of exemptions or allowances for the employee for each tax item.
 - To apply a tax override method to a tax item, from the **Override Method** list, select a method, and then enter an override amount. For more information, see [Tax Override Methods for Employee Withholding](#).
5. Click **Save**.

After you enter Form W-4 information, make sure that you update payroll information. For more information, see [Updating Payroll Information](#).

Tax Override Methods for Employee Withholding

SuitePeople U.S. Payroll uses tax rates to calculate the amount of taxes to withhold from employee paychecks. These tax rates are based on each employee's home address and workplace and are listed on the Taxes subtab of each employee record's Payroll subtab. On this same subtab, you can set up tax override methods for special cases where employee withholding should vary from automated tax calculations.

A tax override supersedes the use of allowances to determine employee withholding. For example, an employee may request an override to increase withholding to avoid underpayment of taxes at year end.

Note: Paychecks are sometimes used to make only non-taxable payments to employees, such as reimbursing expenses. In these cases, because the employee's taxable wages are zero, tax amounts are zero and tax overrides are not applied.

For information about how to set up override methods and enter tax information onto employee records, see [Employee Tax Withholdings and Allowances](#). For information about entering other payroll information onto employee records, see [Payroll Setup for Employees](#).

You can choose from three different methods for calculating tax overrides. For any tax item listed for an employee, you can select one of these methods and specify an override amount.

- **Percentage** - This method calculates the override withholding as a percentage of the standard withholding amount. The override amount for this method should be entered as a decimal. For example:
 - To decrease withholding by half (50%), enter an override amount of 0.5.
 - To increase withholding by 25%, enter an override amount of 1.25.
- **Adjustment Amount** - This method increases or reduces the standard withholding amount by a set dollar amount. The override amount for this method should be entered as a positive or negative number, that corresponds to a dollar amount. For example:
 - To decrease withholding by \$50 per paycheck, enter an override amount of -50.
 - To increase withholding by \$50 per paycheck, enter an override amount of 50.
- **Fixed Amount** - This method replaces the standard withholding amount with a set dollar amount. The override amount for this method should be entered as a positive number. For example, to withhold \$100 per paycheck instead of the standard withholding amount, enter an override amount of 100.

Setting up Taxes for Employees who Work in Different States During a Pay Period

SuitePeople U.S. Payroll supports tax compliance for employees who work in different states during a pay period. NetSuite calculates the pertinent taxes for the jurisdiction where work is performed, as well as the employee's primary office and home jurisdictions.

NetSuite uses the system-default settings to withhold taxes for jurisdictions other than the home and primary workplace jurisdictions. The default settings are single with no allowances.

To set up and use the multi-state taxation option:

1. Select the preference for the option:
 - a. Go to Setup > Other Setup > Set Up Payroll (Payroll Manager).
 - b. Check the **Enable Multi-State Calculation** box in the Paychecks group, and then click **Save**.
When multi-state calculation is enabled, an editable **Payroll Item Workplace** field is added to the **Earnings, Time**, and **Commissions** subtabs for paychecks and bulk edit. The field is also added to time transactions. The **Payroll Item Workplace** field is not available for expense reimbursements.
2. Go to Transactions > Employees > Create Payroll, and create a payroll batch. For more information, see [Creating a Payroll Batch](#).
3. Calculate the payroll batch. For more information, see [Calculating a Payroll Batch](#).
4. Edit the individual paychecks, and select a **Payroll Item Workplace** for each payroll item in the **Earnings, Time**, and **Commissions** subtabs, as needed. The default is the workplace set on the employee record. For more information, see [Editing an Individual Paycheck from a Payroll Batch](#).

The list for the **Payroll Item Workplace** field includes all of the workplaces you have configured for your company.

When you leave the **Payroll Item Workplace** field blank, it defaults to the workplace on the employee record when you save the change.

Adding Standard Occupational Classification Codes for Employees in Alaska, Louisiana, South Carolina, Indiana, and Washington

If you have workplaces in Alaska, Louisiana, South Carolina, Indiana, or Washington, you must collect and maintain Standard Occupational Classification (SOC) codes for employees who there.


Before you can track SOC codes for employees in these states, you must install the U.S. Payroll Compliance SuiteApp.

- **Bundle Name:** Payroll Compliance
- **Bundle ID:** 202280

To learn how to install a SuiteApp, see the help topic [Installing a Bundle](#).

To add SOC codes for employees:

1. Go to Lists > Employees > Employees.
2. Beside the employee name, click **Edit**.
3. Click the **Payroll** subtab.
4. In the **Standard Occupational Classification** field, enter the SOC code that corresponds with the employee's job. For more information see <https://www.bls.gov/soc/>.

 **Note:** The Standard Occupational Classification field appears only if the employee's workplace is set to a location in Alaska, Louisiana, South Carolina, Indiana, or Washington.

5. Click **Save**.

After you update the employee record, you must also update payroll information. For more information, see [Updating Payroll Information](#).

Setting up California VDI for Employees

Employees in California have the option of replacing their state disability insurance (SDI) with a voluntary disability insurance (VDI). If you have employees in California who opt for VDI, subject to state agency approval, you can account for this in your SuitePeople U.S. Payroll setup.

If they opt for VDI, contributions are deducted from their pay, calculated as a percentage of their taxable wage, up to an annual maximum.

The default rate for the VDI deduction must be the same for all of your employees. For more information about this program, go to [the Employer Voluntary Plans page](#) on the State of California's website.

Creating a Payroll Item for VDI

Before applying the VDI deduction to your employees' profiles, you must first create a payroll item for it.

To create the VDI payroll item:

1. Go to Lists > Employees > Payroll Items > New.
2. On the Payroll Item page, select **Deduction** on the **Item Type** drop-down list.
3. Enter a unique, explanatory name in the **Item Name** field, such as "California VDI".
4. Select the appropriate payroll liabilities account from the **Liability Account** drop-down list.
5. Select **California VDI Contribution** from the **Pay Code** drop-down list.
6. In the **Default Rate** field, enter the rate that your employees should be charged based upon the VDI policy your company has made. NOTE: For this payroll item only, this rate is in decimal format. For example, if the rate for your company is 1 percent, enter 0.01 in this field.
7. Click **Save**.

Adding an Employee to VDI

Next, if an employee has opted in to the VDI, then indicate that in the employee record.

To add an employee to VDI:

1. Go to Lists > Employees > Employees.
2. Click **Edit** next to the employee's name.
3. On the employee record, click the **Payroll** subtab.
4. Check the **Participates in Voluntary Plan for Disability Insurance** box.
5. Click the **Deductions** subtab.
6. In the **Deductions** field, choose the VDI deduction that you created earlier. Do not change any other fields for the deduction.
7. Click **Add**.
8. Click **Save**.

Confirming That an Employee Has VDI

After making the changes to the employees' records, you should confirm that the changes were made properly. That is, the employees have a deduction for the VDI, but do not have a tax for the SDI.

To confirm that the employee has VDI:

1. Create a payroll batch including the affected employees.
2. On the Payroll Batch page for the batch you have created, click the **Complete** tab.
3. Click the **Paychecks** subtab.
4. Click **View** beside the employee for whom you have set up VDI.
5. Click the **Deductions** subtab.
6. Note the field for the VDI payroll item you have created. It should show the deduction that has been calculated for this employee.
7. Click the **Taxes** subtab.
8. Note the **California Disability** field. This field shows the SDI deduction and should therefore be 0, because you have set up this employee for VDI.

Setting up Paid Family and Medical Leave Contributions for Employees in Washington

If you have employees in the State of Washington, you are subject to the state's Paid Family and Medical Leave (PFML) compliance requirements. Employers of all sizes must either withhold premiums from their employees' paychecks or opt to cover their employees' premiums themselves.

For more information about Washington's PFML program, go to <https://www.esd.wa.gov/paid-family-medical-leave>.

PFML contributions are mandatory and the rates are the same for all of your employees. Therefore, you set the rate at the company level, not for each employee individually. These taxes came into effect in Washington on Jan. 1, 2019. SuitePeople U.S. Payroll will not calculate these taxes for paychecks with check dates prior to Oct. 1, 2019. However, you can set these rates prior to Oct. 1. Then, they are reflected in payroll batches that you calculate prior to Oct. 1, but that include dates on or after Oct. 1.

Please note the following information about the rates:

- The total premium for the 2019 tax year is 0.4 percent of the employee's gross wages. 33.333 percent of that premium goes toward family leave and 66.667 goes toward medical leave.
- Employers who choose to withhold premiums may withhold no more than 63.333 percent of the total premium, and must pay the remaining 36.667 percent.
- If your company averages fewer than 50 employees, you do not need to pay the employer portion of the premium. However, you must withhold the employee portion or cover it yourself.

To set the PFML rate:

1. Go to Setup > Payroll > Setup Tasks > Set Up Payroll.
2. Click the **Taxes** subtab.
3. Enter rates for the following three taxes (the values must sum to 0.4 percent or 0.004):
 - WA Paid Family Leave State Plan – this contribution is employee-paid and must be 0.333 of the total contribution
 - WA Paid Medical Leave State Plan (Employee) – the employee-paid contribution
 - WA Paid Medical Leave State Plan (Employer) – the employer-paid contribution
4. The Effective Date for each tax defaults to the current date. However, these taxes will not be calculated for paycheck dates prior to Oct. 1, 2019. If you run a payroll batch prior to Oct. 1 that has check dates on or after Oct. 1, the taxes will be calculated.
5. Click **Save**.

To set the tax agency for these new taxes:

1. Go to Lists > Employees > Payroll Items.
2. For each of the WA PFML tax payroll items, click **Edit**.
3. Select a tax agency from the **Agency** list.
4. Click **Save**.

To update payroll information:

1. Go to Setup > Payroll > Payroll Management > Update Payroll Information.

2. Check the **Agree** box and then click **Commit Updates**.

To confirm that the PFML taxes have been added to the appropriate employees:

1. Go to Lists > Employees > Employees.
2. Choose an employee who is located in Washington and click **View** beside their name.
3. On the employee record, click the **Taxes** tab.
4. The WA Paid Family Leave State Plan and WA Paid Medical Leave State Plan (Employee) taxes appear.

When you create a payroll batch after setting these tax rates and updating payroll information, and the payroll batch check date is prior to Oct. 1, 2019, the Taxed Wage Base field will be zero because these taxes apply on Oct. 1, 2019.

Setting up Paid Family and Medical Leave Contributions for Employees in Massachusetts

If you have employees in the State of Massachusetts, then you are subject to the state's Paid Family and Medical Leave (PFML) compliance requirements. Employers of all sizes must either withhold premiums from their employees' paychecks or opt to cover their employees' premiums themselves.

If your company averages fewer than 25 employees, you do not need to pay the employer portion of the premium. However, you must withhold the employee portion or cover it yourself.

For more information about Massachusetts' s PFML program, go to <https://www.mass.gov/paid-family-and-medical-leave-information-for-massachusetts-employers>.

PFML contributions are mandatory and the rates are the same for all of your employees. Therefore, you set the rate at the company level, not for each employee individually. SuitePeople U.S. Payroll will not calculate these taxes for paychecks with check dates prior to Oct. 1, 2019. However, you can set these rates prior to Oct. 1. Then, they are reflected in payroll batches that you calculate prior to Oct. 1, but that include dates on or after Oct. 1.

Please note the following information about the rates:

- The total premium for the 2019 tax year is 0.75 percent of the employee's gross wages. 62 percent goes toward medical leave and 0.13 percent goes toward family leave.
- If you average 25 employees, you must pay 60 percent of the 0.62 medical leave premium and 0 percent of the family leave premium.
- If you average less than 25 employees, you are not required to pay the 60 percent of the medical leave premium. You can deduct all of the rest from the employee's wages.
- The rates that appear by default assume that you have 25 or more employees.

To set the PFML rate:

1. Go to Setup > Payroll > Setup Tasks > Set Up Payroll.
2. Click the **Taxes** subtab.
3. Enter rates for the following three taxes (the values must sum to 0.75 percent or 0.0075):
 - MA Family Leave Contribution (Employee) – the employee-paid family leave contribution
 - MA Medical Leave Contribution (Employee) – the employee-paid medical leave contribution

- MA Medical Leave Contribution (Employer) – the employer-paid medical leave contribution
- 4. The Effective Date for each tax defaults to the current date. However, these taxes will not be calculated for paycheck dates prior to Oct. 1, 2019. If you run a payroll batch prior to Oct. 1 that has check dates on or after Oct. 1, the taxes will be calculated.
- 5. Click **Save**.

To set the tax agency for these new taxes:

1. Go to Lists > Employees > Payroll Items.
2. For each of the WA PFML tax payroll items, click **Edit**.
3. Select a tax agency from the **Agency** list.
4. Click **Save**.

To update payroll information:

1. Go to Setup > Payroll > Payroll Management > Update Payroll Information.
2. Check the **Agree** box and then click **Commit Updates**.

To confirm that the PFML taxes have been added to the appropriate employees:


1. Go to Lists > Employees > Employees.
2. Choose an employee who is located in Massachusetts and click **View** beside their name.
3. On the employee record, click the **Taxes** tab.
4. The WA Paid Family Leave State Plan and WA Paid Medical Leave State Plan (Employee) taxes appear.

When you create a payroll batch after setting these tax rates and updating payroll information, and the payroll batch check date is prior to Oct. 1, 2019, the Taxed Wage Base field will be zero because these taxes apply on Oct. 1, 2019.

Setting up Payroll for Expatriate Employees

You can include expatriate (expat) employees in payroll. The zip code you use for the workplace address and the employee's home address governs the tax withholding for expatriates.

Use the zip code 00000 for expatriates. When the workplace zip code is 00000, appropriate federal taxes are withheld. When the employee's home zip code is 00000, no state or local taxes are withheld.

 **Note:** Employees who live in the United States but work in another country are not considered expatriates and are not supported in SuitePeople U.S. Payroll. Likewise, employees who live in another country but work in the United States are not considered expatriates and are not supported in the SuitePeople U.S. Payroll.

To include an expatriate in payroll:

1. Create a new workplace. For more information, see [Entering Workplace Records for Payroll](#).
 - a. Go to Lists > Employees > Workplaces > New.

- b. Enter a **Name** for the workplace, for example, **Expatriate** or **Expat** plus an identifier if you have employees in multiple foreign locations.
 - c. Click the **Edit** link on the **Address** subtab to open the address popup.
 - d. Enter an address including a minimum of **State** and **Zip**. The Zip must be 00000 and the **Country** must be United States.
 - e. Click **OK**, and save the record.
2. Set up the employee's address.
 - a. Go to Lists > Employees > Employees.
 - b. Click **Edit** next to the name of an existing employee, or click **New Employee**. For instructions for new employees, see the help topic [Adding an Employee](#).
 - c. On the **Address** subtab, add a new home address or edit an existing one. For more information, see the help topic [Entering an Address for an Employee](#).
Enter a Zip, which must be 00000.
3. Link the employee to the expatriate workplace.
 - a. On the employee record, go to the **Payroll** subtab.
 - b. From the **Workplace** list, select the workplace that you created for the expatriate in step 1.
4. Enter a Zip, which must be 00000.
5. Save the employee record.
6. Synchronize the updates to payroll.
 - a. Go to Setup > Payroll > Update Payroll Information.
 - b. Select a **Subsidiary** if you have a OneWorld account.
 - c. Read the statement that begins with **I have reviewed all payroll information...**, and then check the **Agree** box.
 - d. Click **Commit Updates**. For more information, see [Updating Payroll Information](#).

Updating Payroll Items for Multiple Employees

You can save time by updating employee records in bulk when you update a payroll item. When you update payroll information, the new rates and limits are updated on applicable employee records.



Important: Bulk updates that you make to employee records cannot be undone.

To update employee records with new information on payroll item records:

1. Go to Lists > Employees > Payroll Items.
2. Click **Edit** next to the name of the item.
3. In the **Employees** table, beside each employee who should have the payroll item, check the **Apply** box.
4. Optionally, enter additional details for the payroll item in the fields provided beside each applicable employee, such as the rate for the employee. For example, if you are adding an Earning:Salary payroll item, you can enter each employees' salary in the **Rate** field. The fields are the same as what appears on the employee record when you add earnings, deductions, company contributions, or accrued time for an employee.
5. Click **Save**.

A warning message appears and advises that after you click **Save**, the previous information is deleted from all employee records. The changes you make cannot be undone.

6. To save the changes, click **OK**.

The payroll item is applied to the selected employees. To commit the updates, make sure you update payroll information. For more information, see [Updating Payroll Information](#).

Running Test Payroll Batches

Running test payroll batches helps you to verify that SuitePeople U.S. Payroll correctly calculates the payroll information that you set up for each employee.


Your payroll setup is not complete until you do the following:

1. Enter Year To Date (YTD) information OR select the option indicating you have no YTD information to report.
2. Run at least one test payroll.

You can run as many test payroll batches as you like. Test payroll batches do not affect your current data and are deleted from the system when you turn off Payroll Test Mode in your account.


To run a test payroll batch:

1. Go to Setup > Payroll > Set Up Payroll.
2. If you have a NetSuite OneWorld account, select a subsidiary from the list in the **Subsidiary** field.
For more information, see the help topic [Payroll Setup in OneWorld](#).
3. Ensure that the **Run Payroll in Test Mode** box is checked. Click **Save**.
4. Go to Transactions > Employees > Create Payroll.
5. If you have a NetSuite OneWorld account, select a subsidiary from the list in the **Subsidiary** field.
6. In the **Pay Frequency** field, select the range that describes how often you pay the employees you want to include in this payroll.


 **Note:** The frequency you select in this field filters the list of employees on this page who are included in the payroll run.

7. In the **Period Ending** field, accept or change the last date of the payroll period.
This date is based on the last paid date and pay frequency entered on the employee record.
8. Click **Create**.
9. Select the employees to include in the payroll batch:
 - a. In the **Workplace** field, select a workplace to filter the list.
For details about workplace records, see [Entering Workplace Records for Payroll](#).
 - b. In the **Department** field, select a department.
For details about department records, see the help topic [Departments and Classes Overview](#).
 - c. In the **Class** field, select a class.
For details about class records, see the help topic [Departments and Classes Overview](#).
 - d. In the **Select** column, check the boxes next to the employees you want to include in the payroll batch. Click **Mark All** to select all employees in the list.

10. Click **Save**.
11. In the **Check Date** field, accept or change the posting date of the paychecks.

 **Note:** This date cannot be a previous date, a weekend, or a bank holiday. To enter a check for today's date, you must check the **To Be Printed** box and locally print the check. SuitePeople U.S. Payroll cannot process direct deposits or service-printed checks on the same day.

12. Check or clear the following boxes:
 - a. To save the checks and direct deposit vouchers in a queue for printing later, check the **To Be Printed** box.

 **Important:** If you do not check this box, paychecks and direct deposit vouchers are not printed for this payroll. To print checks and vouchers later, you must individually access and print each transaction. If you use the Service Printed Checks and Stubs feature, do not check this box. To print the checks yourself for this payroll run only, check this box. By default, this box is not checked for future payrolls.

- b. To pay approved commission amounts, from NetSuite Commissions, on the paychecks included in this run, check the **Pay Commissions** box.
 - c. To pay approved expense amounts (from NetSuite) on the paychecks included in this run, check the **Pay Expenses** box.

You must set up an expense payroll item to use this preference. For more information, see [Creating Payroll Items](#).
 - d. If you do not want to accrue vacation or sick time on the paychecks included in this run, check the **Do Not Accrue Time** box.
 - e. To pay PTO on the paychecks included in this run, check the **Pay PTO** box.
13. Verify the hours and amounts shown for the earning items listed.
14. To run your test payroll and view the checks created on the Payroll Batch page, click **Calculate**.
15. On the Payroll Batch page, on the **Complete** tab, click **View** next to an employee's name to view the details on their paycheck.

If you need to make changes, click **Edit** to change any payroll related information on the paycheck record.
16. Compare and verify employee withholding and deduction calculations with your most recent payroll run.

If you discover errors during your test payroll runs, go to Lists > Employees > Employees to make the necessary changes to employee records. Then, to go to Transactions > Employees > Create Payroll to rerun your test payroll.

If you make changes, you may be required to update your payroll information before running another test payroll. To update your payroll information, go to Setup > Payroll > Update Payroll Information.

When you complete your test runs, turn off the test mode so that you can run actual payrolls. For more information, see [Turning Off Payroll Test Mode](#).

Turning Off Payroll Test Mode

After you finish running test payrolls and verifying your data, you can complete your setup by turning off test mode in your account.

After test mode is turned off, you can start paying employees with SuitePeople U.S. Payroll.

To turn off Test Mode:

1. Go to Setup > Payroll > Set Up Payroll.
2. Clear the **Run Payroll in Test Mode** box.
If this box is not available, it is because of the following:
 - You have not set up YTD information.
 - You have no YTD information to report.
 - You have not run at least one test payroll.
3. Click **Save**.

Setting up Year-To-Date Information From Your Previous Payroll System

Before you can use SuitePeople U.S. Payroll, you must record year-to-date (YTD) federal and state tax liabilities in NetSuite. If you ran payroll during the calendar year, you must enter YTD information. This ensures all calculations and reports for the remainder of the year are accurate. NetSuite requires you to enter these tax liabilities for the year up to the day before the current quarter. You must also enter tax liabilities for the quarter to date.

When you submit your YTD information, NetSuite verifies the data you entered against its tax calculations. If there are differences, NetSuite generates a journal entry for any unpaid liabilities.

NetSuite prompts you to fund and pay any unpaid liabilities. For more information, see [Reporting Year-to-Date Tax Liability Payments](#).

To set up YTD information:

1. Go to Setup > Payroll > Year-To-Date Information.
2. If you have a NetSuite OneWorld account, then select a subsidiary.
For more information, see the help topic [Payroll Setup in OneWorld](#).
3. If required, click **Update Payroll Information**.
On the Update Payroll Information page, complete the following steps:
 - a. Check the **Agree** box.
 - b. Click **Commit Updates**.
 - c. When your updates have been committed, return to Setup > Payroll > Year-To-Date Information to continue the YTD process.
4. Select the year you will begin using SuitePeople U.S. Payroll.
If you did not run payroll on another system during the current year, select **I do not have YTD amounts to report**.
5. Click **Next**.
If you selected **I have YTD amounts to report**, complete the following steps:
 - a. Select the employees for whom you have year-to-quarter date data, and then click **Next**.
 - b. Enter **Year-to-Quarter** amounts for each employee, and then click **Next**.
You can save time by exporting and completing the template that NetSuite provides you.

- c. Review the amounts, enter amounts reported to tax agencies, and review any unpaid amounts, and then click **Next**.
- d. On the Journal page, edit the journal entry that NetSuite prepared based on the year-to-date data you entered for your employees. Click **Save**.
- e. If the original or edited Journal is ready to post, on the Year To Date Setup - Liability Payments page, click **Commit**.
- f. If you do not have quarter-to-date data for employees, clear the box to indicate that you do not have quarter-to-date data to enter. Click **Next**.

The next step is to enter Quarter-to-Date amounts. This procedure follows the same sequence as entering Year-to-Quarter amounts. Begin by entering employee data, reviewing the amounts calculated by NetSuite, reviewing or editing the journal entry prepared by NetSuite, and committing the journal entry.

- g. On the Year To Date Setup - Liability Reporting page, click the appropriate form link. Then, enter the correct amounts by day, week, month, or quarter that add up to the total year-to-date amounts calculated by NetSuite. Click **Save**.

If your company is required to report Hours-to-Quarter, you will enter this information prior to entering your liability information.

- h. Click **Next**.

NetSuite displays the Year To Date Setup - Finish page.

- 6. If you use NetSuite OneWorld, you can select a subsidiary from the list in the **Subsidiary** field.
- 7. Select one of the buttons on the Year To Date Setup - Finish page:
 - **Enter More Year-To-Date Data** - Enables you to enter more YTD data for the company or selected subsidiary.
 - **Start Over** - Discards any data entered to this point, and then returns to the Year To Date Setup - Start page.
 - **Return to Payroll Setup** - Returns you to the Payroll Setup page.

Reporting Tax Liabilities

To ensure that SuitePeople U.S. Payroll has all the information it needs to file taxes on your behalf, the status of your tax payments must be verified.

SuitePeople U.S. Payroll uses the tax information already in your NetSuite account. It compares those values to the amounts you should have paid, and records any amounts that were overpaid or amounts you still owe.

To report your tax liabilities:

1. Go to Setup > Payroll > Set Up Payroll.
2. Click the link that asks you to report tax liability.
3. Review amounts accrued for each tax item.
These amounts are based on information currently in your NetSuite account.
4. Review amounts paid and make change where necessary.
These amounts are based on information currently in your NetSuite account.
5. Review any unpaid amounts. This is the amount SuitePeople U.S. Payroll funds on the date you specified.



Important: If you choose a future date to begin the payroll service, you need to return to this page on that date and commit these amounts. SuitePeople U.S. Payroll does not fund your unpaid liabilities, if any, until that date.

Reporting Unpaid Liabilities

On your Payroll start date, you must follow the steps below to report any unpaid liabilities.



Important: Even if you do not have unpaid liabilities, you should follow the steps below to verify the zero amounts.

To report unpaid liabilities:

1. Go to Setup > Payroll > Set Up Payroll.
2. Click the link that asks you to report tax liability.
3. Review any unpaid amounts and then click **Commit**.



Important: SuitePeople U.S. Payroll funds any unpaid liability and registers itself with tax agencies as your payroll provider.

Reporting Year-to-Date Tax Liability Payments

On the Tax Liability page, you should review the accrued, paid, and unpaid liabilities for your company.

SuitePeople U.S. Payroll uses this information to report and pay unpaid liabilities to tax agencies on your behalf. The payroll service uses your Payroll Funding Account to fund any unpaid liabilities shown on this page. If unpaid liabilities exist, then funding occurs as soon as you commit and liability payments are made based on your deposit schedule.

Before committing tax liabilities, you must do the following:

- Enter the date that you plan to begin using Payroll. Then, select and activate a payroll funding account at Setup > Payroll > Set Up Payroll.
- Verify the payroll funding account at Transactions > Bank > Activate Bank Account.
- Commit any updated payroll information at Setup > Payroll > Update Payroll Information.



Important: You should report any YTD unpaid tax liability payments before running a payroll with the payroll service. Also, cannot commit this information until on or after the service start date you set on the Set Up Payroll page. Your sign-up forms must have been received and processed.

To report YTD tax liability payments:

1. Go to Setup > Payroll > Set Up Payroll.
2. Click the link provided to report liability payments you made this calendar year to date.
3. For each payroll item listed, review the accrued, paid, and unpaid liability amounts.
 - **Accrued** – Shows the sum of all liability accrued for all committed payrolls and YTD information you have entered year-to-date.

- **Paid** – Shows the sum of all liability payments you have made in NetSuite using the Pay Payroll Liability page. If amounts are not correct, you can make the appropriate adjustments here.
 - **Unpaid** – Shows the difference between the amount accrued and the amount you have paid. This amount is funded by the payroll service for reporting and paying the unpaid liability on your behalf.
4. Click **Commit** when you are ready to fund your unpaid liabilities.
You can view the total in the **Total Unpaid Liability** field.

Entering a Payroll Start Date


After you set up SuitePeople U.S. Payroll, you must enter a start date for Payroll.

You should complete this task after you turn off test payroll mode. For more information, see [Turning Off Payroll Test Mode](#).

When you select a start date for Payroll, you become a full payroll service user. After that date, payroll is processed and funded using SuitePeople U.S. Payroll, and enter the payroll start date.

To enter a payroll start date:

1. Go to Setup > Payroll > Set Up Payroll.
2. In the field **When Do You Want the Payroll Service to Begin**, enter the start date.
3. Click **Save**.

 **Note:** On your service start date, you must report any unpaid liabilities.

Payroll Transactions

After you complete payroll setup tasks, you can begin performing payroll transactions in NetSuite.

Task	See...
Processing Payroll Batches	<ul style="list-style-type: none"> ■ Payroll Processing Schedule ■ Creating a Payroll Batch ■ Creating an Off-Cycle Payroll Batch ■ Viewing Payroll Batches ■ Calculating a Payroll Batch ■ Viewing Individual Paychecks ■ Editing Payroll Items in Bulk on a Payroll Batch ■ Editing an Individual Paycheck from a Payroll Batch ■ Committing a Payroll Batch
Payroll Reversals and Adjustments	<ul style="list-style-type: none"> ■ Creating a Payroll Reversal ■ Committing Payroll Reversals ■ Creating Payroll Adjustments
Payroll Transaction Status	<ul style="list-style-type: none"> ■ Viewing the Status of a Payroll Batch ■ Viewing Payroll Disbursements
Payroll liabilities	<ul style="list-style-type: none"> ■ Making Payroll Liability Payments
Print checks and vouchers	<ul style="list-style-type: none"> ■ Print Payroll Checks or Vouchers ■ Printing Paychecks ■ Printing Direct Deposit Vouchers
Other	<ul style="list-style-type: none"> ■ Allocating Paycheck Expenses to Projects ■ Complete Quarterly or Yearly Payroll Tasks ■ Recording Third-Party Sick Pay Payments

The paycheck journal transaction is not a part of SuitePeople U.S. Payroll. When the Paycheck Journal feature is enabled, this transaction is available for partners' use in creating international payroll solutions. For more information, see [Paycheck Journal Feature](#).

About Direct Deposit

Direct deposit is included in SuitePeople U.S. Payroll. NetSuite uses an authorized third party to permit Electronic Funds Transfer (EFT) payment of payroll funds and to permit the transfer of payroll funds. Using direct deposit for the automatic transfer of funds between financial institutions can help to simplify your payroll process.

When you commit payroll batches, NetSuite transmits direct deposit payment data to the authorized third party. This party then transfers the funds to the appropriate financial institutions.



Important: For payrolls received by 2:00 p.m. Pacific Time, payrolls are processed as received. Direct deposits for payrolls received by 2:00 p.m. Pacific Time are processed and sent to the bank the next business day. Settlement in the employees' accounts occurs one business day later. You can track the status of all Direct Deposit transactions by going to Transactions > Employees > View Payroll Status (Administrator).

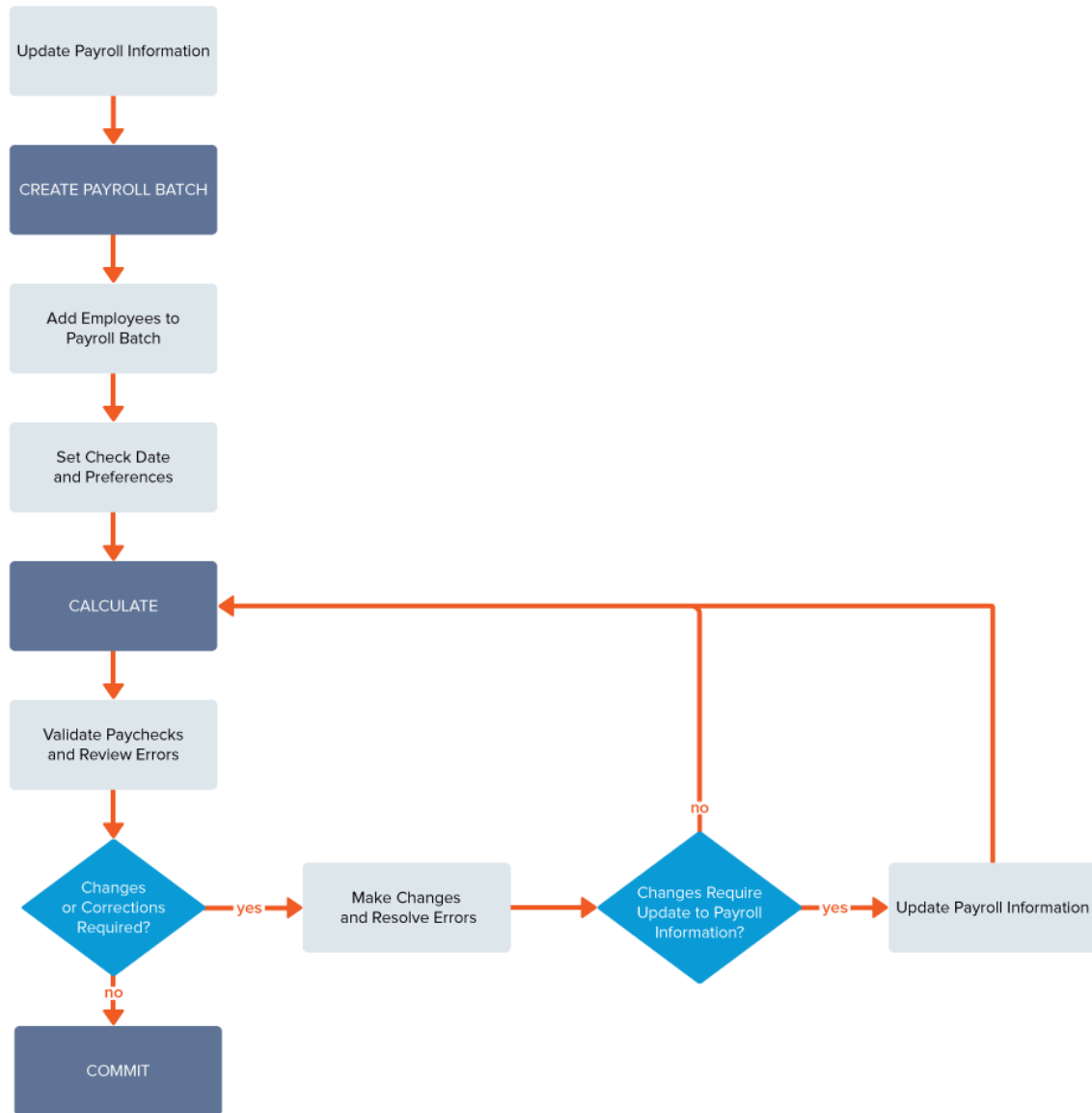
Before you can use direct deposit, you must set up your company bank accounts for transferring funds. For more information, see the help topic [Setting Default Accounts for Payroll](#).

For more information about using direct deposit with SuitePeople U.S. Payroll, see the following topics:

- [Setting up Direct Deposit for an Employee](#)
- [Enabling Employees to Update Direct Deposit Information](#)
- [Viewing the Status of Direct Deposit Transactions](#)

Processing Payroll Batches

The process for generating payroll transactions involves creating, calculating, and committing payroll batches, as depicted in the following image:



Watch the following help video for information about creating a payroll batch:

 [Creating a Payroll Batch](#)

For detailed steps, see the following topics:

- [Creating a Payroll Batch](#)
- [Viewing Individual Paychecks](#)
- [Creating an Off-Cycle Payroll Batch](#)
- [Viewing Payroll Batches](#)
- [Committing a Payroll Batch](#)
- [Printing Paychecks](#)
- [Printing Direct Deposit Vouchers](#)

Note: All direct deposits and service-printed checks must be committed at least two banking days before the check date by 2:00 p.m. Pacific Time. For a listing of bank holidays, see [Payroll Processing Schedule](#).

Payroll Processing Schedule

Important: All bank holidays are non-processing days. Do not commit payrolls on non-processing days. Non-processing days cannot be a pay date. To ensure timely deposit of tax liabilities, please allow adequate time to process payrolls. Please check Amended date for calculation and funding purposes prior to committing the payroll.

If your normal payday falls on a holiday, change the check date to the business day after the holiday or the day before the holiday. For example, if the holiday falls on a Monday, change the check date to Friday or Tuesday.

Note: All direct deposits and service-printed checks must be committed at least two banking days before the check date by 2:00 p.m. Pacific Time.

The following dates affect processing payroll with SuitePeople U.S. Payroll:

Holiday	2022
New Year's Day	January 1
Martin Luther King Jr. Day	January 17
President's Day	February 21
Memorial Day	May 30
Juneteenth National Independence Day	June 19 ** Observed on June 20; Federal Reserve will be closed**
Independence Day	July 4
Labor Day	September 5
Columbus Day	October 10
Veterans Day	November 11
Thanksgiving Day	November 24
Christmas Day	December 25 **Observed on December 26; Federal Reserve will be closed**

Bank holidays are based on the holidays observed by the Federal Reserve Bank. When holidays fall on a Saturday, banks are closed on that Saturday. When federal holidays fall on a Sunday, banks are closed on the following Monday.

Creating a Payroll Batch

To create a payroll batch in NetSuite, you generate paychecks for hours or time periods worked during the specified pay period. You can also choose to create a regular payroll or an off-cycle payroll. For more information about off-cycle payrolls, see [Creating an Off-Cycle Payroll Batch](#).

Note: If you use the Time Tracking feature, before you create a payroll batch, time sheets must be entered and approved for each employee. For more information, see the help topic [Managing Time Tracking](#).

 [Watch the Creating a Payroll Batch video.](#)

To create a payroll batch:

1. Go to Transactions > Employees > Create Payroll.
2. If you have a NetSuite OneWorld account, select a subsidiary from the list in the **Subsidiary** field. For more information, see the help topic [Payroll Setup in OneWorld](#).
3. If this is a one-time payroll, check the **Off Cycle** box.

Note: Off-cycle batches do not update the **Last Paid Date** field on the employee record.

4. In the **Pay Frequency** field, select the pay frequency of the employees you want to include in this payroll.
Pay frequency is included on the **Payroll** subtab of the employee record. The frequency you select filters the list of employees who are eligible to be included in this payroll.
5. In the **Period Ending** field, review the last date of the payroll period, and make changes if necessary.
This date is based on the last paid date and pay frequency entered on the employee record. Paycheck values for new hire employees and terminated employees are based on this date.
6. Click **Create**. The payroll batch is saved, and the next page in the payroll batch creation process opens.

After you create the payroll batch, continue with the next steps:

- [Adding Employees to a Payroll Batch](#)
- [Removing Paychecks from a Batch](#)
- [Selecting Payment Options for a Payroll Batch](#)

Adding Employees to a Payroll Batch

When you click Create on the first Payroll Batch page, a popup window opens. From this window, you can select employees to pay from those who match the Pay Frequency and Period Ending values for the batch. To open the popup window when you are editing a batch that you have previously created, click Add Employees at the top of the page.

The number of employees visible in the list is determined by the Number of Rows in List Segments field. This field appears on the General subtab on the Set Preferences page at Home > Set Preferences. If the available employees exceed the number set, a second list appears so you can select a different segment in the list.

To add employees to the batch:

1. On the Payroll Batch page, click **Add Employees**.
2. If necessary, filter the available employees to determine which employees are displayed for selection. The filter criteria is additive. Only employees who meet all criteria are displayed. The total number of employees available to pay is included at the top of the list. The number of employees that meet the filter criteria is displayed in red next to the total number. The filters include the following:

- **Workplace** – Select a workplace from the list.
For more information, see [Entering Workplace Records for Payroll](#).
 - **Employee Department** – Select a department from the list to include employees from a certain department.
 - **Employee Class** Select a class from the list to include only employees from a certain class.
For more information, see the help topic [Departments and Classes Overview](#).
 - **Saved Search** – Select a saved search from the list.
For more information, see the help topic [Saved Searches](#).
 - **Employee Name** – Type characters in the field to search for a specific employee or multiple employees with the same character set in their names.
 - **Employee ID** – Type the corresponding ID for this employee.
3. To select the employees you want to pay, click **Mark All** or check individual boxes in the **Select** column.
 4. Click **Save**.
The popup window closes, and the selected employees are added to the Employees to Pay list at the bottom of the page. If the batch has been calculated before, the newly added employees are listed in the **Pending** subtab.

No values appear in the Employees to Pay or Pending lists at the bottom of the Payroll Batch page until the batch is calculated. For information, see [Creating a Payroll Batch](#).

Removing Paychecks from a Batch

You can remove individual paychecks from a batch before it is committed.

To remove paychecks from a batch

1. Go to Transactions > Employees > Create Payroll > List. Click **Edit** or **View** next to the batch from which you want to remove paychecks.
You can select paychecks to remove from the following locations on the Payroll Batch page:
 - Employees to Pay list on batches that have not been calculated
 - **Pending** subtab
 - **Paycheck** subtab of **Complete** subtab
 - **Net Pay** subtab of **Complete** subtab
 - **Errors** subtab
2. To display only particular paychecks, you can filter the listed paychecks. The filter criteria is additive. Only paychecks that meet all criteria are displayed. The total number of paychecks available is included at the top of the list. The number of paychecks that meet the filter criteria is displayed in red next to the total number. The filters include the following:
 - **Workplace** – Select a workplace from the list.
For more information, see [Entering Workplace Records for Payroll](#).
 - **Employee Department** – Select a department from the list.
 - **Employee Class** Select a class from the list.
For more information, see the help topic [Departments and Classes Overview](#).
 - **Saved Search** – Select a saved search from the list.
For more information, see the help topic [Saved Searches](#).

- **Employee Name** – Type characters in the field to search for a specific employee or multiple employees with the same character set in their names.
 - **Employee ID** – Type the corresponding ID for this employee.
3. Click **Mark All** or check individual boxes in the **Select** column to select the paychecks you want to remove from the batch.
 4. Click **Delete Paychecks**.

Selecting Payment Options for a Payroll Batch

You can change payment options at any time before the batch is committed.

To select payroll payment options:

1. If the payroll batch has been calculated, click **Payment Options**. The status changes to Payment Options.
2. In the **Check Date** field, review the posting date of the paychecks, and make changes if necessary.

If you change the date after you calculate the payroll batch, manually entered payroll items are retained on the individual paychecks. However, you must recalculate the payroll to update the auto generated payroll items.



Note: If you use service-printed checks, the **Check Date** cannot be a date in the past, a weekend, or a bank holiday. For a list of bank holidays, see [Payroll Processing Schedule](#). The payroll service cannot process direct deposits or service-printed checks on the same day as a payroll. All direct deposits and service-printed checks must be committed by 2:00 p.m. Pacific Time **at least two banking days before the check date**. To enter a check for today's date, check the **No Service Printed Checks** box, and print the check locally.

3. Check or clear the boxes next to the following payroll options:
 - **Pay Auto Earning** – Check this box if you want to calculate automatic earnings on the paychecks included in this payroll batch.
 - **Pay Time** – Check this box if you want to include time tracking entries in this payroll batch.
This option appears when the Time Tracking feature is enabled. For more information, see the help topic [Managing Time Tracking](#).
 - **Pay PTO** – Check this box to pay Paid Time Off (PTO) on the paychecks included in this payroll batch. If this box does not appear, make sure the **Pay Sick/Vacation Time on Paychecks** box is checked on the Set Up Payroll page. See [Payroll Preferences](#).
 - **Pay Expenses** – Check this box to pay approved expense amounts that have been processed on the paychecks included in this payroll batch.
If this box does not appear, make sure the **Pay Expenses on Paychecks** box is enabled on the Set Up Payroll page. See [Payroll Preferences](#).
You must set up an expense payroll item to use this option. For more information, see [Creating Payroll Items](#).
 - **Pay Bonuses** – Check this box to include bonuses for this pay period in the payroll batch.
This option appears when the Compensation Tracking feature is enabled. For more information, see the help topic [Compensation Tracking](#).
 - **Pay Commissions** – Check this box to pay approved commission amounts from NetSuite Commission on the paychecks included in this payroll batch.
This option appears when the Employee Commissions feature is enabled. For more information, see the help topic [Commissions](#). If this box does not appear, make sure the **Pay Employee**

Commissions on Paychecks by Default box is checked on the Set Up Payroll page. For more information, see [Payroll Preferences](#).

- **Pay Auto Deduction** – Check this box if you want to calculate automatic deductions on the paychecks included in this payroll batch.
- **Pay Auto Contribution** – Check this box if you want to calculate automatic contributions on the paychecks included in this payroll batch.



Important: The auto earning, deduction, and contribution values are those in effect on the employee record as of the **Period Ending** date. For example, if an employee's 401(k) contribution is \$200 on 03/25/2014, the paycheck created during the period ending 03/31/2014 includes an auto deduction of \$200. If the 401(k) contribution changes to \$500 as of 04/02/2014, the paycheck created during the period ending 04/15/2014 will include an auto deduction of \$500.

- **Include Specific Payroll Items** – Check this box if you want to include a custom list of payroll items in an off-cycle payroll batch. For more information, see [Creating an Off-Cycle Payroll Batch](#).

- **Do Not Accrue Time** – Check this box to not accrue vacation or sick time on the paychecks included in this payroll batch. This box is checked by default for off-cycle batches.

- **No Direct Deposits** – Check this box to pay all employees by check. This option overrides an employee using the **Use Direct Deposit** option on their employee record.

If you check this box and also check the **No Service Printed Checks** box, all paychecks in the batch are processed as employer-printed checks.

Clear this box to process paychecks using direct deposit for employees that have the Use Direct Deposit option enabled on their employee record.

- **No Service Printed Checks** – If the Service Printed Checks and Stubs feature is enabled, this box is called **No Service Printed Checks**. Otherwise, it is called **To Be Printed**.

Check this box to save the checks and direct deposit vouchers in a queue for printing later. For more information, see [Printing Paychecks](#) and [Printing Direct Deposit Vouchers](#).

If you do not use this feature and do not check this box, paychecks and direct deposit vouchers are not printed for this payroll batch. To print checks and vouchers later, you must access and print them individually.

The following table summarizes the combinations for **No Direct Deposits** and **No Service Printed Checks/To Be Printed**.

Desired Outcome	Boxes to Check	
	No Direct Deposits	No Service Printed Checks/To Be Printed
Employees receive service-printed checks and service-printed direct deposit stubs.		
Employees receive service-printed direct deposit stubs. Employer prints checks locally.		X
All employees are paid by check regardless of the Use Direct Deposit option on their employee records. Employer prints checks locally.	X	X
All employees are paid by check regardless of the Use Direct Deposit option on their employee records. Checks are printed by the service.	X	

If you change payment options, you must calculate the batch again. For information, see [Calculating a Payroll Batch](#).

Creating an Off-Cycle Payroll Batch

You can create a one-time payroll based on any payroll items defined in your system. For more information about creating payroll items, see [Payroll Items Setup](#).

To create an off-cycle payroll batch:


1. Go to Transactions > Employees > Create Payroll.
2. On the Payroll Batch page, do the following:
 - a. If you have a NetSuite OneWorld account, select a subsidiary from the **Subsidiary** list.
 - b. Check the **Off Cycle** box.
 - c. In the **Pay Frequency** list, select the pay frequency for the employees who are receiving the one-time payroll.
 - d. In the **Period Ending** field, enter the date that the pay period ends in the format MM/DD/YYYY.
 - e. Click **Create**.

For more information, see [Creating a Payroll Batch](#).

3. In the popup window that appears, check the boxes beside the employees to include in the one-time payroll, and then click **Save**.
4. Click **Bulk Edit**.



Note: If you are including only one employee in the one-time payroll, you can edit the employee on the Payroll Batch page, without clicking Bulk Edit.

- a. From the **Payroll Item** list, select the payroll item that you want to use for this one-time payroll.
 - b. In the **Employee ID** column, select an employee.
 - c. Enter a rate or an amount to pay the employee:
 - If the one-time payroll is based on hours worked, enter the number of hours in the **Hours/Base** column. Then, then enter a pay rate in the **Rate** column.
 - If the one-time payroll is an amount, enter the total amount in the **Amount** column.
 - d. Click **Add**.
 - e. Repeat steps b-d for additional employees.
 - f. Click **Save**.
5. On the Payroll Batch page, in the **Check Date** field, change the check date to the date that the employees will be paid.
6. (Optional) You can select a custom list of payroll items to include in an off-cycle payroll batch. To include specific payroll items in an off-cycle batch:
 - a. Check the **Include Specific Payroll Items** box.
 - b. Click **Select Items**.
 - c. Under the **Select Items** column, check the boxes beside each payroll item you want to include.
 - d. Click the  button to move the selected items to the **Items Included** column.

- e. Click **Save**.

Note: Payroll items added through bulk edit, paycheck edit, and paycheck import are processed in the batch, even if you do not include them. If you include specific items in the batch, only payroll items assigned to employees on their employee records will be processed.

7. Verify and make changes to individual paychecks as necessary, making sure that the one-time payroll item is included in each paycheck.

For more information, see [Viewing Payroll Batches](#) and [Editing an Individual Paycheck from a Payroll Batch](#).

8. After you review your payroll, click **Calculate**.

9. After you review your payroll calculations, click **Commit**. For more information, see [Committing a Payroll Batch](#).

If you need to make changes to a payroll batch after it is committed, you must enter an adjustment or a reversal. For more information, see [Creating Payroll Adjustments](#) and [Creating a Payroll Reversal](#).

Note: Only those user roles that include **Process Payroll** with the **Full** option can commit a payroll. These user roles include Full Access: Full, Payroll Manager: Full, and Payroll Setup: Full. For more information, see the help topics [NetSuite Roles Overview](#), [Showing Role Permission Differences](#), and [Standard Roles Permissions Table](#).

To print checks, go to Transactions > Management > Print Checks and Forms, and click **Paychecks**. For more information, see [Printing Paychecks](#) and [Printing Checks and Other Transactions](#).

Viewing Payroll Batches

After you create a payroll, you can view it on the Payroll Batch page. This page provides a summary of a payroll batch that you can review before you commit the payroll.

Note: You also can open the Payroll Batch page by going to Transactions > Employees > Create Payroll > List. Click the Edit or View link to open that specific Payroll Batch page. For more information, see [Viewing the Status of a Payroll Batch](#).

On the Payroll Batch page you can view totals for the required funding, taxes, withholdings, and deductions for the batch. The totals for the payroll batch appear on the following subtabs:

- **Summary** provides a summary of the funds needed to fund this payroll batch.
- **Paychecks** lists each employee and a breakdown of the earnings, taxes, and deductions included in the batch's paychecks.
Click **View** next to an employee's name to view that employee's paycheck. The paycheck includes the **Summary** and **Disbursement** subtabs. These subtabs display a summary of all earnings deductions, taxes, company contributions included in the transaction, and details of the disbursement of those funds.
- **Tax Withholdings and Expenses** lists totals for taxes and withholdings by payroll item, for both the employer and the employees.
- **Third Party Payments** lists totals for third-party deduction items included in the batch's paychecks.
- **Net Pay** lists the payroll items specific to the employees included in this payroll batch.

You can edit a payroll batch to make changes to amounts before you commit it. For more information, see [Editing Calculated Payroll Batches](#).

If you do not need to make any changes, you can commit the batch. For more information, see [Committing Payroll Reversals](#).

Note: Only those user roles that include **Process Payroll** with the **Full** option can commit a payroll. These user roles include Full Access: Full, Payroll Manager: Full, and Payroll Setup: Full. For more information, see the help topics [NetSuite Roles Overview](#), [Showing Role Permission Differences](#), and [Standard Roles Permissions Table](#).

Calculating a Payroll Batch

After you create a payroll batch and add employees to it, a Calculate button appears at the top of the page. The Calculate button remains available as you change payroll options, add employees to the batch, and remove paychecks from it. You can click Calculate after each change you make or wait until your changes are complete, and then calculate.

To calculate a payroll batch:

1. In a payroll batch, click the **Calculate** button.
NetSuite performs the calculation one paycheck at a time. During calculation, a message at the top of the page identifies the current paycheck being calculated.
2. To refresh the Pending, Complete, and Error subtabs at the bottom of the page, click the linked labeled **Click here**. For more information, see [Payroll Batch Subtabs](#).
3. Verify the details of each paycheck to ensure its accuracy. If you make changes to paychecks or payment options, click Calculate to update related information.

For more information about editing a calculated payroll batch, see [Editing Calculated Payroll Batches](#).

After you thoroughly review a calculated payroll batch, you can commit the payroll batch. For more information, see [Committing a Payroll Batch](#).

Pausing Calculation

You can temporarily pause payroll batch calculations. When you pause calculation, NetSuite completes the calculation for the current paycheck. Then, refreshes the Pending, Complete, and Error subtabs to display the status at the point that the calculation paused.


To pause payroll batch calculation:

1. While you are calculating a payroll batch, click the **Pause** button.
While calculation is paused, the Payroll Batch status changes to Paused. You can perform the same actions when a batch is Paused as when it is Calculated.
2. To resume calculation, beginning with the next paycheck record, click **Calculate** again.

Editing Calculated Payroll Batches

When the calculation process finishes, the Payroll Batch status changes to Calculated. After a batch is calculated, you can perform several actions. After completing any of the following actions, you must recalculate the payroll batch:

- **Add Employees** – Click **Add Employees** to open the popup window and add employees to the batch as you did when you created the batch. For more information, see [Adding Employees to a Payroll Batch](#).
- **Change payment options** – Click **Payment Options** to edit Check Date and the payment option boxes. For more information, see [Selecting Payment Options for a Payroll Batch](#).

 **Note:** If you edit an individual paycheck to include a payment and then edit the payroll batch by disabling the related payment option, note the following. NetSuite removes from the paychecks only those items that are generated by the system. You must manually remove any items you manually enter. For example, you edit an employee paycheck to pay a commission, and then you recalculate the payroll batch. You then decide against paying commission in this payroll. You clear the **Pay Commissions** box and again recalculate the payroll batch. NetSuite removes all of the system-generated commission items from the paychecks, but leaves all of the manually entered commission items intact.

- **Remove paychecks from the batch** – On the Pending and Errors subtabs and the Paychecks and Net Pay subtabs, select the paychecks to remove and then click Delete Paychecks. (The Paychecks and Net Pay subtabs are on the Complete subtab.) For more information, see [Removing Paychecks from a Batch](#).
- **Bulk edit payroll items** – On the Pending and Errors subtabs and the Paychecks and Net Pay subtabs, click Bulk Edit. In the popup window, select a payroll item, and edit values for multiple employees in the batch. (The Paychecks and Net Pay subtabs are on the Complete subtab.) For more information, see [Editing Payroll Items in Bulk on a Payroll Batch](#).
- **Edit an individual paycheck** – On the Pending and Errors subtabs and the Paychecks and Net Pay subtabs, click Edit to open an individual paycheck and make changes. (The Paychecks and Net Pay subtabs are on the Complete subtab.) For more information, see [Editing an Individual Paycheck from a Payroll Batch](#).

You can also complete the following actions, which do not require recalculation:

- **Delete the entire batch** – To delete the batch, from the **Actions** menu, select **Delete**.
- **Access the account register** – To open the register associated with the selected account, click the account.

Payroll Batch Subtabs

After payroll batch calculation begins, the following subtabs appear at the bottom of the page:

- **Pending** – This subtab lists any new or changed paychecks. It is similar to the Employees to Pay list at the bottom of an uncalculated Payroll Batch page. It includes the same filters, fields, and buttons.
- **Error** – This subtab lists errors and issues with individual checks. It includes the same filters, fields, and buttons as the Pending subtab. Each entry on this subtab includes a message that is stored with the employee paycheck record.
- **Complete** – This subtab has the following subtabs:
 - **Summary** – Information that appears on this subtab is detailed on the **Paychecks, Tax Withholdings and Expenses, Third Party Payments, Fees, and Net Pay** subtabs.
 - **Paychecks** – Includes the employee name, employee ID, and payment method. Additional information that displays includes individual earnings amount, deductions amount, employee taxes amount, net pay, company taxes amount, and the line total of these amounts. From this subtab you can perform the following tasks:
 - Use the **Workplace, Department, Class, and Saved Search** filters and the **Employee** field to reduce the employees eligible to be paid in this batch.

- Remove one or more paychecks from this payroll batch by checking the **Select** boxes next to the paychecks to be removed and then clicking **Remove**.
- View a paycheck by clicking the **View** link to the left of the paycheck.
- Modify a paycheck by clicking the **Edit** link to the left of the paycheck you want to modify.
For more information, see [Editing an Individual Paycheck from a Payroll Batch](#).
- Access an employee record by clicking the employee's name link in the **Employee** column.
For more information about employee records, see the help topic [Adding an Employee](#).
- **Tax Withholdings and Expenses** – Includes a description of each tax withholding and expense item included in this payroll batch and its associated deduction amount.
- **Third Party Payments** – Includes a description of each payment item included in this payroll batch and its associated payment amount.
- **Fees** - includes the date, transaction type, item, count, and amount.
- **Net Pay** – Includes detailed information about each paycheck including all tax withholdings, expenses, and third-party payments. From this subtab you can perform the following tasks:
 - Use the **Workplace**, **Department**, **Class**, and **Saved Search** filters and the **Employee** field to reduce the employees eligible to be paid in this batch.
 - Remove one or more paychecks from this payroll batch by checking the **Select** boxes next to the paychecks to be removed and then clicking **Remove**.
 - View a paycheck by clicking the **View** link to the left of the paycheck.
 - Modify a paycheck by clicking the **Edit** link to the left of the paycheck you want to modify.
 - Access an employee record by clicking the employee's name link in the **Employee** column.

Editing Payroll Items in Bulk on a Payroll Batch


You can edit the values for a payroll item across multiple paychecks within a batch. The Employees to Pay list at the bottom of the Payroll Batch page includes a Bulk Edit button. After a payroll batch is calculated, the Bulk Edit button appears on the Pending subtab and on the Paychecks and Net Pay subtabs. (The Paychecks and Net Pay subtabs are on the Complete subtab.) When you click the Bulk Edit button, a popup window opens. From there, you can select a payroll item to edit.

To edit a payroll item for multiple paychecks:

1. If you do not have a payroll batch open, go to Transactions > Employees > Create Payroll > List. Next to a calculated batch, click **Edit**.
2. Add employees if none are listed.
3. Click **Bulk Edit**. This button is in the upper right of the following:
 - Employees to Pay list
 - **Pending** subtab
 - **Paycheck** subtab of **Complete** subtab
 - **Net Pay** subtab of **Complete** subtab
 - **Errors** subtab
4. From the list in the popup window, select a **Payroll Item**.
Employees in the batch, whose employee records include the payroll item, appear in an editable list below a filter row. The list includes the option to add employee records.

Calculated paychecks display values. If a paycheck has not been calculated, 0 amounts are displayed.

Tax items are available only if they are calculated, included on the paycheck, and permit editing.

 **Note:** Payroll items that are calculated automatically using some NetSuite features cannot be edited. These features are Time Tracking, Expense Reports, and Employee Commissions. You can add lines for these payroll items.

Optionally, you can use the filters to find records to edit. The filter criteria is additive. Only employees who meet all criteria in the filters are displayed. The filters include:

- **Workplace** – Select a workplace from the list.
For more information, see [Entering Workplace Records for Payroll](#).
- **Employee Department** – Select a department from the list.
- **Employee Class** Select a class from the list.
For more information, see the help topic [Departments and Classes Overview](#).
- **Saved Search** – Select a saved search from the list.
For more information, see the help topic [Saved Searches](#).
- **Employee Name** – Type characters in the field to search for a specific employee or multiple employees with the same character set in their names.
- **Employee ID**– Type the corresponding ID for this employee.

5. Edit the record rows, or add records, as needed.

The read-only **Manual Entry** field in the popup window is empty for all automatically calculated lines. This does not change when you edit the line. If a line is not automatically calculated, the value **Yes** appears in the **Manual Entry** field. NetSuite saves the yes value only if you change the amount to a non-zero value. If you add a line, the value in the **Manual Entry** field is always **Yes**. NetSuite does not save lines with a value of 0, regardless of whether you added or edited them.

You cannot add lines to tax items, so these items do not include a Manual Entry field.

6. When you finish, click **Save**. If your changes affect paychecks, the paychecks appear in the **Pending** subtab.

After you make changes, you must recalculate the payroll batch before you can commit it. When you recalculate, manual entries are not changed, but automatic entries are cleared and recalculated. For more information, see [Calculating a Payroll Batch](#).

Editing an Individual Paycheck from a Payroll Batch

You can view or edit an individual paycheck from within a calculated payroll batch. For example, you might need to edit a paycheck to award a bonus to an employee whose paycheck is in the batch. You would add the Bonus payroll item to the paycheck, and enter an amount for the bonus. After you save the changes and recalculate the batch, NetSuite recalculates only the paycheck that you modified.

To edit an individual paycheck:

1. After you calculate a payroll batch, on the Payroll Batch page, click the **Complete** subtab.
2. To open a list of the paychecks included in the batch, click the **Paychecks** or **Net Pay** subtab.

Optionally, you can use the filters to find records to edit. The filter criteria is additive. Only employees who meet all criteria in the filters are displayed. The filters include:

- **Workplace** – Select a workplace from the list.
For more information, see [Entering Workplace Records for Payroll](#).
 - **Employee Department** – Select a department from the list.
 - **Employee Class** Select a class from the list.
For more information, see the help topic [Departments and Classes Overview](#).
 - **Saved Search** – Select a saved search from the list.
For more information, see the help topic [Saved Searches](#).
 - **Employee Name** – Type characters in the field to search for a specific employee or multiple employees with the same character set in their names.
3. Next to the paycheck that you want to edit, click **Edit**.
 4. If necessary, change the relevant department, location, and class for the employee.
 5. If you checked the **To Be Printed/No Service Printed Checks** box when you created your payroll batch, the **Check #** field displays **To be printed**. The system uses the next consecutive check number available when you print the checks.
You can enter another check number, if necessary.
 6. In the **Memo** field, enter a memo that prints on the check.
 7. Enter or edit information relevant to the paycheck on the subtabs provided.
For more details, see the following topics:
 - [Classifying Individual Paycheck Lines](#)
 - [Editing Earnings on a Paycheck](#)
 - [Editing Expenses on a Paycheck](#)
 - [Editing Time Transactions on a Paycheck](#)
 - [Editing Commissions on a Paycheck](#)
 - [Editing Employee Deductions on a Paycheck](#)
 - [Editing Employer Contributions on a Paycheck](#)
 - [Editing Taxes on a Paycheck](#)




Note: The **PTO Hours, Summary**, and **Disbursements** subtabs on the Paycheck record are read-only. They do not appear when you open the record for editing.


8. When you are finished editing the paycheck, click **Save**.
The Payroll Batch page appears with a status of Edited, and edited paychecks are listed in the **Pending** subtab.
9. Click **Calculate** to update the payroll batch with the edited employee paycheck.

After you review your payroll, you are ready to commit it. For more information, see [Committing a Payroll Batch](#).

Classifying Individual Paycheck Lines

When you edit paychecks after a payroll batch is calculated, you can choose to classify individual paycheck lines. You can classify earnings, deductions, taxes, or company contributions by department, location, or class. For example, an employee works 20 hours for Department A, and 20 hours for Department B. You can classify partial earnings by department, as appropriate.

 **Note:** When you classify individual earnings, the deductions, contributions, or taxes related to those earnings are not automatically classified.

 **Note:** The department and class values available on paycheck lines are determined by the department and class values assigned to the employee on the employee record.


Before you can classify individual paycheck lines, you need the following:

- The Departments, Locations, or Classes feature must be enabled in your account. For more information, see the help topics [Enabling Features](#) and [General Company Features](#).
- Departments, locations, or classes must be created in your account.
 - For more information about creating departments, see the help topic [Creating Departments](#).
 - For more information about creating locations, see the help topic [Creating Locations](#).
 - For more information about creating classes, see the help topic [Creating Classes](#).
- On the Accounting Setup page, based on the classifications you use, check the **Allow Per-Line Departments**, **Allow Per-Line Classes**, or **Allow Per-Line Locations** boxes. This ensures that payroll reversals that include individually classified paycheck lines are accounted for properly. The Accounting Setup page is located at Setup > Accounting > Accounting Preferences.

For example, if you use the Departments and Locations feature, check the Allow Per-Line Departments and Allow Per-Line Locations boxes.

To classify individual paycheck lines:

1. While editing a paycheck (see [Editing an Individual Paycheck from a Payroll Batch](#)), check the **Classify Individual Paycheck Lines** box.
After you check this box, you can no longer edit the Department, Class, and Location fields on the paycheck.
2. On the **Earnings**, **Deductions**, **Taxes**, or **Contribution** subtabs, do one of the following:
 - Find the paycheck line that you want to classify.
 - To split a paycheck line, click **Add**. Manually enter an amount on the new line, and edit the amount for the line that you are splitting.
3. In the **Department**, **Location**, or **Class** columns, select the appropriate value from the list.
4. Click **OK**.
5. Click **Save**.

 **Important:** If you add department, location, or class values to individual paycheck lines, do not clear the **Classify Individual Paycheck Lines** box. If you clear this box, all classifications on individual lines are lost.

Classifying Individual Paycheck Lines by Default

You can set a preference so that the Classify Individual Paycheck Lines box is automatically checked each time that you edit a paycheck.

To always classify individual paycheck lines:

1. Go to Setup > Payroll > Set Up Payroll.
2. On the **Preferences** subtab, check the **Always Classify Individual Paycheck Lines** box.

3. Click **Save**.

Time Entry Classifications and Custom Segments

Department, location, and class values from time entries are automatically populated in the Time subtab on paycheck records. You do not need to check the Classify Individual Paycheck Lines box to view time entry classifications. However, you cannot edit time entry classifications on paycheck records.

When time entries are associated with custom segments, the custom segments appear on payroll transactions in the General Ledger after a payroll batch is committed. To show custom segments on transactions, in the custom segment record, make sure that the GL Impact box is checked. For more information, see the help topic [Configuring GL Impact for a Custom Segment](#).


Editing Earnings on a Paycheck

Existing lines in the Earnings subtab are editable. However, unless you need to reduce an amount, you should add new lines. New lines always have a value of Yes in the read-only Manual Entry field. When you recalculate, manual entries are untouched, but, in certain circumstances, values that are calculated automatically can be cleared and recalculated.

To edit earning on a paycheck

1. While editing a paycheck (see [Editing an Individual Paycheck from a Payroll Batch](#)), click the **Earnings** subtab.
2. In the **Earnings** field, select an earning item assigned to this employee.

For example, if an employee is receiving a bonus, select a bonus payroll item.
3. In the **Hours/Base** field, enter the number of hours worked or another number to be multiplied by the rate shown in the **Rate** field.

 **Note:** In some cases, such as when an employee is receiving a bonus, you can set the Hours/Base field to 0.
4. If this earning item is related to a project, select the appropriate service item in the **Service Item** field.
5. If this earning item is related to a customer, select the appropriate customer in the **Customer** field.
6. Click **Add**.
For each new earning item that you add to this paycheck, the **Manual Entry** field is set to **Yes**.
7. Repeat these steps to select more earning items for this employee.
8. Click **Save**.

Editing Expenses on a Paycheck

The Expenses subtab lists unpaid expense reports that have been approved and appears if the **Expense Reports** feature is enabled. By default, all unpaid expense items are listed and selected for inclusion in the paycheck when the paycheck is calculated.

You have the following options for editing expenses:

- To remove an expense item from the paycheck, clear the box in the **Pay** column. When you recalculate, removed expense items no longer display. They appear again as unpaid expense items in the next payroll.

- To add expenses manually, use the **Earnings** subtab.

When you are finished editing expenses, click **Save**.

Editing Time Transactions on a Paycheck

The Time subtab lists approved, unpaid time transactions and appears when the **Time Tracking** feature is enabled. By default, all unpaid time transactions are listed and selected for inclusion in the paycheck when the paycheck is calculated.

You have the following options for editing time transactions:

- To remove a transaction from the paycheck, clear the box in the **Pay** column. When you recalculate, removed transactions no longer display. They appear again as unpaid transactions in the next payroll.
- To add hourly wages manually, use the **Earnings** subtab.

When you are finished editing time transactions, click **Save**.

Editing Commissions on a Paycheck

The Commissions subtab lists unpaid commissions that have been approved and appears if the **Commissions** feature is enabled. By default, all unpaid commission items are listed and selected for inclusion in the paycheck when the paycheck is calculated.

You have the following options for editing commissions:

- To remove a commission item from the paycheck, clear the box in the **Pay** column. When you recalculate, removed commission items no longer display. They appear again as unpaid commission items in the next payroll.
- To add commissions manually, use the **Earnings** subtab.

When you are finished editing commissions, click **Save**.

Editing Employee Deductions on a Paycheck

Based on the payroll items selected for the employee, NetSuite applies deductions against the employee's pay. Deductions are as 401(k), health insurance, union dues, credit union deposits, and so on. Existing lines in the Deductions subtab are editable. However, unless you need to reduce an amount, you should add new lines. New lines are always treated as manual entries. When you recalculate, manual entries are untouched, but, in certain circumstances, values that are calculated automatically can be cleared and recalculated.


NetSuite adjusts the value of a manual entry to the limits allowed for a particular payroll item.

For example, in your payroll, the system generates an earning item of \$40,000 for a sales rep who closed a very large deal. This employee wants to increase a 401(k) deduction from the usual \$500 to \$13,000 for this payroll. You modify the amount for the deduction item and then save the paycheck. During batch recalculation, NetSuite reduces the \$13,000 value to \$10,500 to ensure that the annual 401(k) allowable employee contribution limit is not exceeded.

Note: If you make a change on this subtab, you may also want to permanently change this deduction item on the employee's record.

To edit employee deductions on a paycheck:

1. While editing a paycheck (see [Editing an Individual Paycheck from a Payroll Batch](#)), click the **Deductions** subtab.
2. In the **Deductions** field, select a deduction item assigned to this employee.
For example, you may have been requested to increase the amount of the employee's 401(k) contribution.
The read-only **Wage Base** field displays the employee's base pay amount.
3. In the **Amount** field, enter the amount of this deduction payroll item.
4. Click **Add**.


 **Note:** For each new deduction item that you add to this paycheck, the value in the Manual Entry field is **Yes**.

5. Repeat these steps to add more deduction items for this employee.
6. When you are finished, click **Save**.

Editing Employer Contributions on a Paycheck


Based on the payroll items selected for the employee, NetSuite applies contributions, such as the employer's 401(k) match.

Existing lines in the Contributions subtab are editable. However, unless you need to reduce an amount, you should add new lines. New lines are always treated as manual entries. When you recalculate, manual entries are untouched, but, in certain circumstances, values that are calculated automatically can be cleared and recalculated.

 **Note:** If you make a change on the Contributions subtab, you may also want to permanently change this contribution item on the employee record.

To edit employer contributions on a paycheck:


1. While editing a paycheck (see [Editing an Individual Paycheck from a Payroll Batch](#)), click the **Contributions** subtab.
2. In the **Contributions** field, select a contribution item assigned to this employee.
The read-only **Wage Base** field displays the employee's base pay amount.
3. In the **Amount** field, enter the amount of this contribution item.

 **Note:** The **Manual Entry** field displays **Yes** for each new contribution item you add to this paycheck.

4. Click **Add**.
5. Repeat these steps to add more contribution items for this employee.
6. Click **Save**.

Editing Taxes on a Paycheck

NetSuite applies tax items, such as state and federal unemployment, social security, and Medicare, when you calculate the payroll batch. Not all taxes are editable. You cannot add tax lines to a paycheck, therefore, the Taxes subtab does not include a Manual Entry field.


 **Tip:** If you change a tax amount on this subtab, you might also want to permanently change this tax item on the employee record.

To edit taxes on a paycheck:

1. While editing a paycheck (see [Editing an Individual Paycheck from a Payroll Batch](#)), click the **Taxes** subtab.
2. In the **Amount** field, modify the amount of this tax item.
3. Click **Save**.

Committing a Payroll Batch

After you create a payroll batch, calculate it, and review and edit it, you can commit your payroll batch. You cannot change a payroll batch or the individual paychecks in it after you commit it. All direct deposits and service-printed checks must be committed at least two banking days before the check date by 2:00 p.m. Pacific Time. For a listing of bank holidays, see [Payroll Processing Schedule](#).


 **Note:** Only those user roles that include **Process Payroll** with the **Full** option can commit a payroll. These user roles include Full Access: Full, Payroll Manager: Full, and Payroll Setup: Full. For more information, see the help topics [NetSuite Roles Overview](#), [Showing Role Permission Differences](#), and [Standard Roles Permissions Table](#).

To commit a payroll batch:

1. Go to Transactions > Employees > Create Payroll.
2. At the top of the Payroll Batch page, click **Commit**. The button appears only when the status is **Calculated**.

NetSuite funds the payroll and creates a journal entry posting a debit to the payroll funding account and a credit to the bank account. The payroll service withdraws funds electronically to cover serve fees, tax liability payments due, and net pay.

The payroll service begins processing all committed payrolls prior to 2:00 p.m. Pacific Time. Payrolls committed after 2:00 p.m. are not processed until the following business day.

 **Note:** If you made mistakes but do not discover them until after the payroll is committed, you must enter an adjustment or a reversal. For more information, see [Creating Payroll Adjustments](#) or [Creating a Payroll Reversal](#).

 **Tip:** To print checks, go to Transactions > Management > Print Checks and Forms, and select Paychecks. For more information, see [Printing Paychecks](#).

Viewing Individual Paychecks

Before you can view individual paychecks, you must create a payroll batch. For more information, see [Creating a Payroll Batch](#).

To view individual paychecks, go to Transactions > Employees > View Individual Paychecks.

Note: If an individual paycheck is a part of a payroll batch that has not been committed, you can edit the paycheck. For more information, see [Editing an Individual Paycheck from a Payroll Batch](#).

Searching for Paychecks

A paycheck search lists all data available when a payroll is run. This data includes the employee, date, batch number, payroll item, account affected, and hours or amounts associated per line item.

If the check is taxed, the search also provides taxable wages. The search indicates if the amount has any general ledger (GL) impact. You are also able to search calculated payroll numbers.

To run a paycheck search:

1. Go to Reports > New Search.
2. In the Search list, click **Paycheck**.

From the Paycheck Search page you can do the following:

- Submit to run a search
- Export data
- Personalize the search
- Create a saved search

Submitting the search provides a results page.

Payroll Dashboard Overview

The Payroll Dashboard SuiteApp provides home page portlets that help you to perform regular payroll tasks and manage employees who are included in payroll. These tasks include the ability to run payroll batches, track changes in employee pay, and quickly find other payroll-related features. The portlets can be added by an Administrator or a Payroll Manager.

For more information about dashboards and portlets, see the help topic [Dashboards](#).

Installing the Payroll Dashboard SuiteApp

For information about installing SuiteApps, see the help topic [Installing a Bundle](#). You can search for the Payroll Dashboard SuiteApp using the following information:

- Bundle Name: **Payroll Dashboard**
- Bundle ID: 202156

The Payroll Dashboard SuiteApp is a managed bundle and is automatically updated whenever fixes and enhancements are available.

Adding a Custom Role

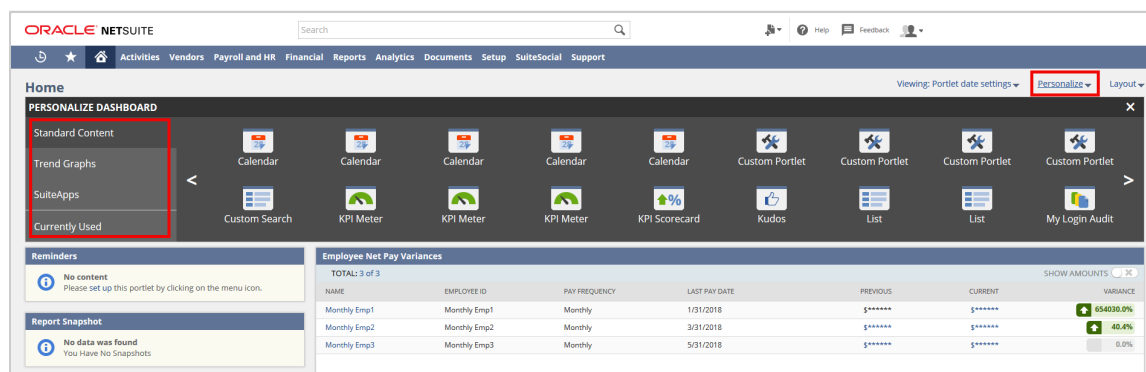
In the payroll dashboard, custom roles can be created for accessing the SuiteApp. An administrator can perform the following steps to add the custom role for payroll dashboard.

To add a custom role:

1. Go to Customization > Lists, Records, & Fields > Record Types > Payroll Dashboard Permission > List
2. Edit the existing Payroll Dashboard Permission record.
3. Select the role from the Roles field. The Administrator and Payroll Manager roles should always be selected together with the custom role.

Setting Up the Payroll Dashboard

Click the **Personalize** button on the right-hand side under the main menu to bring up the **Personalize Dashboard** menu.



On the left side of the Personalize Dashboard menu there are different categories of portlets to choose from. In the **SuiteApps** category, you can add the Employee Net Pay Variances, Payroll Links, and Run Payroll portlets. To add these portlets to your home screen, drag and drop them from the main menu.

Payroll Dashboard Portlets

You can rearrange the dashboard portlets in the order of your choice. The portlets that are part of the Payroll Dashboard include:

- [Run Payroll](#)
- [Payroll Links](#)
- [Employee Net Pay Variances](#)

The portlets offer at-a-glance metrics and action items, allowing you to manage employee information right from the dashboard.

Run Payroll

This portlet enables you to view your payroll batches that are in progress or initiate a new one. You can filter the batch list by subsidiary to see the batches in progress. Each batch has a batch number and a status, of which can be Edited or Error. Edited batches can be calculated from the portlet. Each batch includes information such as subsidiary, pay frequency, check date, period ending, funding account, batch summary, off cycle and number of employees.

When you edit a payroll batch, you can see all the components of the payroll batch with more detail. You can see more employee information for each employee in the batch, and you can also filter the employees by name, class and department. At the top of the page, you can calculate or edit the batch.

Payroll Batch 00088
EDITED

Calculate
Edit
Cancel

SUBSIDIARY
Wolfe Electronics

CHECK DATE
11/26/2018

FUNDING ACCOUNT
\$502,977.99

PREVIOUS NET PAY
\$0.00

BATCH VARIANCE
↑ **100%**

PAY FREQUENCY
Monthly

PERIOD ENDING
5/31/2018

BATCH SUMMARY
\$40,368.75

CURRENT NET PAY
\$23,288.82

☐ OFF CYCLE

FILTERS

EMPLOYEE NAME

CLASS
- All -

DEPARTMENT
- All -

0
Employees with Variances Greater than +/-0.00%

0
Employees with Zero Pay in Current Batch

0
Employees with Hourly Variances

3
New Employees in Current Batch

VIEW ALL EMPLOYEES IN BATCH
HIDE AMOUNTS
1 of 1
TOTAL: 3

EMPLOYEE NAME	TYPE	PREVIOUS HOURS	CURRENT HOURS	PREVIOUS PAY	CURRENT PAY	VARIANCE
Monthly Emp1	Net Pay	-	173.33	-	\$6,540.30	-
Monthly Emp2	Net Pay	-	173.33	-	\$5,112.30	-
Monthly Emp3	Net Pay	-	173.33	-	\$11,636.22	-

Payroll Links

This portlet offers a collection of quick links that take you to other Payroll features. This includes payroll setup and reporting, time and expense, employee management, payroll processing and configuration options. Clicking on each link opens a new tab for your convenience.

Payroll Links

Payroll Setup and Reporting

- Setup Payroll
- Update Payroll Information
- Payroll Items
- Create Batch
- Payroll Summary by Employee
- View All Batches

Time and Expense

- Track Time
- Weekly Time Sheet
- Approve Time
- View Time
- Import Time
- Enter Expense Report
- Approve Expense Reports

Employee Management

- New Employee
- Employee List
- Employee Change History
- Employee Payroll Item History

Payroll Processing

- Print Checks and Forms

Configure

- Categories and Links

Employee Net Pay Variances

The Employee Net Pay Variances portlet shares similar capabilities as the Run Payroll portlet.

With this portlet, you can quickly track any changes in your employee payment. The pay changes are tracked in a table that displays the name of the employee, employee ID, and pay frequency. It also displays the last pay date, previous amount, current amount, and the variance between the previous amount and current amount.

Employee Net Pay Variances						
TOTAL: 4 of 4				SHOW AMOUNTS <input type="checkbox"/>		
NAME	EMPLOYEE ID	PAY FREQUENCY	LAST PAY DATE	PREVIOUS	CURRENT	VARIANCE
Amelia Earhart	Amelia Earhart	Monthly		\$*****	\$*****	0.0%
Monthly Emp2	Monthly Emp2	Monthly	3/31/2018	\$*****	\$*****	0.0%
Monthly Emp1	Monthly Emp1	Monthly	1/31/2018	\$*****	\$*****	0.0%
Monthly Emp3	Monthly Emp3	Monthly	5/31/2018	\$*****	\$*****	0.0%

Print Payroll Checks or Vouchers

As you are processing payroll, check the To Be Printed box if you want to print paychecks and direct deposits after you process payroll.

If you do not check this box, paychecks and direct deposit vouchers are not printed for the payroll. To print check and vouchers later, you must individually access and print each transaction.

If you use the Service Printed Checks and Stubs feature, this box is called No Service Printed Checks. To print the checks for **only this pay run**, check the No Service Printed Checks box. By default, this box is not checked for future payrolls.

For more information, see:

- [Printing Paychecks](#)
- [Printing Direct Deposit Vouchers](#)

Printing Paychecks

When you create a payroll or an individual paycheck and check the To Be Printed box, paychecks are saved in a queue for later printing. When the Service Printed Checks and Stubs feature is enabled, this box is called No Service Printed Checks. You should not check this box if you intend the Payroll Service to print and send checks and stubs.

When all information in a payroll batch is verified correct and committed, you can use NetSuite to print some or all of the paychecks. Paychecks should be printed on check stock.

To print paychecks:

1. Go to Transactions > Management > Print Checks and Forms.
2. On the Print Checks and Forms page, click **Paychecks**.
3. In the **Account** field, select an account from which payroll is funded to display a list of its associated paycheck transactions.
4. Enter a check number or other information as necessary.
5. In the displayed list, mark the check or checks that you want to print.
6. Click the **Print** button.

Printing Direct Deposit Vouchers

When you process direct deposit payroll transactions, checking the To Be Printed box generates vouchers that detail payment information for that pay period. Do not check this box if you use the Service Printed Checks and Stubs feature and intend the Payroll Service to print checks and stubs.

Direct deposit vouchers should be printed on plain paper or non-negotiable check stock.

To print direct deposit vouchers:

1. Go to Transactions > Management > Print Checks and Forms.
2. On the Print Checks and Forms page, click **Direct Deposit Voucher**.

3. In the **Account** field, select an account to display a list of its associated direct deposit transactions.
4. In the displayed list, mark the voucher or vouchers that you want to print.
5. Click **Print**.

Direct Deposit Vouchers show the dollar amount of funds transferred into each prenoted employee account. A prenote is a test to ensure that the bank routing information is accurate and the Direct Deposit transmission can be properly completed. Employee accounts are marked Prenoted on the Direct Deposit subtab of the Employee record.

Note: After you print a direct deposit voucher, it disappears from the list. You can reprint a direct deposit voucher. Go to Transactions > Employees > View Individual Paychecks. Click **Print** next to the paycheck you want to print.

Direct Deposit Payroll Transaction Examples

Example 1: Post a direct deposit to one prenoted net account.

Result: One direct deposit voucher queues to print.

The voucher shows the net amount of the deposit (\$1200.00) to the employee's account Wachovia 1234567.

Example 1 voucher:

Angela Hitchcock					\$1,200.00			
One thousand two hundred and 00/100 *****								
Angela Hitchcock			555-55-5555		1/16/2014 - 1/31/2014		1/31/2014	
Earnings					Taxes and Deductions			
Description	Hours	Rate	Amount	YTD	Description	Amount	YTD	
Regular Pay	80.00	36.00	2880.00	5760.00	401K	300.00	600.00	
					FIT	901.81	1803.62	
					Medicare	41.76	83.52	
					Social Security	178.56	357.12	
					CA - Withholding	231.81	463.62	
					CA - Disability	25.92	51.84	
					Wachovia - 1234567	1200.00	2400.00	
This Period					Year to Date			
Earnings		Deductions		Net Pay	Earnings		Deductions	Net Pay
2880.00		1679.86		1200.00	5760.00		3359.72	2400.00

Example 2: Post direct deposits to two accounts — one prenoted savings account and one prenoted net account.

Result: One direct deposit voucher queues to print.

The voucher displays the net amount of the deposit (\$1200.00) to the employee's two accounts:

- \$200.00 is deposited to savings account Wachovia 987654.
- \$1000.00 is deposited to net account Wachovia 1234567.

Example 2 voucher:

Angela Hitchcock					\$1,200.00			
One thousand two hundred and 00/100 *****								
Angela Hitchcock		555-55-5555			1/16/2014 - 1/31/2014		1/31/2014	
Earnings					Taxes and Deductions			
Description	Hours	Rate	Amount	YTD	Description	Amount	YTD	
Regular Pay	80.00	36.00	2880.00	5760.00	401K	300.00	600.00	
					FIT	901.81	1803.62	
					Medicare	41.76	83.52	
					Social Security	178.56	357.12	
					CA - Withholding	231.81	463.62	
					CA - Disability	25.92	51.84	
					Wachovia - 1234567	1000.00	2000.00	
					Wachovia - 987654	200.00	400.00	
This Period					Year to Date			
Earnings		Deductions		Net Pay	Earnings		Deductions	Net Pay
2880.00		1679.86		1200.00	5760.00		3359.72	2400.00

Example 3: Post a direct deposit to one prenoted savings account and one non-prenoted net account.

Result: One paycheck queues to print and one prenote test posts for the net account.

As in the below example, the paycheck shows:

- Net Pay for this period is \$1200.00.
- \$200.00 is direct deposited to the prenoted savings account Wachovia 987654.
- \$1000.00 is the amount on the printed paycheck.

Example 3 paycheck:

Angela Hitchcock					\$1,000.00						
One thousand two hundred and 00/100 *****											
Angela Hitchcock		555-55-5555			1/16/2014 - 1/31/2014		1/31/2014				
Earnings					Taxes and Deductions						
Description	Hours	Rate	Amount	YTD	Description	Amount	YTD				
Regular Pay	80.00	36.00	2880.00	5760.00	401K	300.00	600.00				
					FIT	901.81	1803.62				
					Medicare	41.76	83.52				
					Social Security	178.56	357.12				
					CA - Withholding	231.81	463.62				
					CA - Disability	25.92	51.84				
					Wachovia - 1234567	prenote	2000.00				
					Wachovia - 987654	200.00	400.00				
					This Period					Year to Date	
Earnings		Deductions		Net Pay		Earnings		Deductions		Net Pay	
2880.00		1679.86		1200.00		5760.00		3359.72		2400.00	

Payroll Reversals and Adjustments

Use the following help topics to work with payroll reversals and adjustments.

- [Creating a Payroll Reversal](#)
- [Committing Payroll Reversals](#)
- [Creating Payroll Adjustments](#)

Creating a Payroll Reversal

To reverse disbursements associated with a previously committed paycheck, you should create payroll reversals.

When you submit a payroll reversal, NetSuite creates a journal entry. This journal entry includes transaction lines detailing the reversal of all of the funds from the original paycheck. Reversed paychecks reduce your tax liability. Previously funded but unpaid liabilities can be refunded to you. If some or all of the liabilities incurred by the paycheck have already been paid, you can receive refunds directly from the agencies.

The check date of the paychecks you are reversing determines when a payroll reversal occurs:

- Check dates in the past or the date that you create the payroll reversal reverse the payroll on the day you create the reversal.
- Check dates in the future reverse the payroll on the same date in the future.



Note: Amounts funded to cover direct deposits and service-printed checks can be refunded if the reversal is made before they are completed.




Important: Payroll reversals cannot retrieve funds from employee accounts. You must collect any overpaid amount from an employee.


To create a payroll reversal:

1. Go to Transactions > Employees > Create Payroll > List.
2. On the Payroll Batches page, you can add a filter to show only payroll batches that are committed. To filter the Payroll Batches list by committed status:
 - a. Click **Customize View**.
 - b. In the **Results** subtab, add **Status** to the list.
 - c. In the **Available Filters** subtab, add **Status** to the list.
 - d. Click **Save**.
 - e. In the Status filter list, select **Committed**.
3. Click **View** next to the payroll batch that contains the paycheck to be reversed.
4. On the **Paychecks** subtab, click **View** next to the paycheck to be reversed.
5. Click **Reverse**.

In the case of a funded payroll or a payroll run in a previous quarter, reversing a paycheck incurs fees. If fees apply, consider correcting this payroll with an adjustment to your next standard payroll run. For more information, see [Creating Payroll Adjustments](#).

6. On the Voiding Journal page, click **Save**.


 **Note:** The system generates a journal entry. The Voiding Journal appears on the List of Journal Entries after you save the transaction.

 **Important:** You must commit all payroll reversals before your next payroll run. For information, see [Committing Payroll Reversals](#).

7. On the Payroll Batch page, click **Commit**.


After you reverse a paycheck, NetSuite no longer lists it in the Reconciliation Detail report or on the Reconcile Bank Statement page. In addition, the bank account register does not display the Cleared (Clr) box or link in the Reconciled Date column for the voided paycheck.

Committing Payroll Reversals

 **Important:** Payroll reversals cannot retrieve funds from employee accounts. You must collect any overpaid amount from an employee.

After you create payroll reversals, you must commit them before you run your next payroll.

Uncommitted reversals do not reduce your liability and may result in overpaying a tax agency. In addition, uncommitted reversals do not show on the Pay Payroll Liabilities page or on liability reports. If you commit a payroll reversal after tax liabilities are paid, unapplied payments may display on the Pay Payroll Liabilities page. Unapplied payments are liability payments not associated with checks.

 **Note:** Only those user roles that include **Process Payroll** with the **Full** option can commit a payroll. These user roles include Full Access: Full, Payroll Manager: Full, and Payroll Setup: Full. For more information, see the help topics [NetSuite Roles Overview](#), [Showing Role Permission Differences](#), and [Standard Roles Permissions Table](#).

The following steps help you commit a payroll reversal that was not previously committed.

To commit a payroll reversal:

1. Go to Transactions > Employees > Create Payroll > List.
2. On the Payroll Batches page, you can add a filter to display payroll batches with a specific status. Those statuses are Ready to Commit, Funding Calculated, and Edited. To filter the Payroll Batches list by status:
 - a. Click **Edit View**.
 - b. In the **Results** subtab, add **Status** to the list.
 - c. In the **Available Filters** subtab, add **Status** to the list. Ensure **Show in Filter Region** and **Show as Multi-Select** are enabled.
 - d. Click **Save**.
 - e. Click **Filters** to open the Status filter list.
 - f. Select **Ready to Commit**, **Funding Calculated**, or **Edited**.
3. Click **Edit** next to an uncommitted payroll reversal.

To quickly locate your reversals, click the **Type** column header to sort the list by type and locate Reverse payroll.

4. On the Payroll Batch page, click **Commit**.
5. Repeat these steps until all reversals have been committed.

After all of your reversals are committed, go to Transactions > Employees > Create Payroll to create your next payroll.

Creating Payroll Adjustments

To make changes to previously committed paychecks, you should create payroll adjustments. These adjustments can be either positive or negative, depending on the situation.

Payroll adjustments never directly affect company disbursement (bank) accounts or employee accounts. Instead, adjustments balance expenses recorded on your company's accounting ledgers. You must collect incorrect payments directly from employees.

Note: Only those user roles that include **Process Payroll** with the **Full** option can commit a payroll. These user roles include Full Access: Full, Payroll Manager: Full, and Payroll Setup: Full. For more information, see the help topics [NetSuite Roles Overview](#), [Showing Role Permission Differences](#), and [Standard Roles Permissions Table](#).

NetSuite automatically funds any increase in liabilities from your Payroll Funding Account and files amendments with tax agencies.

To reverse disbursements associated with a previously committed paycheck, you should create a payroll reversal. For more information, see [Creating a Payroll Reversal](#).

To create a payroll adjustment:

1. Go to Transactions > Employees > Create Payroll Adjustment.
2. In the **Payee** field, select the employee for whom you are entering the adjustment.
3. If you track departments, classes, or locations, select the appropriate information for those fields.
4. In the **Pay Period Ending** field, select the date for the pay period in which these funds were originally disbursed.
5. In the **Post Date** field, enter the date of the payroll that includes the adjustment.
6. In the **Posting Period** field, select the fiscal period to which NetSuite must post the adjustment.

Note: You cannot post to a locked accounting period.

7. If you have a NetSuite OneWorld account, select a subsidiary from the list in the **Subsidiary** field.
8. Enter the amount of the adjustment. This amount can be either positive or negative.
9. Enter a memo for this adjustment.
10. Select an account to use to fund this transaction.

You must use the **Payroll Funding Account** you selected on the Set Up Payroll page.

11. On the **Earnings**, **Withholdings**, **Deductions**, and **Company Contributions** subtabs, enter amounts for the payroll items related to the adjustment.

Note: If you need to reduce a value, enter a negative amount.

NetSuite automatically checks the corresponding box.

In the **Amount** field, NetSuite calculates the total for the adjustment based on the amounts entered.

12. Click **Save**.

NetSuite calculates the taxes associated with this adjustment and updates the employee's payroll history.

13. Click **Commit** to commit the payroll batch.

To review a list of payroll adjustments, on the Payroll Adjustment page, click List. On the list, click the View or Edit links to review individual adjustment records.

Recording Third-Party Sick Pay Payments

Many companies provide short and long-term disability benefits to their employees. Generally, companies purchase these benefit plans from third-party providers that administer the benefits, such as insurance companies.

The third-party provider:

- Makes payments to employees with disabilities
- Withholds Federal taxes:
 - Income
 - FICA (Federal Insurance Contribution Act)
 - Medicare
 - FUTA (Federal Unemployment Tax Act)
- Reports data to companies as required to prepare employees' annual W-2 forms

By creating Third-Party Sick Pay payroll items, you can enter the data that you receive from the third-party provider into SuitePeople U.S. Payroll. This ensures that employees receive the appropriate payments and W-2 information.

If an employee elects to receive non-taxable disability payments, NetSuite reports these payments on the employee's W-2, but does not withhold taxes. If an employee elects to receive taxable disability payments, the third-party provider withholds income tax, FICA, and Medicare contributions from the employee's payments.

The following guidelines can help you process Third-Party Sick Pay:

- Enter the Third-Party Sick Pay taxable gross, federal income tax (if withheld), employee social security, and Medicare.
- Do not enter any amount in the Taxable Wage Base and Taxed Wage Base fields.
- Do not enter any employer taxes.
- Do not enter any state or local taxes.
- Process each employee's benefit check as a separate adjustment. You cannot process all employees' checks at the same time.
- Process these entries as adjustments. Process Third-Party Sick Pay adjustments separate from other entries.
- Do not process third-party sick pay adjustments with your regular payroll. Your payroll will not process with this error condition.

- Do not pay employees third-party sick pay with a check or direct deposit. The employee has already received the money from the third party payer.
- **Do not process any other types of earnings or deduction code entries with your Third-Party Sick Pay adjustments.**

Additional notes:

- To properly report the information, including the adjustment on Form 941 line 7b, you must follow processing instructions for third-party sick pay.
- If you enter any amount in the Taxable Wage Base and Taxed Wage Base fields, note the following. After you commit the payroll adjustment, the Social Security and Medicare tax amount fields have a value of zero.

Note: Only user roles that include **Process Payroll** with the **Full** option can commit a payroll batch. These user roles include Full Access: Full, Payroll Manager: Full, and Payroll Setup: Full. For more information, see the help topics [NetSuite Roles Overview](#), [Showing Role Permission Differences](#), and [Standard Roles Permissions Table](#).

To record third-party sick pay payments:

1. Create two payroll earning items: Third-Party Sick Pay Taxable and Third-Party Sick Pay Non-Taxable.
You can use the most appropriate **Payroll Item Type**, such as **Earning: Salary** or **Earning:Wage**. For more information, see [Creating Payroll Items](#).
2. Assign a third-party sick pay payroll earning item to the employee who receives the sick pay.
Refer to [Payroll Setup for Employees](#).
3. On the Payroll Adjustment page, on **Earnings** subtab, create a payroll adjustment using a third-party sick pay payroll earning item.
On the **Withholding** subtab enter amounts for:
 - Employee's portion of Social Security
 - Federal tax withholding
 - Medicare employee portion
 For more information, refer to [Creating Payroll Adjustments](#).
4. Save the payroll adjustment.
NetSuite calculates the required tax amounts.
5. To submit the adjustment payroll for processing, on the Payroll Batch page, click **Commit**.
For more information, refer to [Committing a Payroll Batch](#).

Payroll Transaction Status

You can check the status of payroll transactions from the Payroll List page or the Payroll Status page. The Payroll List page lets you review uncommitted and previously committed payroll batches. You can also view a list of all disbursements associated with each payroll batch, including direct deposit payments.

The status of a batch can be calculated, committed, created, edited, or error.

For more information about checking the status of payroll transactions, see the following topics:

- [Viewing the Status of a Payroll Batch](#)
- [Viewing Payroll Disbursements](#)
- [Viewing the Status of Direct Deposit Transactions](#)

Viewing the Status of a Payroll Batch

On the Payroll list, you can select an uncommitted payroll batch to review or edit. You can also select a previously committed payroll batch to review. You cannot edit a committed payroll batch. If you need to make changes to a committed payroll, you must create a payroll adjustment or reverse the payroll. For information, see [Creating Payroll Adjustments](#) or [Creating a Payroll Reversal](#).

To view the status of a payroll batch:

1. Go to Transactions > Employees > Create Payroll > List.

The Payroll list includes the following information for each batch:

- **Batch Number** – A unique number assigned to each payroll batch.
- **Check Date** – The date you selected in the Check Date field.
- **Date Created** – The date you created the payroll batch.
- **Period Ending Date** – The date you selected in the Period Ending field.
- **Status** – The current status for the payroll batch.
- **Pay Frequency** – The frequency selected in the Pay Frequency field.
- **Type** – The type of payroll batch. The possible types are Standard, Year to Date, Adjustment, and Reversal.
- **Subsidiary** – If you use NetSuite OneWorld, the subsidiary for the payroll batch.

Viewing Payroll Disbursements

Use the following procedure to view payroll disbursements.

To view payroll disbursements:

1. Go to Transactions > Employees > View Payroll Status.

A list of all disbursements associated with each payroll batch is itemized based on the transaction type. For each disbursement, NetSuite provides the transaction type, batch number, batch status, check date, and description. It also provides the disbursement status, transaction number, due date, settlement date, and disbursement amount. The disbursement status can be:

- Hold
- Initiated
- Pending
- Complete
- Failed

2. To sort the disbursements, click the column heading that matches how you want to sort. For example, to sort by batch number, click the **Batch Number** column heading. To sort by status, click the **Status** column heading.

3. To filter the disbursements, above the list of disbursements, select a filter. For example, to show only disbursements for a specific batch, from the **Batch Number** list, select a batch number.

Viewing the Status of Direct Deposit Transactions

Direct deposit transactions have a status that tells you the transaction's stage in the funds transfer process.

To view a direct deposit status:

1. Go to Transactions > Employees > View Payroll Status.
2. Use the filtering options to search for direct deposits with a status of Pending, Complete, Failed, etc.

The Payroll Status page lists the direct deposit transmissions being processed and the following information is shown for each:

- **Type** – Click the direct deposit type to open the transaction. The status of the transaction appears at the top of the page. See below for more information on transmission statuses.
- **Batch Number** – The batch number assigned to the transmission.
Transmissions are sorted by batch number first.
- **Batch Status** – The current status of the payroll batch:
 - **Calculated** – Indicates that check calculation and funding has been successfully completed.
 - **Committed** – Indicates that the payroll provider received the payroll batch data.
 - **Edited** – indicates that a change has been made to the payroll batch.
 - **Error** – indicates an error was found in the calculations.
- **Check Date** – the date of the transmission approval.
- **Description** – displays the name of the employee.
- **Status** – the current state of the transaction as it is processed through the payment process:
 - **Complete** – The payment transaction has been successfully processed.
 - **Initiated** – The transaction has been sent.
 - **Pending** – The transaction has not yet been processed.
- **Transaction Number** – The transaction authentication number of the bank listed on the employee's record.
- **Due Date** – The date that the funds are received from the employer.
- **Settlement Date** – The date that the funds are transferred into the employee's account.
- **Amount** – the dollar amount of the transmission.

Your options for processing a direct deposit transaction depend on the transaction's transmission status in the payment process.

Making Payroll Liability Payments

Payroll liability is the amount you owe the government and other agencies for the taxes, deductions, and company contributions you accrue from issuing paychecks.

Liability payments are made to vendors you set up as tax agencies. For more information, see the help topic [Associating a Vendor With a Payroll Item](#).

Form 941 may show slight rounding differences between Part 1 and Part 2.


To make a payroll liabilities payment:

1. Go to Transactions > Bank > Pay Payroll Liabilities.
2. In the **Account** field, select the account on your balance sheet identified as the Payroll Funding Account containing the funds to pay these expenses.


For more information, see [Payroll Preferences](#).

NetSuite displays the current balance in this bank account in the **Account Balance** field.

3. In the **Date** field, accept today's date or enter another date.

 **Note:** The date in this field is the date that appears on the check.

4. If you use accounting periods, in the **Posting Period** field select the period to which you want to post this liability.

 **Note:** If the period you select is closed, you cannot post to that period.

5. If you use NetSuite OneWorld, select a subsidiary.
For more information, see the help topic [Payroll Setup in OneWorld](#).
6. If you want to print checks to these vendors, check the **To Be Printed** box.
To print checks, go to Transactions > Management > Print Checks and Forms > Checks. For more information, see the help topic [Printing Checks and Other Transactions](#).
If you use the Service Printed Checks and Stubs feature and intend the payroll service to print checks and stubs, do not check this box.
7. Select the department, class, or location to associate with this payment.
8. In the **Show Liabilities From** field, select a beginning date for the transactions that you want to include in this liability payment.
9. In the **Through** field, select an ending date for the transactions that you want to include in this liability payment.
10. Check **Apply Existing Payments** if you previously overpaid a liability and now have a credit on record with a tax agency.
11. Next to the items you want to pay, check the **Pay** box.
To pay all of the line items, click **Mark All**.
The **Amount** field at the top of the page autofills with the total of the items you select.
12. Click **Save**.

Complete Quarterly or Yearly Payroll Tasks

Use the following checklists to complete your quarter-end and year-end payroll tasks.

Payroll Quarter-End Checklists

Complete the following quarter-end tasks for your company and your employees.

Company Quarter-End


Task	Done
Replenish check stock and envelope inventory.	
Plan and coordinate benefits enrollment, if necessary.	

Employee Quarter-End

Task	Done
Review the data on audit reports.	
Verify that employees are set up for the correct state and locality.	
Review employees who moved from one state to another during the tax year. Verify that the appropriate wages are set up for each state.	
Review tax-exempt employees. Update their information, if necessary.	
Review scheduled or repeating earnings and deductions.	
Update annual limits for scheduled or repeating earnings and deductions.	

Payroll Year-End Checklists

Complete the following year-end tasks for your company and employees.

 **Note:** For information about year-end closing in NetSuite, see the help topic [Year-End Closing](#).

Company Year-End

Task	Done
Update company-level deduction amounts and limits for the upcoming year.	
Use your audit reports to do the following: <ul style="list-style-type: none"> Verify that your company's legal name and address are correct on year-end forms. Verify your Federal Employer Identification Number (FEIN). Verify that earning and deduction codes print in the correct boxes. Verify that earnings are mapped to box 7 of Form 1099-NEC, and the correct IRS codes are printed. Verify that all of your employees and contractors appear on Form W-2 and 1099-NEC Audit Information. Review any letters in the Error column and review the Error Legend to understand the errors. 	
Notify Customer Support as soon as possible if you plan to pay any large bonuses, commissions, or stock awards at the end of the year. You may be required to process early or wire funds to meet the obligations of the resulting large payroll run. Early notification of Customer Support can avoid processing issues.	
Update your unemployment rates as necessary. You are responsible for ensuring that these rates are correct. Maintaining the correct rates avoids potential penalty and interest charges relating to incorrectly paid taxes.	

Task	Done
Update your state tax payment frequencies as necessary. You are responsible for ensuring that tax payment frequencies are correct so that related tax deposits are made on a timely basis. The timing of your tax deposits typically is based on the dollar amount of your liabilities from the previous year. State tax agencies may reassess the frequency. If you receive a notice of such a change, immediately update NetSuite. Tax deposits and filings are made based on the deposit schedule for each jurisdiction. Deposit schedules are set on the Jurisdictions subtab of the Set Up Payroll page. See Setting Preferences for Jurisdictions .	

Employee Year-End

Task	Done
If you use the Social Security Administration's service to verify that employee names and social security numbers match, begin the verification process without delay.	
Update employee-level deduction amounts and limits.	
Correct excess employee contributions to 401(k), 403(b), and SIMPLE plans.	
Correct excess employee contributions to health care and dependent care spending accounts.	
Notify employees to update their W-4 (Employee's Withholding Allowance Certificate) information, if applicable.	
Notify employees to update their W-5 (Earned Income Credit Advance Payment Certificate) information, if applicable.	

Forms W-2 and 1099-NEC Year-End

Task	Done
Select a group of employees (totaling 5-6 individuals) to verify that items accurately print on the appropriate year-end form.	

Allocating Paycheck Expenses to Projects

The Time Tracking feature enables you to record the hours that employees work. If the Project Management feature is also enabled, you can link employees' hours worked to specific projects. If you use these two features with SuitePeople U.S. Payroll, you can allocate payroll expenses to specific projects to track projects' profitability.

To allocate paycheck expenses to projects, the following should be true:

- When both hourly and salaried employees submit time entries, they must link their time worked with a project. Employees can select projects from the **Customer:Project** field.
- The project that employees track time for must be associated with a customer. For more information, see the help topic [Creating a Basic Project Record](#).

After the payroll run is complete, you can allocate the expenses by creating journal entries to associate payroll amounts with specific projects. This means that only Actual Time/Hours worked are used for expense allocation.

For salaried employees, earnings and company contribution expenses can be allocated to projects.

Note: To determine the amounts to allocate to a project, note the following. NetSuite calculates a percentage based on the amount of time entered for a project over the amount of time recorded for the pay period. This percentage is applied to the paycheck lines that are posted for an expense account or a Cost of Goods Sold (COGS) account. If an employee enters time for a project but does **not** select a payroll item for that project, note the following. That time is used in the calculation of the allocation percentage even though the time is not included in payroll.

To allocate paycheck expenses to projects:

1. Go to Transactions > Employees > Allocate Paycheck Expenses to Projects.
This page shows unallocated payroll amounts for employees who entered time worked for the pay period and selected a project associated with a customer. To narrow the list of amounts, you can select from the **Date** field or enter dates in the **From** and **To** fields.
2. In the **Journal Entry Date** field, enter the date that you want to use for the paycheck allocation journal entries.
3. For each paycheck amount you want to allocate to a project, check the **Select** box. To select all payroll amounts, click **Mark All**.
4. To create journal entries for the selected payroll amounts, click **Allocate**.

For each amount:

- The amount is credited to the Payroll Funding Account.
- An equal amount debits the account associated with the project.
- The names of the project and payroll item appear in the Memo field on the journal entry.

Amounts on each paycheck must be allocated using only one journal entry. A journal entry allocation can have a maximum of 200 lines. For more information on line limitations, see the help topic [Limitations for Creating Transactions](#).

Note: Time entries do not determine the classifications (class, department, or location) or custom segments for allocated paycheck expenses. Instead, the paycheck record determines the classifications and the employee record determines the custom segments for allocated paycheck expenses.

Payroll Reports and Workbooks

You can use the following reports and workbooks with SuitePeople U.S. Payroll:

- [Employee Payroll Item History Report](#)
- [Searching for Payroll Items](#)
- [Employee Payroll Item Search](#)
- [Payroll Check Register](#)
- [Payroll Liability Report](#)
- [Payroll Journal Report](#)
- [Payroll Summary Report](#)
- [Payroll Summary by Employee Report](#)
- [Payroll Detail Report](#)
- [Hours & Earnings Report](#)
- [State Withholding Report](#)
- [Service Fees Report](#)
- [W-2 and 1099 Audit Information Report](#)
- [Employee Tax Jurisdictions Workbook](#)
- [Workplace Tax Jurisdictions Workbook](#)

You can customize some reports to include payroll batch information. For more information, see [Customizing Payroll Reports to Include Batch Information](#). You can also customize payroll reports to include employee addresses. For more information, see [Including an Employee's Address on a Report](#).

You can assign payroll items (such as earnings, deductions, and employer contributions) to report sections. For more information, see [Modifying Payroll Report Sections](#) and [Payroll Items Setup](#).

Employee Payroll Item History Report

The Employee Payroll Item History report lists payroll item changes made to existing employee records as well as the creation of a new employee records. The report provides the following columns:

- **Date & Time** – The date and time at which changes were made to the employee record.
- **Author** – The user who made the change to the employee record.
- **Payroll Item** – The name of the payroll item that was changed on the employee record. Depending upon the payroll item, the report displays information in the following additional columns:
 - **Earning:**
 - **Default Hours** – The default number of hours the employee is paid for this earning item.
 - **Default (T/F)** – Indicates whether the payroll item should appear on the paycheck each time you run payroll.
 - **Deduction: Limit** – The maximum monetary deduction.
 - **Company Contribution: Limit** – The maximum monetary contribution.
 - **Accrued Time:**
 - **Accrual Rate** – The rate at which the payroll item accrues, according to the **Accrue As** value.

- **Accrue As** – The value on which the **Accrual Rate** is based.
- **Accrued Hours** – The total number of accrued hours.
- **Limit** – The maximum number of accrued hours.
- **Reset at Year End (T/F)** – Indicates whether the system should zero the total **Accrued Hours** and restart calculations each calendar year.
- **Deleted (T/F)** – Indicates whether the row in the employee record that was deleted.
- **ID** – The internal value for the row. Use this value to distinguish between multiple rows with the same payroll item name.
- **Earning (T/F)** – Indicates whether the payroll item is an earning.
- **Effective Date** – The date on which this payroll item became effective.
- **Expiration Date** – The date on which this payroll item is set to expire.
- **Inactive (T/F)** – Indicates whether the payroll item is active.
- **Primary (T/F)** – Indicates whether the payroll item is the employee's main source of payment.
- **Rate** – The rate on which this payroll item is based.
- **Rate Is Percent (T/F)** – Indicates whether the rate is a percentage of the **Limit**.

To view the Employee Payroll Item History report:

1. Go to Reports > Payroll > Employee Payroll Item Change History.

A message appears indicating that your report is loading. You can click Cancel Report to stop the report from loading.

You can customize this report in the Report Builder by clicking Customize on the results page. For more information, see the help topics [Filtering Data on Reports](#) and [Adding, Removing, or Reordering Report Columns](#).



Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

Searching for Payroll Items

You can use the payroll item simple search to search for specific payroll items.

To use the payroll item simple search:

1. Go to Lists > Employees > Payroll Items > Search.
2. From the **Name** list, select the name filter on which to search payroll items and then enter specifics in the adjacent field.
3. Click **Submit**.
4. To access a specific payroll item record, click **Edit** or **View**. If your role does not have permission to edit payroll items, click the number next to a payroll item to view the payroll item.


The search results display the following columns:

- Payroll item name

- Item type
- Master pay code
- Associated expense account, if any

For more information about simple searches, see the help topic [Defining a Simple Search](#).

Employee Payroll Item Search

 **Note:** To view this report, your role must be assigned the Set Up Payroll permission.

Use the Employee Payroll Items Search to see a summary of employees assigned to a payroll item.

The Employee Payroll Item Search can also:

- List payroll items assigned to employees with corresponding pay, deduction, contribution, or accrual rates.
- Show the type of payroll item that is mapped for taxability and payroll-specific codes that are attached to the specific item.
- List the account that is mapped to a payroll item.
- Provide employee and payroll item assignment with rate such as salary or hourly rate, any hours accrued on time off codes and their accrual rates.
- Display PTO information such as Sick Time including the rate.
- Display accrual information such as the total accrual limit, current amount accrued, and the accrual rate for each item. This information can be used to find any payroll liability associated with the time off.

To use the employee payroll item saved search, go to Reports > Search > New, and then click **Employee Payroll Item**.

To use the employee payroll item advanced search, go to Reports > New Search, and then click **Employee Payroll Item**.

For more information about saved searches, see the help topic [Running Searches](#).

Payroll Check Register

The Payroll Check Register lists all employee paychecks in chronological order within a specified date range.

Use this register to verify the accuracy of a pay run before printing paychecks, approving paychecks for direct deposit, or both. The report has a column that indicates whether or not the check has cleared your bank account.

To see the Payroll Check Register report:

Go to Reports > Payroll > Payroll Check Register.

A message appears indicating that your report is loading. You can click Cancel Report to stop the report from loading.

Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

Payroll Liability Report

The Payroll Liability report lists the sum of your unpaid liability for each payroll item. The amounts listed on this report are the amounts you owe to tax agencies and vendors for employee tax withholding, deductions, and company contributions.

The Payroll Liability report does not include previously paid liability. It includes only the amount owed.

To see the Payroll Liability report:

Go to Reports > Payroll > Payroll Liability.

A message appears indicating that your report is loading. You can click Cancel Report to stop the report from loading.

Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

Payroll Liability Detail Report

The Payroll Liability Detail report lists the details of your unpaid liabilities for each payroll item. The amounts listed on this report are the amounts you owe tax agencies and vendors for employee tax withholding, deductions, and company contributions.

The Payroll Liability Detail report does not include previously paid liability. It includes only the amount owed.

To see the Payroll Liability Detail report:

1. Go to Reports > Payroll > Payroll Liability to open the Payroll Liability report.
2. Click a number in the report to open the detail report for that line.

When you click the total amount, the Payroll Liability Detail includes details for all lines in the report.

To return to the summary Payroll Liability report, click **Back to Summary** at the top of the report.

Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

Payroll Journal Report

The Payroll Journal report lists the journal entries made for each paycheck. Each entry shows the amount debited or credited and the account to which it was posted.

This report is presented in debit/credit format and is organized by check number.

To see the Payroll Journal report:

Go to Reports > Payroll > Payroll Journal.

A message appears indicating that your report is loading. You can click Cancel Report to stop the report from loading.

Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

Payroll Summary Report

The Payroll Summary report displays the sum of paycheck amounts for each payroll item within the specified date range. The items are grouped by payroll item type.

The Payroll key performance indicator (KPI) can be added to your dashboard to provide at-a-glance views of totals from this report. For more information on KPIs, see the help topic [Setting Up the Key Performance Indicators Portlet](#).

To see the Payroll Summary by Item report:

Go to Reports > Payroll > Payroll Summary.

A message appears indicating that your report is loading. You can click Cancel Report to stop the report from loading.

Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

Payroll Summary by Employee Report

The Payroll Summary by Employee report presents employee pay data in a cross-tab format. The report lists dollar amounts for earnings, employee-paid taxes, other deductions, and company contributions, and performs the gross to net calculation. The report also lists company tax liabilities related to each paycheck.

Report results are grouped by employee and display details for one payroll run, or for multiple payroll runs with rolled-up totals for each employee. You can customize the report to group employees by department, or to roll up payroll activity for each department to a single line.

This report is available both before and after a payroll is committed.

To see a Payroll Summary by Employee report:

Go to Reports > Payroll > Payroll Summary by Employee.

A message appears indicating that your report is loading. To stop the report from loading, click Cancel Report.

Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

Payroll Detail Report

The Payroll Detail report lists all transactions for each payroll item within the specified date range. These items are grouped by payroll item type.

To see the Payroll Detail report:

Go to Reports > Payroll > Payroll Detail.

A message appears indicating that your report is loading. To stop the report from loading, click Cancel Report.

Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

Hours & Earnings Report

The Hours & Earnings report summarizes the total number of hours worked and the gross pay for each employee. The hours worked and the gross pay are then grouped by employee name and earning item.

You can use this information for a variety of purposes ranging from state requirements to internal audit processes.

Most state agencies require this information on a scheduled basis, either quarterly or yearly, for the purpose of unemployment insurance and other benefits.

To see the Hours & Earnings report:

Go to Reports > Payroll > Hours & Earnings.

A message appears indicating that your report is loading. To stop the report from loading, click Cancel Report.

Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

State Withholding Report

The State Withholding report shows the total amount withheld for each employee for all the paychecks written within the specified date range.

To see the State Withholding report:

Go to Reports > Payroll > State Withholding.

A message appears indicating that your report is loading. To stop the report from loading, click Cancel Report.

Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

State Withholding Detail Report

The State Withholding Detail report lists the line item amounts withheld, grouped by employee and payroll item, for all paychecks within the specified date range.

To see the State Withholding Detail report:

1. Go to Reports > Payroll > State Withholding.
2. Click a number in the report to open the detail report for that line.
When you click the total amount, the State Withholding Detail includes details for all lines in the report.

To return to the summary State Withholding report, click **Back to Summary** at the top of the report.

Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences, the Analytics subtab.

Service Fees Report

You can review details of the fees charged by SuitePeople U.S. Payroll. You can run the report for a selected date range and view results listing the date and batch/check number for each billed item. You also can view the fees related to a payroll batch, or to an individual paycheck. You can view this on the Service Fees subtab of a payroll batch record or paycheck record.

To see the Payroll Service Fees report:

Go to Reports > Payroll > Service Fees.

Note: This report does not support reporting by period even when the Report by Period preference is set to All Reports. The Report by Period preference can be configured at Home > Set Preferences in the Analytics subtab.

W-2 and 1099 Audit Information Report

With this report you can review W-2 and 1099 tax information before year-end and before generating the W-2 and 1099 reports. By reviewing this information before your year-end, you can make adjustments and corrections as necessary before year-end.

This report is a snapshot of your company- and employee-level information as of the date you run the report. By validating this information, you can ensure that accurate Forms W-2 and 1099-NEC are filed with tax agencies and provided to your employees.

Information on this report appears on each employee's Form W-2 or 1099-NEC.

NetSuite sends a reminder for you to review this report towards the end of the year.

To see the W-2 and 1099 Audit Information report:

Go to Reports > Payroll > W-2 and 1099 Audit.

Customizing Payroll Reports to Include Batch Information

You can customize some payroll reports to include information for calculated but uncommitted payroll batches. The fields that include batch information are under Payroll Transactions in the Add Fields pane of the Report Builder. The fields are:

- Batch: Batch Number
- Batch: Check Date
- Batch Status: Status

The reports that include batch information also include a multi-select filter called Batch Status: Status. By default, the filter is set to Committed.

The reports that include the batch status filter and some or all of the additional batch fields are:

- Payroll Journal
- Payroll Summary
- Payroll Summary by Employee
- Payroll Detail
- Hours & Earnings
- Service Fees

To include columns for payroll batch information:

1. Click **Customize** on any of the above reports to open the Report Builder.
2. Enter a new **Name** for the custom report.
3. On the **Edit Columns** subtab, select the batch-related fields you want to add.
4. Preview the report before you save.

Including an Employee's Address on a Report

If you need to include an employee's address on a report, you should customize the report and add Home Address fields from the employee record. This ensures that the report includes only one address for an employee.

If you choose to include all of an employee's addresses on a report, the employee data could be duplicated.

To include an employee's home address on a report:

1. In a report, click **Customize**.
2. In the **Add Fields** section, expand the **Employee** list.
3. Click **Home Address** or any field that begins with **Home Address....**
4. Use the **Report Preview** to arrange the home address fields in your report.
5. Click **Save**.

To include all of an employee's addresses on a report:

1. In a report, click **Customize**.
2. In the **Add Fields** section, expand the **Employee** list.
3. Expand the **Address Book** list, and select the address fields that you want to include.
4. Use the **Report Preview** to arrange the address fields in your report.
5. Click **Save**.



Note: If you use address fields and an employee has more than one address, the employee's data is duplicated on the report.

Modifying Payroll Report Sections

By default Payroll report sections are made up of subsections in the order shown in the list below. The Report Sections page enables you to reorder, remove, and add subsections for the Earnings, Deductions, and Company Contributions report sections. You cannot change the Taxes and Company Taxes sections.

Payroll Report Sections let you assign Payroll Items that you define to specific sections of payroll reports, some of which you can also define. You can assign each payroll item to a particular report subsection including any new report subsections. For more information about Payroll Items, see [Payroll Items Setup](#).

The standard Report Sections and sub-sections are:

- Earnings
 - Wages
 - Salary
 - Expenses
- Taxes – You cannot add or remove this section or its sub-sections.
 - SS/Med
 - Federal
 - State
 - Local
- Deductions
 - Retirement
 - Health
- Company Taxes – You cannot add or remove this section or its sub-sections.
 - SS/Med
 - Federal

- State
- Local
- Company Contributions
 - Retirement
 - Health

The Report Section list on the Payroll Item page includes the options that you define on the Report Sections page. For example, you can define a Payroll Item named Third Party Sick Pay - Taxable. Then, you can assign that item to the Salary report sub-section of the Earnings section.

To define a payroll report section:

1. Go to Setup > Payroll > Report Sections.
2. On the Report Sections page, you can either:
 - Click the **Edit** link for the name of the Report Section that you want to modify.
 - You can add or remove the items in the **Earnings**, **Deductions**, or **Company Contributions** report sections. You can also reorder the items.
 - You cannot add or remove items in the **Taxes** or **Company Taxes** sections. You can reorder the items.
 - Click the link for the Report Section name. In the Report Section popup, click **Edit**. Add or remove report sections and sub-sections as well as reorder sub-sections.

Employee Tax Jurisdictions Workbook

SuiteAnalytics Workbook offers many workbook and dataset templates, each with predefined source data, criteria, pivot tables, and charts.

This section contains the information for the SuiteAnalytics Employee Tax Jurisdictions workbook in NetSuite. For more information about SuiteAnalytics Workbook, see the help topic [Workbook and Dataset Templates](#).

- [Employee Tax Jurisdictions Dataset](#)
- [Employee Tax Jurisdictions Workbook](#)

Employee Tax Jurisdictions Dataset

This dataset combines fields from the Employee and Workplace record types so that you can identify workplaces and verify tax jurisdictions for each employee. It forms the source data for the [Employee Tax Jurisdictions Workbook](#).

Dataset Configuration


The Employee Tax Jurisdictions dataset combines fields from two record types. To edit the dataset, see the help topic [Defining a Dataset](#).

Root Record Type	Joined Record Type	Custom Formula Fields	Data Grid	Criteria Filters
Employee	Workplace	(none)	The following fields are included in the dataset.	(none)

Root Record Type	Joined Record Type	Custom Formula Fields	Data Grid	Criteria Filters
			Employee: <ul style="list-style-type: none"> Entity ID First Name Last Name Workplace: <ul style="list-style-type: none"> Name Tax Jurisdiction:County Tax Jurisdiction:Federal Tax Jurisdiction:Local Tax Jurisdiction:School District Tax Jurisdiction:State 	

Employee Tax Jurisdictions Workbook

After you include employees in payroll, update payroll information. Then, you can use the Employee Tax Jurisdictions workbook to identify workplaces and verify tax jurisdictions for each employee. This workbook enables you to verify tax jurisdictions from one place, instead of opening individual employee records.

 **Note:** If you do not have access to this workbook, contact your administrator.

To view the Employee Tax Jurisdictions workbook:

1. Go to **Analytics**.
2. Click **Standard Workbooks**.
3. From the list of workbooks, click **Employee Tax Jurisdictions**.

Workplace Tax Jurisdictions Workbook

SuiteAnalytics Workbook offers many workbook and dataset templates, each with predefined source data, criteria, pivot tables, and charts.

This section contains the information for the SuiteAnalytics Employee Tax Jurisdictions workbook in NetSuite. For more information about SuiteAnalytics Workbook, see the help topic [Workbook and Dataset Templates](#).

- [Workplace Tax Jurisdictions Dataset](#)
- [Workplace Tax Jurisdictions Workbook](#)

Workplace Tax Jurisdictions Dataset

This dataset contains fields from the Workplace record type so that you can identify and verify the tax jurisdictions for each workplace. It forms the source data for the [Workplace Tax Jurisdictions Workbook](#).

Dataset Configuration

The Workplace Tax Jurisdictions dataset combines fields from one record type. To edit the dataset, see the help topic [Defining a Dataset](#).

Root Record Type	Joined Record Type	Custom Formula Fields	Data Grid	Criteria Filters
Workplace	(none)	(none)	<p>The following fields are included in the dataset.</p> <p>Workplace:</p> <ul style="list-style-type: none"> ■ Address ■ Name ■ Subsidiary ■ Tax Jurisdiction:County ■ Tax Jurisdiction:Federal ■ Tax Jurisdiction:Local ■ Tax Jurisdiction:School District ■ Tax Jurisdiction:State 	(none)

Workplace Tax Jurisdictions Workbook

After you create workplace records, update payroll information. Then, you can use the Workplace Tax Jurisdictions workbook to identify and verify the tax jurisdictions for each workplace.

To view the Workplace Tax Jurisdictions workbook:

1. Go to **Analytics**.
2. Click **Standard Workbooks**.
3. From the list of workbooks, click **Workplace Tax Jurisdictions**.

Frequently Asked Questions: Payroll

What happens when I create a payroll?

SuitePeople U.S. Payroll funds the tax liabilities for that payroll batch. A liability payment transaction is recorded in your NetSuite account.


Which liabilities are paid by SuitePeople U.S. Payroll?

All federal, state, and local taxes are paid by SuitePeople U.S. Payroll. SuitePeople U.S. Payroll does not pay non-tax liabilities such as 401(k) and health insurance.

How often does SuitePeople U.S. Payroll file my federal, state, and local tax forms? End of the year? End of the quarter?

SuitePeople U.S. Payroll files all of your quarterly and annual federal, state, and local tax forms.

Tax deposits and filings are made based on the deposit schedule assigned to your company by each jurisdiction. Deposit schedules are set on the Jurisdictions subtab of the Set Up Payroll page.

 **Note:** Clients are responsible for maintaining the deposit schedules for their company.

What happens when I create a payroll adjustment?

If funding is required, SuitePeople U.S. Payroll automatically funds the unpaid liability and pays it when the liability is due.


SuitePeople U.S. Payroll does not pay employees as a result of adjustments. The action that results in funding is only an increase in tax liability.

How are refunds of overpaid tax liabilities handled?

If you create a payroll adjustment or reverse a paycheck that results in an overpayment of liabilities, SuitePeople U.S. Payroll does not refund those liabilities. Refunds come directly from the tax agency.

Whenever a negative tax liability adjustment is created by an employer, NetSuite does not refund money for these adjustments. This is because the adjustment is for past payrolls for which either SuitePeople U.S. Payroll has already paid taxes or taxes were paid directly.

A refund also cannot be issued when you reverse a payroll for which taxes have already been paid to tax agencies by SuitePeople U.S. Payroll. Instead, tax credits are stored in the payroll system and are adjusted against future tax deposits. The future tax deposit payments are reduced against these credits and require fewer funds from you for those payments. The system tracks this funding and reduction in payments and by marking the portion of the funding and payment transaction as a "payer-to-payee" transaction.

 **Note:** If all credits from overpaid liabilities in a quarter are not used completely, you receive a refund for the credit balance from the tax agency. If a payroll is reversed before the pay date and taxes are not paid to tax agency yet, then SuitePeople U.S. Payroll refunds the money.

What happens if a tax agency contacts me directly with questions about a tax filing or deposit?

In the unlikely event that a tax authority has questions, SuitePeople U.S. Payroll represents you with the tax authority.

Paycheck Journal Feature

The Paycheck Journal feature supports different payroll capabilities, including the tracking of payroll data for employees in countries other than the U.S.

The Paycheck Journal feature is intended for use by NetSuite partners. It enables partners to:

- Use SOAP web services to build integrations between NetSuite and existing external payroll solutions. For more information, see [SOAP Web Services and Paycheck Journal Transactions](#).
- Use SuiteScript to build custom payroll solutions. For more information, see [SuiteScript and the Paycheck Journal Feature](#).
- Customize payroll forms and fields. For more information, see [Custom Payroll Forms and Fields](#).

After partners create payroll scripts, custom forms, and custom fields, they can use SuiteBundler. SuiteBundler lets them package these custom objects into SuiteApps that can be installed in NetSuite customer accounts. For more information, see the help topic [SuiteApp Creation and Distribution](#).



Important: The Paycheck Journal feature is not intended for direct use by NetSuite customers without a partner payroll solution.

The Paycheck Journal feature is independent from SuitePeople US Payroll, although both features can be enabled in a single account. For example, in a OneWorld account, SuitePeople US Payroll can process payroll for a U.S. subsidiary, and the Paycheck Journal feature can track international payroll transactions for non-U.S. subsidiaries.

To get started with the Paycheck Journal feature, see [Getting Started with Payroll Solutions](#).

Getting Started with Payroll Solutions

You need to understand the following before you begin work on a payroll integration or payroll SuiteApp using the Paycheck Journal feature:

- [Enabling the Paycheck Journal Feature](#)
- [Paycheck Journal Transaction](#)
- [Payroll Items and the Paycheck Journal Feature](#)

Enabling the Paycheck Journal Feature

Use the following procedure to enable the Paycheck Journal feature.

To enable the Paycheck Journal feature:

1. Go to Setup > Company > Enable Features.
2. Click the **Employees** subtab.
3. In the Payroll section, check the **Paycheck Journal** box.

The Paycheck Journal feature requires the Accounting feature, which is located on the **Accounting** subtab in the Basic Features section.

4. Click **Save**.

With this feature enabled, the paycheck journal transaction and payroll item records are available to users with appropriate permissions.

Paycheck Journal Transaction

The paycheck journal transaction is similar to the paycheck transaction used by the Payroll feature. Unlike a paycheck, however, a paycheck journal transaction does not issue a check drawn on an account. Instead, it creates a journal entry to record the accounting impact. This transaction serves as a payroll interface for SOAP web services integrations with external payroll systems and for payroll SuiteApps built with SuiteScript.

The paycheck journal transaction is available at Transactions > Employees > Paycheck Journal. Users must have the Paycheck Journal permission, which is a Transactions type permission.

The following screenshot shows the fields supported by the paycheck journal transaction.

Note: NetSuite customers are not expected to use this form without a partner payroll solution. Partner solutions are expected to include custom forms and custom fields that vary from this example.

1	Body fields
2	Sublist fields

Paycheck journal body fields store basic values used by the transaction. Note the following:

- Subsidiary is available only in NetSuite OneWorld.
- Department, Class, and Location are available only in accounts that use these classifications.
- Currency is available only in accounts with the Multiple Currencies feature enabled.
- Exchange Rate is not currently in use. Its value, which is set to 1 when a currency is selected, should not be changed.
- Partners can create custom transaction body fields that display on paycheck journal forms and are accessible to SOAP web services and SuiteScript.

Paycheck journal sublist fields store details about different types of payroll items that can be included in the transaction. Partners can create custom transaction line fields.

Payroll Items and the Paycheck Journal Feature

Similar to transactions related to the Payroll feature, paycheck journal transactions use the payroll item record type to store line item values. The following table outlines some differences in how the two features handle payroll items.

Payroll Feature	Paycheck Journal Feature
<ul style="list-style-type: none"> NetSuite provides predefined payroll items for deduction, earning, and employer contribution types. You can create additional payroll items of these types. 	<ul style="list-style-type: none"> No predefined payroll items. You must create all deduction, earning, and employer contribution type payroll items.
<ul style="list-style-type: none"> NetSuite completely manages tax line items for payroll transactions. You cannot create payroll items for taxes. 	<ul style="list-style-type: none"> Payroll-related taxes must be implemented through payroll items that you create. You can create two different types of payroll items for taxes: employee paid taxes and company (employer) paid taxes.

Payroll items must be created before any paycheck journal transactions can be entered. The following item types are supported: Deduction, Earning:Addition, Earning:Commission, Earning:Expense, Earning:Salary, Earning:Sick, Earning:Vacation, Earning:Wage, Employer:Contribution, Employer:Expense, and Tax.

The Payroll Item page is available at Lists > Accounting > Items. Users must have the Payroll Items permission, which is a Lists type permission. The following screenshot shows the fields supported by the payroll item record.

Payroll Item List Search Customize More

[Save](#) [Cancel](#) [Reset](#)

Subsidiary *

Pay Code

Report Section

Item Type *

Item Name *

☐ Employee Paid

Liability Account

Expense Account

Agency

☐ Withholding ☐ Inactive

Note the following:

- Subsidiary is available only in NetSuite OneWorld.
- Item Type: Tax is available only for non-U.S. subsidiaries.

- The Employee Paid box is available only when Item Type is set to Tax. When the Employee Paid box is clear, item type is Company Tax. When the Employee Paid box is checked, item type is Employee Tax.
- Account fields vary according to item type, as shown in the following table:

Item Type	Account Fields for Payroll Items
Deduction	Liability Account, Vendor (Agency)
Earning	Expense Account
Employer Contribution	Liability Account, Expense Account, Vendor (Agency)
Company Tax	Liability Account, Expense Account, Vendor (Agency)
Employee Tax	Liability Account, Vendor (Agency)

SOAP Web Services and Paycheck Journal Transactions

The paycheck journal transaction is exposed in SOAP web services so that it can act as a payroll interface for integrations with external payroll systems. The payroll item record is also exposed to support these integrations. Both of these record types support basic create, read, update, delete, and search operations.

For more information, including usage notes and sample SOAP requests and Java code, see the SOAP web services reference topics [Paycheck Journal](#) and [Payroll Item](#).

SuiteScript and the Paycheck Journal Feature

The paycheck journal transactions and payroll item records are exposed in SuiteScript to support the building of international payroll SuiteApps. These records support both client and server SuiteScript and full scripting capabilities. For details about scripting with the paycheck journal transaction, including supported fields and many code samples, see the SuiteScript reference topic [Paycheck Journal](#).

For details about scripting with the payroll item record, including supported fields and many code samples, see the SuiteScript reference topic [Payroll Item](#).

Custom Payroll Forms and Fields

When the Paycheck Journal feature is enabled, partners can create payroll-related custom transaction body fields and custom transaction line fields. These fields are available to SOAP web services integrations and SuiteScript.

- [Creating Custom Payroll Transaction Body Fields](#)
- [Creating Custom Payroll Transaction Line Fields](#)

Partners can also create custom Paycheck Journal forms based on the standard form for this record type. For more information, see [Creating Customized Paycheck Journal Forms](#).

Custom forms and fields can be bundled in international payroll SuiteApps along with SuiteScripts. For more information, see the help topic [SuiteApp Creation and Distribution](#).

Creating Custom Payroll Transaction Body Fields

To support partners' ability to build payroll integrations and custom solutions, the Paycheck Journal feature supports the creation of custom payroll transaction body fields. These are fields that added to paycheck journal transaction body data.

To create a custom payroll transaction body field:

1. Go to Customization > Lists, Records, & Fields > Transaction Body Fields > New.
2. Enter a **Label** and optional **Description** for the custom payroll transaction body field.
3. On the **Applies To** subtab, check the **Paycheck** box.
4. Click **Save**.

The new field displays on the **Custom** subtab of any standard and customized Paycheck Journal record.

On custom forms, this field can be moved.

Creating Custom Payroll Transaction Line Fields

To support partners' ability to build payroll integrations and custom solutions, the Paycheck Journal feature supports the creation of custom payroll transaction line fields. These are fields that are added to line items on one or more paycheck journal transaction sublists.

To create a custom payroll transaction line field:

1. Go to Customization > Lists, Records, & Fields > Transaction Column Fields > New.
2. Enter a **Label** and optional **Description** for the custom payroll transaction line field.
3. On the **Applies To** subtab, check one or more **Paycheck** subtabs where this field should be displayed.

Available subtabs include **Earning**, **Deduction**, **Employee Tax**, **Company Tax**, and **Company Contribution**. You can add the same field to multiple subtabs.

4. Click **Save**.

These new subtabs display on the **Payroll Items** subtab of any standard and customized Paycheck Journal record.

Creating Customized Paycheck Journal Forms

To support partners' ability to build international payroll SuiteApps, the Paycheck Journal feature supports the creation of custom Paycheck Journal forms. Partners can start with the standard Paycheck Journal form and make changes to create a form that fits their solution.

To create a customized paycheck journal form:

1. Go to Customization > Forms > Transaction Forms.
2. Click the **Customize** link for the **Standard Paycheck Journal** form.
3. On the Edit Custom Transaction Form page, enter a name for the form, and then complete other fields as needed.
4. Click **Save**.



Important: On the Edit Custom Transaction Form page, note the following options when including custom body and column fields on your customized form.

- To display one or more custom transaction body fields on the **Custom** subtab, click the **Screen Fields** subtab, then click the **Custom** subtab. Check the **Show** box for each custom transaction body field.
- To display one or more custom transaction line fields on the **Earnings, Deductions, Employee Taxes, Company Taxes, and Company Contributions** subtabs, click the **Tabs** subtab. Check the **Show** box for **Paycheck Lines**.

Click the **Screen Fields** subtab. On the **Earnings, Deductions, Company Taxes, Employee Taxes, and Company Contributions** subtabs, check the **Show** box for each custom transaction line field is checked. For example, you may want to display the **Payroll Item, Department, Class, Location, Hours, Amount, and Printable** fields on each of your subtabs.