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How to Manage Employee Deductions in Payroll Relief

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Setting Up Employer-Level Deductions

Before assigning deductions to employees, you need to create them at the employer level. Follow these steps:

1. Access Employer Deductions

- Log in to **Payroll Relief**.
- Navigate to **Employer Setup** from the right-hand side menu.
- Select **Employer > Deductions** to open the deduction setup screen.

2. Add a New Deduction

- Click the **"+" (Add) icon** at the bottom of the screen.
- In the pop-up box, select a deduction **Type** from the drop-down list.
  - Based on your selection, Payroll Relief will automatically determine tax exemptions and annual limits.
- Enter a **Name** for the deduction. You can customize this if needed (e.g., "Medical Insurance - Family" vs. "Medical Insurance - Single").
- Choose the **Criteria** for calculation, such as:
  - Fixed Amount ($)
  - Percentage of Gross Pay
  - Direct Entry (entered per payroll run)
- Enter the **Amount or Percentage** to be deducted.
- Select a **Payee** from the drop-down list if applicable (e.g., insurance provider, 401(k) administrator).

3. Finalize Deduction Settings

- **Apply to all employees** (optional): Select this option if the deduction should automatically apply to all employees.
- **Mark as Active**: Ensure this is enabled if the deduction should be available for employees.
- **Save** the deduction to finalize the setup.

Assigning Deductions to Employees

Once employer-level deductions are set up, you can assign them to specific employees or contractors.

1. Navigate to Employee Setup

- From the right-hand side menu, select **Employees**.
- Open the **Employee/Contractor Setup** screen.
- Select the **Deductions** tab.

2. Assign or Modify Deductions

- Click **Add Deduction** to assign an existing deduction to the employee.
- Choose the deduction from the list and enter the specific amount or percentage for that employee.
- If an employee has a unique deduction (e.g., a custom garnishment), you may need to create a new deduction first at the employer level before assigning it.

3. Save Changes

- Once all deduction details are entered, click **Save**.
- Review the payroll preview to ensure deductions are applied correctly.

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Setting Up Garnishments

If an employee has a wage garnishment, follow these additional steps:

- Create the garnishment under **Employer > Deductions**, selecting the appropriate **Garnishment Type**.
- Assign the garnishment to the employee from the **Garnishment** tab under **Employee Setup**.
- Specify the amount to be deducted and any limits required by law.
- If multiple garnishments exist, set the **priority** to ensure deductions follow the correct order.

Managing Third-Party Payees

If deductions require payment to a third party (such as benefits providers or child support agencies), you can set up and manage payees:

- Navigate to the **Third-Party Payees** section under **Employer > Deductions**.
- Click **Payee** and then **New Payee** to add a recipient.
- Enter the **payee's name and address**.
- Choose whether **checks should be printed with payroll** for this payee.
- Click **Save** to finalize.

Troubleshooting

- **Deduction is not appearing for an employee**
  - Ensure the deduction is active at the employer level.
  - Verify the deduction is assigned to the correct employee in **Employee Setup > Deductions**.
- **Incorrect deduction amount or calculation**
  - Double-check the deduction **Criteria** (Fixed Amount vs. Percentage).
  - Confirm that employee-specific amounts override the employer default if necessary.
- **Third-party checks not printing**
  - Ensure **Print with Payroll** is selected for the payee.
  - Check if the payee is correctly linked to the deduction.

Need Help?

If you need further assistance, contact **support@guhroo.co**.