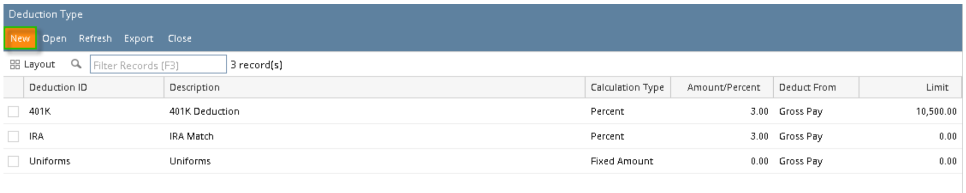
How to Create Deduction Type

1. Click **Deduction Types** from **Payroll** module.
2. If there are no deduction types yet, new **Deduction Types** screen will be displayed directly. Otherwise, a list of existing deduction types will be displayed.
3. Click **New** toolbar button.



4. Set the value for the following fields:
   a. Deduction ID
   b. Calculation Type
   c. Description
   d. Amount

      i. This field is enabled when the **Calculation Type** is:

      >> Fixed Amount and Hourly Amount

      ii. This field is renamed to "**Percent**" when the **Calculation Type** is:

      >> Percent and Hourly Percent

   e. Paid By

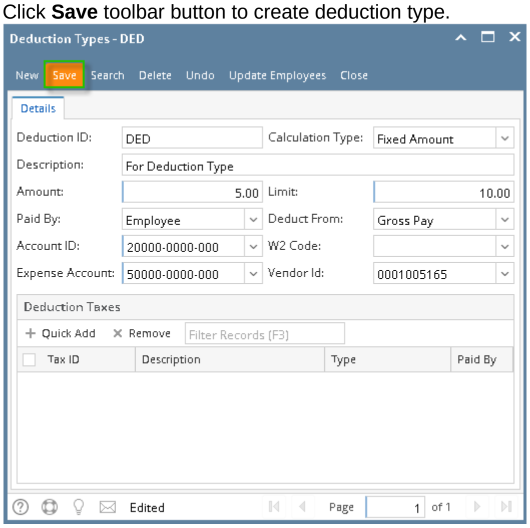
      If **Paid By** is **Employee**, Expense Account is not required.

      If **Paid By** is **Company**, Expense Account is required.

   f. Account ID
   g. Expense ID

      Account ID should display **Liability Accounts** only while **Expense ID** should display **Expense Accounts** only.

   h. Limit
5. Add **Deduction Taxes**.
6. Click **Save** toolbar button to create deduction type.



7. Newly created deduction type should appear in the grid.

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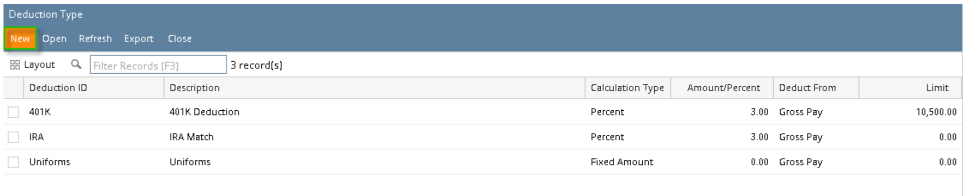

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    a. Deduction ID
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    > i. This field is enabled when the **Calculation Type** is:
    >
    > >> Fixed Amount and Hourly Amount
    >
    > ii. This field is renamed to "**Percent**" when the **Calculation Type** is:
    >
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    e. Paid By

    > If **Paid By** is **Employee**, Expense Account is not required.
    >
    > If **Paid By** is **Company**, Expense Account is required.

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    > **Account ID** should display **Liability Accounts** only while **Expense ID** should display **Expense Accounts** only.

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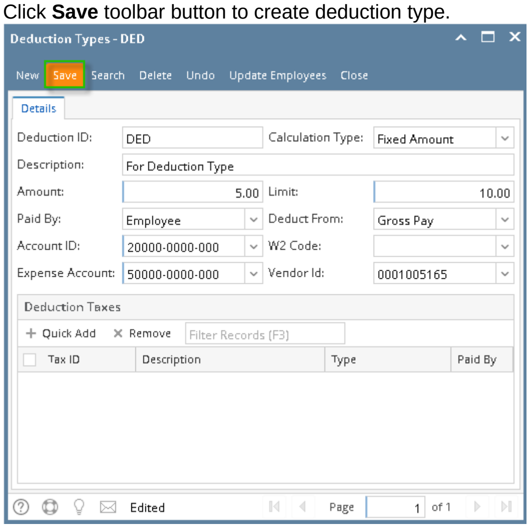
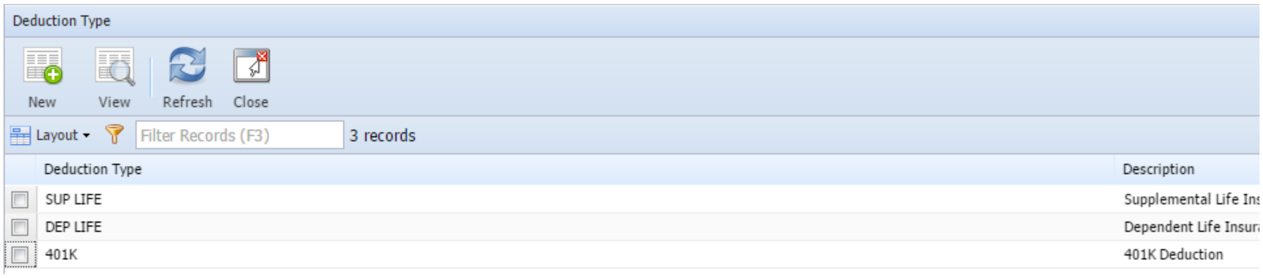


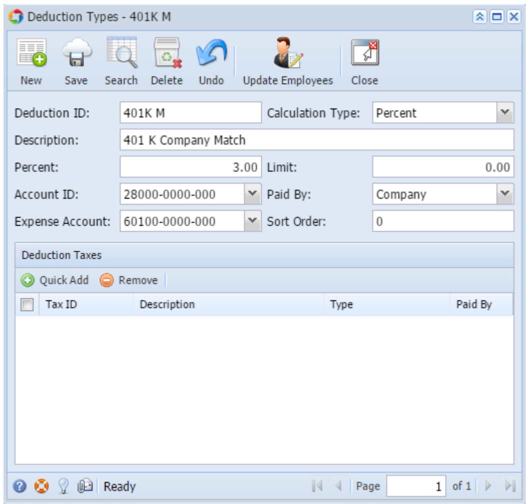
7. Newly created deduction type should appear in the grid.

1. From Payroll module > single click the Deduction Types.

If this is the first record you are to create, it will open directly the Deduction Type screen where you can add the Deduction Type. Otherwise, it will open the Deduction Type screen where existing Deduction Types are displayed. Click the **New** toolbar button to open new Deduction Type screen.



2. Fill in the Deduction Type information:



a. The **Deduction ID** field is a unique ID where you can enter alphanumeric character

b. **Calculation Type** by default is set to Fixed Amount. Click the drop down combo box button to select the Calculation Type applicable to your Deduction Type.

c. In the **Description field**, enter the Deduction Type description.

d. In the **Amount field**, enter the amount.

This field is enabled if the selected Calculation Types are: Fixed Amount and Hourly Amount

This field will change to Percent field if the selected Calculation Types are: Percent and Hourly Percent.

e. Select the **Paid By** by clicking the drop down combo box button. This will indicate if this is Paid By Employee or Paid by Company.

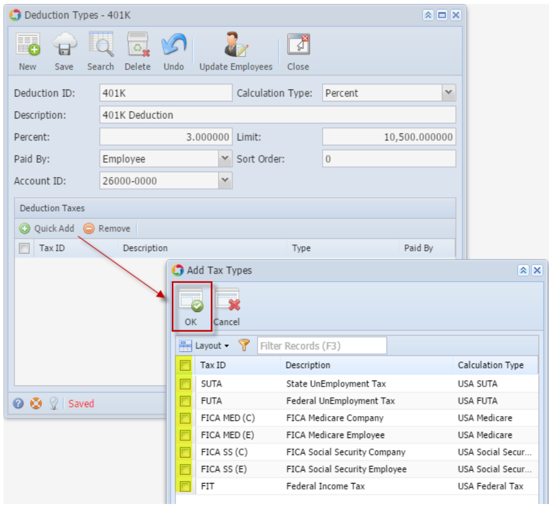
> ***If Paid By Employee*****,** Expense Account field is not required.
>
> ***If Paid by Company***, Expense Account field is required.

f. Select the **Account ID** by clicking the drop down combo box button. Liability Accounts will only displayed on the list.

g. Select the **Expense ID** by clicking the drop down combo box button. Expense Accounts will only displayed on the list.

h. Enter the **Limit** amount.

4. In Deduction **Taxes tab**, click the **Quick Add** grid button to Add Tax Types (Employee and Company). The selected Tax Types will be associated to Deduction Type.



5. Click the **Save** toolbar button to save the added Deduction Type.

6. Click the **Close** toolbar button to close the Deduction Type screen