


# 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.

Deduction Type					
New Open Refresh Export Close					
Layout Filter Records (F3) 3 record(s)					
Deduction ID	Description	Calculation Type	Amount/Percent	Deduct From	Limit
<input type="checkbox"/> 401K	401K Deduction	Percent	3.00	Gross Pay	10,500.00
<input type="checkbox"/> IRA	IRA Match	Percent	3.00	Gross Pay	0.00
<input type="checkbox"/> Uniforms	Uniforms	Fixed Amount	0.00	Gross Pay	0.00


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.

Deduction Types - DED

New Save Search Delete Undo Update Employees Close

Details

Deduction ID: DED Calculation Type: Fixed Amount

Description: For Deduction Type

Amount: 5.00 Limit: 10.00

Paid By: Employee Deduct From: Gross Pay

Account ID: 20000-0000-000 W2 Code:

Expense Account: 50000-0000-000 Vendor Id: 0001005165

Deduction Taxes

+ Quick Add X Remove Filter Records (F3)

Tax ID	Description	Type	Paid By
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7. Newly created deduction type should appear in the grid.

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3. Click **New** toolbar button.

Deduction Type						
<div> <div>New</div> <div>Open</div> <div>Refresh</div> <div>Export</div> <div>Close</div> </div> <div> <div>Layout</div> <div>Filter Records (F3)</div> <div>3 record(s)</div> </div>						
Deduction ID	Description	Calculation Type	Amount/Percent	Deduct From	Limit	
<input type="checkbox"/> 401K	401K Deduction	Percent	3.00	Gross Pay	10,500.00	
<input type="checkbox"/> IRA	IRA Match	Percent	3.00	Gross Pay	0.00	
<input type="checkbox"/> Uniforms	Uniforms	Fixed Amount	0.00	Gross Pay	0.00	

4. Set the value for the following fields:

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- Calculation Type
- Description
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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

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

- Account ID
- Expense ID

- i.** **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.

Deduction Types - DED

New

Save

Search

Delete

Undo

Update Employees

Close

Details

Deduction ID:

DED

Calculation Type:

Fixed Amount

Description:

For Deduction Type

Amount:

5.00

Limit:

10.00

Paid By:

Employee

Deduct From:

Gross Pay

Account ID:

20000-0000-000

W2 Code:

Expense Account:

50000-0000-000

Vendor Id:

0001005165

Deduction Taxes

+ Quick Add

✕ Remove

Filter Records (F3)

Tax ID	Description	Type	Paid By

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.

Deduction Type	
New     View     Refresh     Close	
Layout ▾	Filter Records (F3) 3 records
Deduction Type	Description
SUP LIFE	Supplemental Life Ins
DEP LIFE	Dependent Life Insur
401K	401K Deduction

2. Fill in the Deduction Type information:

Deduction Types - 401K M

New    Save    Search    Delete    Undo    Update Employees    Close

Deduction ID: 401K M    Calculation Type: Percent ▾  
 Description: 401 K Company Match  
 Percent: 3.00    Limit: 0.00  
 Account ID: 28000-0000-000 ▾    Paid By: Company ▾  
 Expense Account: 60100-0000-000 ▾    Sort Order: 0

Deduction Taxes

Quick Add    Remove

Tax ID	Description	Type	Paid By

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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.

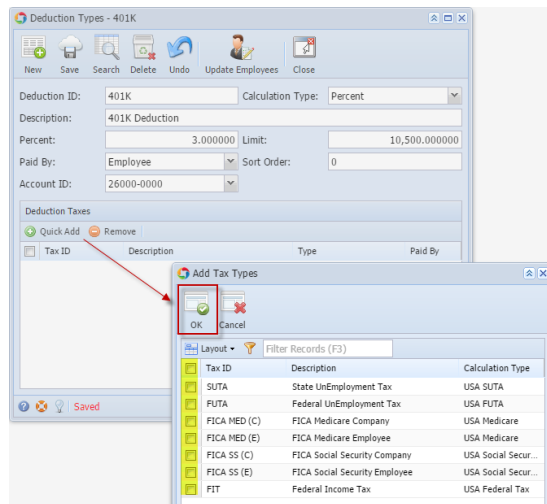
**If Paid by Company**, Expense Account field is required.

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