Payroll Guide
and should not be relied upon in making purchasing decisions. The development, release, and timing
of any features or functionality described in this document remains at the sole discretion of Oracle.

This document in any form, software or printed matter, contains proprietary information that is the
exclusive property of Oracle. Your access to and use of this confidential material is subject to the terms
and conditions of your Oracle Master Agreement, Oracle License and Services Agreement, Oracle
PartnerNetwork Agreement, Oracle distribution agreement, or other license agreement which has
been executed by you and Oracle and with which you agree to comply. This document and information
contained herein may not be disclosed, copied, reproduced, or distributed to anyone outside Oracle
without prior written consent of Oracle. This document is not part of your license agreement nor can it
be incorporated into any contractual agreement with Oracle or its subsidiaries or affiliates.

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program

Oracle customers that have purchased support have access to electronic support through My Oracle
Support. For information, visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info or visit http://
www.oracle.com/pls/topic/lookup?ctx=acc&id=trs if you are hearing impaired.

Sample Code

Oracle may provide sample code in SuiteAnswers, the Help Center, User Guides, or elsewhere through
help links. All such sample code is provided "as is" and "as available", for use only with an authorized
NetSuite Service account, and is made available as a SuiteCloud Technology subject to the SuiteCloud
Terms of Service at www.netsuite.com/tos.

Oracle may modify or remove sample code at any time without notice.

No Excessive Use of the Service

As the Service is a multi-tenant service offering on shared databases, Customer may not use the
Service in excess of limits or thresholds that Oracle considers commercially reasonable for the Service.
If Oracle reasonably concludes that a Customer's use is excessive and/or will cause immediate or
ongoing performance issues for one or more of Oracle's other customers, Oracle may slow down or
throttle Customer's excess use until such time that Customer's use stays within reasonable limits. If
Customer's particular usage pattern requires a higher limit or threshold, then the Customer should
procure a subscription to the Service that accommodates a higher limit and/or threshold that more
effectively aligns with the Customer's actual usage pattern.

Beta Features

Oracle may make available to Customer certain features that are labeled “beta” that are not yet
generally available. To use such features, Customer acknowledges and agrees that such beta features
are subject to the terms and conditions accepted by Customer upon activation of the feature, or in the
absence of such terms, subject to the limitations for the feature described in the User Guide and as
follows: The beta feature is a prototype or beta version only and is not error or bug free and Customer
agrees that it will use the beta feature carefully and will not use it in any way which might result in
any loss, corruption or unauthorized access of or to its or any third party's property or information.
Customer must promptly report to Oracle any defects, errors or other problems in beta features
to support@netsuite.com or other designated contact for the specific beta feature. Oracle cannot
guarantee the continued availability of such beta features and may substantially modify or cease
providing such beta features without entitling Customer to any refund, credit, or other compensation.
Oracle makes no representations or warranties regarding functionality or use of beta features and
Oracle shall have no liability for any lost data, incomplete data, re-run time, inaccurate input, work
delay, lost profits or adverse effect on the performance of the Service resulting from the use of beta
features. Oracle's standard service levels, warranties and related commitments regarding the Service
shall not apply to beta features and they may not be fully supported by Oracle's customer support.
These limitations and exclusions shall apply until the date that Oracle at its sole option makes a beta
feature generally available to its customers and partners as part of the Service without a “beta” label.
Send Us Your Feedback

We'd like to hear your feedback on this document.

Answering the following questions will help us improve our help content:

- Did you find the information you needed? If not, what was missing?
- Did you find any errors?
- Is the information clear?
- Are the examples correct?
- Do you need more examples?
- What did you like most about this document?

Click here to send us your comments. If possible, please provide a page number or section title to identify the content you're describing.

To report software issues, contact NetSuite Customer Support.
# Table of Contents

**Payroll Setup** ........................................................................................................................ 1  
  Enabling Payroll .................................................................................................................... 2  
  Entering Company Information for Payroll ........................................................................... 2  
  Entering Workplace Records for Payroll .............................................................................. 2  
  Updating Payroll Information ............................................................................................... 4  
    Payroll Errors During Setup ............................................................................................... 5  
**Payroll Preferences** ............................................................................................................ 6  
  Setting the Subsidiary and the Date for Payroll to Begin ..................................................... 6  
  Setting General Payroll Preferences ................................................................................... 7  
  Allowing Employees to Update Direct Deposit Information ................................................. 10  
  Specifying When Employees Can View Paychecks ............................................................. 10  
  Setting Default Accounts for Payroll .................................................................................. 11  
  Integrating Payroll and Compensation Tracking ............................................................... 11  
  Setting Preferences for Jurisdictions .................................................................................... 12  
  Setting Specific Tax Rates .................................................................................................. 12  
  Setting Up Email Alerts for Payroll Issues ....................................................................... 13  
**Payroll Items Setup** ............................................................................................................ 13  
  Payroll Item Types ............................................................................................................... 14  
  Creating Payroll Items ......................................................................................................... 17  
  Setting a Limit for a Payroll Item .......................................................................................... 18  
  Deriving a Pay Rate from Another Payroll Item ................................................................ 19  
  Applying a Default Rate to a Payroll Item .......................................................................... 20  
  Inactivating or Deleting Payroll Items ................................................................................ 20  
  Editing a Payroll Item .......................................................................................................... 20  
  Scheduling Payroll Item Changes ....................................................................................... 21  
  Mapping Pay Codes to Payroll Items .................................................................................. 21  
  Standard Pay Codes ............................................................................................................ 21  
**Payroll Setup for Employees** ............................................................................................... 33  
  Including an Employee in Payroll ....................................................................................... 33  
  Setting Up Direct Deposit for an Employee ....................................................................... 34  
  Setting Up Earnings for an Employee ............................................................................... 35  
  Setting Up Deductions for an Employee .......................................................................... 37  
  Setting Up Company Contributions for an Employee ....................................................... 38  
  Setting Up Accrued Time for an Employee ....................................................................... 39  
  Taxes and Jurisdiction Setup for Employees .................................................................... 40  
  Updating Payroll Items for Multiple Employees ............................................................... 46  
**Running Test Payroll Batches** ............................................................................................. 47  
  Turning Off Payroll Test Mode ............................................................................................ 48  
**Setting Up Year-To-Date Information from Your Previous Payroll System** .................... 49  
  Reporting Tax Liabilities .................................................................................................... 50  
  Reporting Unpaid Liabilities ............................................................................................... 51  
  Reporting Year-to-Date Tax Liability Payments ............................................................... 51  
  Entering a Payroll Start Date ............................................................................................... 52  
**Payroll Transactions** .......................................................................................................... 53  
  Processing Payroll Batches ................................................................................................. 54  
    Payroll Processing Schedule ........................................................................................... 56  
    Creating a Payroll Batch ................................................................................................. 56  
    Creating an Off-Cycle Payroll Batch .............................................................................. 61  
    Viewing Payroll Batches ................................................................................................. 62  
    Calculating a Payroll Batch ............................................................................................ 62  
    Editing Payroll Items in Bulk on a Payroll Batch ............................................................ 65  
    Editing an Individual Paycheck from a Payroll Batch ................................................... 66  
    Committing a Payroll Batch ........................................................................................... 71
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-MISC).

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.

To read about the setup procedure for Payroll read **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. Payroll Items Setup
7. Payroll Setup for Employees
8. Running Test Payroll Batches
9. Setting Up Year-To-Date Information from Your Previous Payroll System
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, and 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, any changes or updates that you make to the Set Up Payroll page or the employee, workplace, or payroll item records must be committed to the payroll tax engine.

The Update Payroll Information page is a guide for issues that need to be resolved and a reference for what has changed since your last update. You need to 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 dropdown 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 not checked on the Payroll subtab on the employee record. If you have employees listed here, do not assume this is an error. 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 and check Include in Payroll 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.

<table>
<thead>
<tr>
<th>Error</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pending Authorization from Tax Agency</td>
<td>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.</td>
</tr>
<tr>
<td>Company bank account is not active</td>
<td>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.</td>
</tr>
<tr>
<td>Funding Account is not activated</td>
<td>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.</td>
</tr>
<tr>
<td>Tax liability payments must be recorded</td>
<td>You must enter and commit any tax deposits you made prior to starting with SuitePeople U.S. Payroll.</td>
</tr>
</tbody>
</table>
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 according to the features enabled in your account.

- Setting the Subsidiary and the Date for Payroll to Begin
- Setting General Payroll Preferences
- Allowing Employees to Update Direct Deposit Information
- Specifying When Employees Can View Paychecks
- Setting Default Accounts for Payroll
- Integrating Payroll and Compensation Tracking
- 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 and the Date for Payroll to Begin

If you have a NetSuite OneWorld account, 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, if 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 NetSuite 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.
## Setting General Payroll Preferences

The following table describes the preferences available on the **Preferences** subtab of the Set Up Payroll page.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General</strong></td>
<td></td>
</tr>
<tr>
<td>Calculate Funding</td>
<td>Check this box if you want NetSuite to create a funding transaction. 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.</td>
</tr>
</tbody>
</table>
| Expand Account Lists for Payroll Items | Check this box to associate additional general ledger accounts with payroll items. 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. When this box is checked, you have more options:  
  - **Deduction payroll item** – you can associate with a liability account, an asset account, or an expense account. If you associate a deduction payroll item with an asset account or an expense account, the asset account or expense account is credited in the general ledger.  
  - **Earning payroll item** – you can associate with an expense account, an asset account, or a liability account. If you associate an earning payroll item with an asset account or a liability account, the asset account or liability account is debited in the general ledger.  |
<p>| PAY PTO Prior to Pay Period (Days) | Enter the number of days prior to the current pay period that you want to pay personal time off (PTO) for approved time entries not included in the last pay period. You should enter zero unless you plan to pay employees before the last pay period ended.                                                                                                                                                                                                                      |
| PAY Earnings Prior to Pay Period (Days) | Enter the number of days prior to the current pay period that you want to pay earnings not included in the last pay period. You should enter zero unless you plan to pay employees before the last pay period ended. If your employees have been tracking their time using the Time Tracking feature, and you are now adding them to payroll and want to enter this setting, you must enter their last paid date manually on their employee records. This ensures that the employee’s pay is calculated correctly. For more information, see <strong>Including an Employee in Payroll</strong>.                                                                                                                                                             |
| Payroll Issues Alert Email Addresses | 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.                                                                                                                                                                                                                                                                                                    |
| Main Office                      | 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 <strong>Entering Workplace Records for Payroll</strong>.                                                                                                                                                                                                                                           |</p>
<table>
<thead>
<tr>
<th>Field Name</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Organization</strong></td>
<td>Select the type of organization that best describes your company: corporation, government agency, LLC (limited liability corporation), partnership, or proprietorship. 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.</td>
</tr>
<tr>
<td><strong>Paychecks</strong></td>
<td></td>
</tr>
<tr>
<td>Show Paychecks with Zero Amounts</td>
<td>Check this box to see paychecks for employees who worked zero hours on the Payroll Batch page.</td>
</tr>
<tr>
<td>Pay Expenses on Paychecks</td>
<td>Check this box to pay approved expense report amounts in NetSuite to employees on their paychecks. You must create an expense payroll item to use this preference. For more information, see Paying Expenses on Employee Paychecks with Payroll.</td>
</tr>
<tr>
<td>Pay Employee Commissions on Paychecks by Default</td>
<td>Check this box to pay approved commission amounts in NetSuite to employees on their paychecks. You must create a commission payroll item to use this preference. For more information, see Payroll Items Setup.</td>
</tr>
<tr>
<td>Always Classify Individual Paycheck Lines</td>
<td>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.</td>
</tr>
<tr>
<td>Default “To Be Printed” on Paychecks</td>
<td>Check this box if you want the To Be Printed box checked by default when processing individual paychecks and when you process payroll.</td>
</tr>
<tr>
<td>Default “Do Not Accrue Time” on Paychecks</td>
<td>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. If you check this box, sick and vacation accruals do not process.</td>
</tr>
<tr>
<td>Pay Sick/Vacation Time on Paychecks</td>
<td>Check this box if you want the Pay PTO box on paychecks checked by default when processing individual paychecks and when processing payroll. If you do not check this box, sick time and vacation time are not paid.</td>
</tr>
<tr>
<td>Show Only Vacation and Sick Payroll Items in PTO Hours</td>
<td>If you check this box, the payroll items that are included in the PTO Hours subtab of paycheck records are limited to Earning:Sick or Earning:Vacation payroll items. These payroll items appear if they are associated with a time-off pay code (Paid Time Off – Taxable, Sick Pay, Holiday, Personal). If you clear this box, any payroll items that are associated with a time-off pay code (Paid Time Off – Taxable, Sick Pay, Holiday, Personal) are included on the PTO Hours subtab of paycheck records. For example, you might want to include a payroll item related to jury duty on the PTO Hours subtab.</td>
</tr>
<tr>
<td>Mask Social Security Numbers on Vouchers</td>
<td>Check this box to mask employees’ social security numbers on paycheck vouchers. 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). For vouchers, this company setting is influenced by the permissions and preferences that are on or off. For example, if Bob has full permission to view social security numbers but this box is checked, social security numbers are masked when Bob views a voucher.</td>
</tr>
</tbody>
</table>
Payroll Preferences

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print Single Copy Voucher</td>
<td>Check this box to include only one copy of the paycheck voucher with the paycheck. When this box is not checked, the list of taxes and deductions included on paychecks may be truncated for employees with numerous tax and deduction line items, and two vouchers will be printed when you select vouchers at Transactions &gt; Management &gt; Print Checks and Forms.</td>
</tr>
<tr>
<td>Enable Multi-State Calculation</td>
<td>Check this box to calculate the pertinent taxes for employees who work in different states during a pay period. If you check this box, the pertinent taxes for the jurisdiction where work is performed, as well as the employee's primary office and home jurisdictions, are calculated. For more information, see Setting Up Taxes for Employees who Work in Different States During a Pay Period.</td>
</tr>
<tr>
<td>Show Payroll Item Descriptions on Summary Tab of Paychecks</td>
<td>Check this box to show payroll item descriptions on the Summary subtab of paychecks. Payroll item descriptions can be added to payroll item records to provide additional information about a payroll item to your employees. For more information, see Creating Payroll Items.</td>
</tr>
<tr>
<td>Paychecks Visible to Employees</td>
<td>Specify when paychecks should be visible to employees in the Employee Center. Paychecks can be visible when the payroll batch is committed, on the check date, one day before the check date, or two days before the check date. If you are using NetSuite OneWorld, this preference applies to all employees within a subsidiary who are paid with SuitePeople Payroll. If you are not using NetSuite OneWorld, this preference applies to all employees within your organization who are paid with SuitePeople U.S. Payroll. For more information, see Specifying When Employees Can View Paychecks.</td>
</tr>
</tbody>
</table>

**Reporting**

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Payroll Liabilities By</td>
<td>Choose to report your payroll liabilities quarterly or year-to-date (YTD).</td>
</tr>
<tr>
<td>Use Year-to-Date Values on Reports</td>
<td>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 you do not check this box, the amounts for checks and adjustments that appear on reports may result in data on your reports not matching the amounts you committed during your payroll setup.</td>
</tr>
</tbody>
</table>

**Self-Service**

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees Can Edit Banking Information</td>
<td>Check this box to allow employees to edit their net bank account for direct deposit. Employees can edit their bank account information using their Employee Center roles. For more information, see Allowing Employees to Update Direct Deposit Information.</td>
</tr>
<tr>
<td>Employees Can Choose to be Paid by Check</td>
<td>Check this box to allow employees to change their 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 Edit Banking Information box is also checked. For more information, see Allowing Employees to Update Direct Deposit Information.</td>
</tr>
</tbody>
</table>

**To set general Payroll preferences:**

1. Go to Setup > Payroll > Setup Tasks > Set Up Payroll.
2. Click the Preferences subtab.
3. Set preferences, according to your organization's needs.

4. Click Save.

After you set a preference, make sure that you update payroll information. For more information, see Updating Payroll Information.

Allowing Employees to Update Direct Deposit Information

You can allow employees who use the Employee Center to set up and edit their own bank account information for direct deposit. Employees can edit only their net bank account information. If employees want to add or edit additional bank accounts, they must contact their payroll administrator.

To allow employees to set up and edit their direct deposit information:

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

Important: After an employee updates direct deposit information, a notification is sent to the employee and to the email address that is entered in the Payroll Issues Alert Email Address field on the Set Up Payroll page (Setup > Payroll > Set Up Payroll). If you receive a notification that an employee has made a change to direct deposit banking information, you must update payroll information so that the employee's 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 choose to 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 an option: when the payroll batch is committed, on check date, one day before the check date, or two days before the 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](image)

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 are using NetSuite OneWorld, not all bank accounts are available. To display in this list, a bank account must be restricted to the Payroll Subsidiary defined at the top of the Set Up Payroll page, and should be set up with a currency of USA, meaning 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](#).

Integrating Payroll and Compensation Tracking

![Important](image)

Important: The Compensation Tracking feature requires SuitePeople HR. For more information, see the help topic [SuitePeople Overview](#).

When both the Payroll and the Compensation Tracking features are enabled, the Compensation Integration subtab appears on the Set Up Payroll page. On the Compensation Integration subtab, you can allow an employee's compensation to synchronize with Payroll. After you save updates to an employee's salary or wage on the Compensation Tracking subtab of the employee record, the base wage type and amount are automatically copied to the Payroll subtab of the employee record.

To use Payroll with Compensation Tracking, make sure you set the following:

- A primary payroll item for each employee who is already included in Payroll. If more than one payroll item is associated with an employee, the Compensation Tracking feature automatically updates the primary payroll item. You can set the primary payroll item in the Earnings subtab of the Payroll subtab on the employee record. For more information, see [Setting Up Earnings for an Employee](#).
- A default salary payroll item and a default wage payroll item. These default payroll items are used if an employee's pay type is changed from salary to wage or from wage to salary in Compensation Tracking, and if a wage or salary payroll item is not already associated with the employee. If default payroll items are not set up, your employees might not be paid correctly.

**To integrate Payroll and Compensation Tracking:**

1. Go to Setup > Payroll > Set Up Payroll.
2. On the Compensation Integration subtab, check the Copy Compensation Tracking Data to Payroll box.
3. In the Default Salary Payroll Item list, select a default salary payroll item.
4. In the Default Wage Payroll Item list, select a default wage payroll item.

For more information about the Compensation Tracking feature, see the help topic Tracking an Employee's Compensation.

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 this list of jurisdictions is empty, make sure you have entered a company address or an address for each workplace, and 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) or select a date using 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.

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 Using the 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, refer to 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 make new payroll items available in a payroll batch, add the new payroll items to the Payroll subtab of the appropriate employee records, and 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.

<table>
<thead>
<tr>
<th>Payroll Item Type</th>
<th>Description</th>
<th>Set Limit and Limit Quantity</th>
<th>Derive Pay Rate</th>
<th>Set Default Rate</th>
<th>Automatically Calculated on Paychecks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deduction</td>
<td>A deduction to the employee's earnings, such as taxes or health insurance premiums. You can associate this item with a liability account by default, or with an expense or asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll. Choose to apply a limit to the deduction for all employees and choose to base this limit on a quantity. Pay Rate can be derived from another earning or deduction. 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.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earning: Addition</td>
<td>An addition to the employee's earnings that can be continuous or one-time, such as allowances, bonuses, or holidays. You can also use this payroll item type to record overtime pay for wage employees. You can associate this item with an expense account by default, or with a liability or asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll. Choose to apply a limit to the addition for all employees and choose to base this limit on a quantity. Pay Rate can be derived 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. This item is automatically calculated on a paycheck if one of the following is true: ▪ 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.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earning: Commission</td>
<td>An earning that is given to the employee as commission. You can use Earning:Commission only if the Employee Commissions feature is enabled.</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>This item is automatically calculated on a paycheck if the Employee Commissions feature is set up.</td>
</tr>
<tr>
<td>Payroll Item Type</td>
<td>Description</td>
<td>Set Limit and Limit Quantity</td>
<td>Derive Pay Rate</td>
<td>Set Default Rate</td>
<td>Automatically Calculated on Paychecks</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------</td>
<td>-------------------------------</td>
<td>----------------</td>
<td>-----------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Payroll Item Type</td>
<td>In your account. For more information, see Commissions. If the Employee Commissions feature is not enabled in your account, use Earning:Addition. You can associate this item with a liability account by default, or with an expense or asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll.</td>
<td></td>
<td></td>
<td></td>
<td>If the Default box is checked for the Earning: Commission item on the Payroll subtab of the employee record, then Rate and Default Hours specified are added on a paycheck. For wage employees, this item is automatically calculated on a paycheck if time entries have been approved for that pay period.</td>
</tr>
<tr>
<td>Earning: Expense</td>
<td>A payment to the employee to reimburse an expense. You can use Earning:Expense only if you have the Expense Reports feature enabled in your account. For more information, see Expense Reporting. If the Expense Reports feature is not enabled in your account, use Earning:Addition to enter expense reimbursements directly into payroll. You can associate this item with a liability account by default, or with an expense or asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll.</td>
<td></td>
<td></td>
<td></td>
<td>This item is automatically calculated on a paycheck if the employee has filed expense reports. 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.</td>
</tr>
<tr>
<td>Earning: Salary</td>
<td>An annual salary that is paid to the employee on a regular basis. Use Earning:Salary if the employee's pay</td>
<td></td>
<td></td>
<td></td>
<td>This item is automatically calculated on a paycheck for salaried employees.</td>
</tr>
<tr>
<td>Payroll Item Type</td>
<td>Description</td>
<td>Set Limit and Limit Quantity</td>
<td>Derive Pay Rate</td>
<td>Set Default Rate</td>
<td>Automatically Calculated on Paychecks</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>------------------------------</td>
<td>-----------------</td>
<td>-----------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Earning: Sick</td>
<td>An earning that is given towards the employee's sick leave, with the ability to reduce auto earnings and track accrual balances.</td>
<td>—</td>
<td>Pay Rate can be derived from another earning.</td>
<td>—</td>
<td>This item is automatically calculated on a paycheck if time entries have been approved for that pay period.</td>
</tr>
<tr>
<td>Earning: Vacation</td>
<td>An earning that is given towards the employee's vacation leave, with the ability to reduce auto earnings and track accrual balances.</td>
<td>—</td>
<td>Pay Rate can be derived from another earning</td>
<td>—</td>
<td>This item is automatically calculated on a paycheck if time entries have been approved for that pay period.</td>
</tr>
<tr>
<td>Payroll Item Type</td>
<td>Description</td>
<td>Set Limit and Limit Quantity</td>
<td>Derive Pay Rate</td>
<td>Set Default Rate</td>
<td>Automatically Calculated on Paychecks</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------</td>
<td>-----------------------------</td>
<td>----------------</td>
<td>-----------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Earning: Wage</td>
<td>An hourly earning that is paid to the employee, such as hourly wages or overtime pay. If you pay overtime for exempt employees, use Earning:Salary for their regular hours and use Earning:Wage for their overtime pay. You can associate this item with a liability account by default, or with an expense or asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll.</td>
<td>—</td>
<td>Pay Rate can be derived from another earning.</td>
<td>—</td>
<td>This item is automatically calculated on a paycheck if time entries have been approved for that pay period. 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.</td>
</tr>
<tr>
<td>Employer Contribution</td>
<td>A contribution made by the employer on the employee's behalf, such as health insurance or a qualified 401(k) plan. You can associate this item with a liability or expense account by default, or with an asset account if the Expand Accounts List for Payroll Items box is checked in Set Up Payroll.</td>
<td>Choose to apply a limit to the employer contribution for all employees and choose to base this limit on a quantity.</td>
<td>Pay Rate can be derived from another earning, deduction, or employer contribution.</td>
<td>Choose to apply a default rate in percent or dollars for the employer contribution and choose to apply this rate to all employees.</td>
<td>This item is automatically calculated on a paycheck.</td>
</tr>
</tbody>
</table>

Creating Payroll Items

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 for this payroll item that appears on the Summary subtab of employees' paychecks, enter a Description. Descriptions can help employees to understand the different items on their paychecks.
Note: To make sure employees can see descriptions, go to Setup > Payroll > Set Up Payroll and 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 is displayed for Earning and Deduction payroll items only if the Expand Account List for Payroll Items box is checked at 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 Vendors with Payroll Items.

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 another payroll item. For more information, see Deriving a Pay Rate from Another Payroll Item.
- 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.

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.

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**.

### Deriving a Pay Rate from Another Payroll Item

You can derive pay rates using a multiplier of a linked payroll item. The derived rate is dependent on the rate of the payroll item to which it is linked. When the linked rate changes, the derived rate also changes. You can derive pay rates for the following payroll item types:

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

Earning payroll item rates can be derived from other earning payroll items. Deduction payroll item rates can be derived from earning or deduction payroll items. Employer contribution payroll item rates can be derived from earning, deduction, or employer contribution items.

The Derived From and Rate Multiplier fields on the payroll item record are used to calculate derived rates.

#### To set up and use a derived pay rate:

1. Create the payroll item using the **Derived From** and **Rate Multiplier** fields.
   - **Derived From** – Select the payroll item on which the new rate is based. This is the linked payroll item.
     
     Earnings can be derived from earnings. Deductions can be derived from earnings or deductions. Contributions can be derived from earnings, deductions, or contributions.
   
   - **Rate Multiplier** – Enter the multiplier as a number, not a percentage. This number can be a decimal fraction. Negative numbers are also supported. This field is visible only when a payroll item is selected in the **Derived From** field.
     
     For more information, see **Payroll Items Setup**.

2. Add the derived payroll item on the **Payroll** subtab of the employee record. The linked item must also be included on the employee record.
   
   Be sure to add the payroll item on the appropriate subtab. For example, add overtime wages on the **Earnings** subtab, and add 401(k) matching on the **Contributions** subtab.

3. Go to Payroll and HR > Payroll > Create Payroll (Payroll Manager), and create a payroll batch.
   
   When you calculate the payroll, 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**.
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.

You cannot use both a derived rate and a default rate on the same payroll item. It must be one or the other.

To apply a default rate to a payroll item

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

   ![Note:](image)  
   If a value is selected in the Derived From list, the Default Rate field is not displayed. To use a default rate instead of a derived from rate, in the Derived From list, select the empty item at the top.

2. To apply the default rate to all employees, check the Apply Rate to All Employees box.
3. Click Save.

Inactivating or Deleting Payroll Items

Inactivating a Payroll Item

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

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.

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

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 dropdown 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:
Payroll Items Setup

■ 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.

<table>
<thead>
<tr>
<th>Code Name</th>
<th>Description</th>
<th>Additional Information</th>
<th>FIT Taxable</th>
<th>FICA Taxable</th>
<th>W-2 box</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonus - Taxed as Regular Income</td>
<td>Bonus payments made to employees</td>
<td>These bonus payments should be made as part of the regular payroll check.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Bonus - Taxed as Supplemental</td>
<td>Bonus payments made to employees</td>
<td>Typically bonus payments identified separately and taxed as supplemental earnings.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Health Care Premiums - Domestic Partner (Employer)</td>
<td>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.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holiday</td>
<td>Code to track payments made for holiday pay</td>
<td>These payments are reported as regular earnings.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>ISO - Ordinary Income</td>
<td>W-2 income resulting from a disqualifying disposition of EE stock originated from a company’s stock option plan. See IRS pub 525.</td>
<td>An offsetting deduction can be used if you would like to record the ISO through payroll rather than directly paying it to the employee.</td>
<td>N</td>
<td>N</td>
<td>box 1, 16</td>
</tr>
<tr>
<td>Code Name</td>
<td>Description</td>
<td>Additional Information</td>
<td>FIT Taxable</td>
<td>FICA Taxable</td>
<td>W-2 box</td>
</tr>
<tr>
<td>---------------------------</td>
<td>--------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------</td>
<td>-------------</td>
<td>---------</td>
</tr>
<tr>
<td>Overtime Premium</td>
<td>Overtime Premium earnings</td>
<td>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.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Overtime Straight</td>
<td>Overtime earnings paid at straight time</td>
<td>This code pays overtime at the regular hourly rate. Hours entered here are also reflected in overtime premium.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Paid Time Off - Taxable</td>
<td>Code to track payments made for any paid time off</td>
<td>These payments can include vacation and sick paid time off in accordance with company policy and are reported as regular earnings.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Personal</td>
<td>Code to track payments made for any personal time off</td>
<td>This tracks personal time off in accordance with company policy. Payments are reported as regular earnings.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Regular</td>
<td>Code for regular time worked</td>
<td>These payments are reported as regular earnings.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Retroactive Pay</td>
<td>Code for back pay owed to an employee</td>
<td>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.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Severance</td>
<td>Code for pay owed to an employee at termination</td>
<td>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.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Sick Pay</td>
<td>Code to track payments made for any sick time paid by employer</td>
<td>This tracks regular sick time in accordance with company policy. Payments are reported as regular earnings.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Supplemental Pay</td>
<td>Pay for other than regular hours worked</td>
<td>These payments are reported as regular</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
</tbody>
</table>
## Payroll Items Setup

<table>
<thead>
<tr>
<th>Code Name</th>
<th>Description</th>
<th>Additional Information</th>
<th>FIT Taxable</th>
<th>FICA Taxable</th>
<th>W-2 box</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIT Taxable</td>
<td>Earnings and taxed at supplemental rates.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unpaid Hours</td>
<td>This is a memo field</td>
<td>Use this field to track any hours not yet paid.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
</tbody>
</table>

---

### 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 or for use of 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.

<table>
<thead>
<tr>
<th>Code Name</th>
<th>Description</th>
<th>Additional Information</th>
<th>FIT Taxable</th>
<th>FICA Taxable</th>
<th>W-2 box</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances - Non-Loans</td>
<td>Code for any advance where repayment is not expected</td>
<td>These are non-loan payments that were made to the employee and need to be reported as taxable income.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Cost of Employer-Sponsored Health Coverage</td>
<td>Code for health care contributions made by employer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Use the Fringe Benefits Offset deduction code to remove the net pay effect of these contributions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Employer-Sponsored Health Coverage (Offset)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee FICA Paid By Employer</td>
<td>Code for when the employer chooses to pay the employee's FICA (Federal Insurance Contributions Act tax)</td>
<td>This code is used to offset the FICA paid by the employer.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Health Care Premiums: Domestic Partner/Civil Union/Same-Sex Marriage (Employer)</td>
<td>For employer contribution for health insurance</td>
<td>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.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5, and 14</td>
</tr>
<tr>
<td>Code Name</td>
<td>Description</td>
<td>Additional Information</td>
<td>FIT Taxable</td>
<td>FICA Taxable</td>
<td>W-2 box</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------</td>
<td>--------------</td>
<td>---------</td>
</tr>
<tr>
<td>HSA (Employer Contribution)</td>
<td>Employer contribution to the Employees Health Spending Account</td>
<td>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.</td>
<td>N</td>
<td>N</td>
<td>box 12 Code W</td>
</tr>
<tr>
<td>Moving Expenses - Qualified</td>
<td>This code records qualified moving expenses.</td>
<td>These are expenses that were paid to the employee, but not through payroll. These qualified expenses do not affect net pay and are reported in W-2 box 12 Code P.</td>
<td>N</td>
<td>N</td>
<td>box 12 Code P</td>
</tr>
<tr>
<td>Non-Cash Compensation</td>
<td>This records taxable non-cash compensation</td>
<td>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.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Non-Qualified Stock Option</td>
<td>This records non-qualified stock options and is W-2 reportable and taxable.</td>
<td>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.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5, and box 12 Code V</td>
</tr>
<tr>
<td>Pension Plan Contribution (Employer)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third Party Sick Pay - Taxable</td>
<td></td>
<td>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</td>
<td></td>
<td></td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td>Code Name</td>
<td>Description</td>
<td>Additional Information</td>
<td>FIT Taxable</td>
<td>FICA Taxable</td>
<td>W-2 box</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>--------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------</td>
<td>--------------</td>
<td>----------</td>
</tr>
<tr>
<td>Third Party Sick Pay - Nontaxable</td>
<td>This code records nontaxable sick pay</td>
<td>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.</td>
<td></td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Group-Term Life Insurance over $50,000</td>
<td>This records the value of group term life.</td>
<td>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 records the value of the excess in regular earnings (box 1, 3, and 5 of W-2) and reports the value in W-2 box 12 Code C.</td>
<td>Y</td>
<td>Y</td>
<td>box 1, 3, 5, and box 12 Code C</td>
</tr>
<tr>
<td>Tips</td>
<td>This records tips paid directly by customers to</td>
<td>These payments are added to earnings and are fully taxable.</td>
<td></td>
<td></td>
<td>box 1, 3, 5</td>
</tr>
<tr>
<td></td>
<td>the employee.</td>
<td></td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsubstantiated Reimbursements</td>
<td>Reimbursements for expenses that do not meet the</td>
<td>These are reimbursements that were previously paid and now determined to be unsubstantiated. They are added to earnings and are fully taxable.</td>
<td></td>
<td></td>
<td>box 1, 3, 5, and 14</td>
</tr>
<tr>
<td></td>
<td>federal rules for exclusion from taxation</td>
<td></td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Ins Employer Pd--2% Shrhldrs</td>
<td>This code is used to set the amount paid by an</td>
<td>These employer payments are taxed at supplemental rates and if combined with regular earnings, taxed at regular rates.</td>
<td></td>
<td></td>
<td>box 1, 14</td>
</tr>
<tr>
<td></td>
<td>employer to cover health insurance premiums of</td>
<td></td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>an employee of an s-corporation who is a 2%+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>shareholder of the company.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non Taxable Fringe Benefit</td>
<td>This code is to be used very carefully and only</td>
<td>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 actually is taxable, the employee could be liable for an estimated tax payment to</td>
<td></td>
<td></td>
<td>box 1, 14</td>
</tr>
<tr>
<td></td>
<td>when the payroll administrator cannot match a</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>benefit on hand with any of fringe code types</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>available in the system.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Payroll Items Setup

<table>
<thead>
<tr>
<th>Code Name</th>
<th>Description</th>
<th>Additional Information</th>
<th>FIT Taxable</th>
<th>FICA Taxable</th>
<th>W-2 box</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension Plan Contribution (Employer)</td>
<td>Records an employer's contribution to any employee's pension plan. 401(k) match is a typical example.</td>
<td>different agencies before the end of the tax year.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Other Earning Pay Codes

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

<table>
<thead>
<tr>
<th>Code Name</th>
<th>Description</th>
<th>Additional Information</th>
<th>FIT Taxable</th>
<th>FICA Taxable</th>
<th>W-2 box</th>
</tr>
</thead>
<tbody>
<tr>
<td>1099</td>
<td>Earnings for independent contractors This item is for SuitePeople U.S. Payroll only.</td>
<td>All pay for independent contractors should go into this code. Earnings will be reported on Form 1099 MISC box 7.</td>
<td></td>
<td></td>
<td>Form 1099-MISC, box 7</td>
</tr>
<tr>
<td>Advances - Loans</td>
<td>Code for any advance where repayment is expected</td>
<td>These amounts are not included as income for tax-reporting purposes. It is anticipated that they will be paid back to the employer.</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>COBRA Premiums (Employer Under ARRA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Golden Parachute In Excess Of the Limit</td>
<td>Payment to a key executive when terminated due to a change of ownership</td>
<td>Golden Parachute payments in excess of the federal limit are subject to an additional excise tax. The amount withheld for the excise tax must be reflected in both W-2 box 2 - Federal Income tax withheld and in box 12 Code K.</td>
<td>Y</td>
<td>Y</td>
<td>box 12 Code K</td>
</tr>
<tr>
<td>Tips Paid by Employer</td>
<td>Allocated tips paid by employer</td>
<td>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.</td>
<td>Y</td>
<td>Y</td>
<td>box 8</td>
</tr>
<tr>
<td>Tips</td>
<td></td>
<td>Adds to earnings and is fully taxable. An automatic deduction ensures that the</td>
<td></td>
<td></td>
<td>box 7</td>
</tr>
<tr>
<td>Code Name</td>
<td>Description</td>
<td>Additional Information</td>
<td>FIT Taxable</td>
<td>FICA Taxable</td>
<td>W-2 box</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------</td>
<td>-------------</td>
<td>--------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Moving Expenses - Qualified Reimbursement</td>
<td>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.</td>
<td>Outcome is to increase net pay without increasing taxable wages - reported in box 12 Code P.</td>
<td>N</td>
<td>N</td>
<td>box 12 Code P</td>
</tr>
<tr>
<td>Non-Taxable Reimbursement</td>
<td>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.</td>
<td></td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>NQDC Distributions</td>
<td>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.</td>
<td></td>
<td></td>
<td></td>
<td>box 11</td>
</tr>
</tbody>
</table>

**Miscellaneous Pre-Tax Employee Deduction Pay Codes**

<table>
<thead>
<tr>
<th>Code Name</th>
<th>Description</th>
<th>Additional Information</th>
<th>W-2 box</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commuter Checks</td>
<td>Employee contribution to pay for commuter checks Internal Revenue Code Section 132 and the Transportation Equity Act for the 21st Century (TEA-21) enables employers to 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 (that is, pre-tax dollars are used to pay the commuting expenses).</td>
<td>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.</td>
<td>box 8</td>
</tr>
</tbody>
</table>
### 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.

<table>
<thead>
<tr>
<th>Code Name</th>
<th>Description</th>
<th>Additional Information</th>
<th>W-2 box</th>
</tr>
</thead>
<tbody>
<tr>
<td>401(k) Contribution</td>
<td>Employee's contribution to qualified 401(k) Plan</td>
<td>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.</td>
<td>box 12</td>
</tr>
<tr>
<td>401(k) Additional After-Tax Contribution</td>
<td>Employee's after-tax contribution to qualified 401(k) Plan</td>
<td>After-tax 401(k) contributions are subject to taxation again when they are withdrawn.</td>
<td>box 14</td>
</tr>
<tr>
<td>401(k) Catch-up</td>
<td></td>
<td></td>
<td>box 12, Code D</td>
</tr>
<tr>
<td>401(k) Loan Repayment</td>
<td>Employee deduction for 401(k) loan repayment</td>
<td>After-tax payments deducted from employee's paycheck to repay funds obtained from a 401(k) in the form of a loan.</td>
<td>N/A</td>
</tr>
<tr>
<td>401(k) Roth Contribution</td>
<td>All Roth contributions are after-tax and distributions from the plan are not taxable.</td>
<td>Designated Roth Contribution to 401(k) Plan In Lieu of Elective Deferral You will find more details available at <a href="http://www.irs.gov/retirement-plans/Roth-IRAs">http://www.irs.gov/retirement-plans/Roth-IRAs</a>.</td>
<td>box 12, Code AA</td>
</tr>
<tr>
<td>401(k) Roth - Catch-up</td>
<td></td>
<td></td>
<td>box 12, Code AA</td>
</tr>
<tr>
<td>403(b) Roth Contribution</td>
<td>Employee's contribution to qualified 403(b) plan. All Roth contributions are after-tax and distributions from the plan are not taxable.</td>
<td>Designated Roth Contribution to 403(b) In Lieu of Elective Deferral You will find more details available at <a href="https://www.irs.gov/retirement-plans/IRC-403b-tax-sheltered-annuity-plans">https://www.irs.gov/retirement-plans/IRC-403b-tax-sheltered-annuity-plans</a>.</td>
<td>box 12, Code BB</td>
</tr>
<tr>
<td>403(b) Roth - Catch-up - With 15 Years Of Service</td>
<td></td>
<td>Designated Roth Contributions to 403(b) Plan In Lieu of Elective Deferral. Use either With 15 Years Of Service or After The Age Limit.</td>
<td>box 12, Code BB</td>
</tr>
<tr>
<td>403(b) Roth - Catch-up - After The Age Limit</td>
<td></td>
<td>Designated Roth Contributions to 403(b) Plan In Lieu of Elective Deferral. Use either With 15 Years Of Service or After The Age Limit.</td>
<td>box 12, Code BB</td>
</tr>
</tbody>
</table>
### Payroll Items Setup

<table>
<thead>
<tr>
<th>Code Name</th>
<th>Description</th>
<th>Additional Information</th>
<th>W-2 box</th>
</tr>
</thead>
<tbody>
<tr>
<td>403(b) Contribution</td>
<td>Employee's contribution to qualified 403(b) plan</td>
<td>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.</td>
<td>box 12 Code E</td>
</tr>
<tr>
<td>403(b) - Catch-up - With 15 Years Of Service</td>
<td></td>
<td>Designated contributions to 403(b) plan. Use either With 15 Years Of Service or After The Age Limit.</td>
<td>box 12 Code E</td>
</tr>
<tr>
<td>403(b) - Catch-up - After The Age Limit</td>
<td></td>
<td>Designated contributions to 403(b) plan. Use either With 15 Years Of Service or After The Age Limit.</td>
<td>box 12 Code E</td>
</tr>
<tr>
<td>Govt. Employee Deferred - 457(b)</td>
<td>Government employee deduction for deferred compensation plan</td>
<td>Non-qualified, pre-tax, deferred compensation plans established by state and local government and tax-exempt employers.</td>
<td>box 12 Code G</td>
</tr>
<tr>
<td>Govt. EE 457(b) - Catch-up - Standard</td>
<td></td>
<td></td>
<td>box 12 Code G</td>
</tr>
<tr>
<td>Govt. EE 457(b) - Catch-up, Additional - 3 Years To Retirement</td>
<td></td>
<td></td>
<td>box 12 Code G</td>
</tr>
<tr>
<td>SEP Contribution - 408(k)(6)</td>
<td>Simplified employee pensions</td>
<td>Pre-tax deduction for a Simplified Employee Pension (SEP), which is a retirement plan for employers who do not wish to sponsor or administer a qualified pension or profit-sharing plan.</td>
<td>box 12 Code F</td>
</tr>
<tr>
<td>SEP 408(k)(6) - Catch-up</td>
<td></td>
<td></td>
<td>box 12 Code F</td>
</tr>
<tr>
<td>SIMPLE - 408(p) Contribution</td>
<td>Saving Incentive Match Plans for employees of small employers</td>
<td>Pre-tax deduction for a Savings Incentive Match Plan, a retirement plan for employers with no more that 100 employees.</td>
<td>box 12 Code S</td>
</tr>
<tr>
<td>SIMPLE - 408(p) - Catch-up</td>
<td></td>
<td>Pre-tax deduction for a Savings Incentive Match Plan, a retirement plan for employers with no more that 100 employees.</td>
<td>box 12 Code S</td>
</tr>
</tbody>
</table>

### Education Plan Contribution Pay Codes

<table>
<thead>
<tr>
<th>Code Name</th>
<th>Description</th>
<th>Additional Information</th>
<th>W-2 box</th>
</tr>
</thead>
<tbody>
<tr>
<td>College Savings Plan (529)</td>
<td>Employee deduction for a qualified college savings plan</td>
<td>Employee contributions to a tax-deferred college savings plan. While 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.</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Cafeteria Plan Contribution Pay Codes

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

After-Tax Deduction Pay Codes

These deductions do not reduce taxes.

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

<table>
<thead>
<tr>
<th>Code Name</th>
<th>Description</th>
<th>Additional Information</th>
<th>W-2 box</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Share SDI</td>
<td>Employee deduction for state disability insurance</td>
<td>This tracks the employee deduction for state disability insurance. This deduction does not reduce taxes.</td>
<td>box 14</td>
</tr>
<tr>
<td>Garnishment</td>
<td>Employee deduction for wage garnishment.</td>
<td>Wage garnishment is a legal procedure in which 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.</td>
<td>N/A</td>
</tr>
<tr>
<td>Health Care Premiums - Domestic Partner</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Term Disability</td>
<td>Employee deduction for long term disability insurance</td>
<td>After-tax deduction for employee's share of the cost of long term disability insurance. This deduction does not reduce taxes.</td>
<td>box 14</td>
</tr>
<tr>
<td>Misc. After-tax Deduction</td>
<td>General employee deduction which does not reduce taxes</td>
<td>Miscellaneous after-tax deduction that can be used for a deduction not listed. This deduction does not reduce taxes.</td>
<td>N/A</td>
</tr>
<tr>
<td>Term Life Insurance</td>
<td>Employee deduction for term life insurance which does not reduce taxes</td>
<td>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.</td>
<td>box 14</td>
</tr>
</tbody>
</table>

### 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.

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

The following topics cover payroll setup for employees:

- Including an Employee in Payroll
- 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 Address Information 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** 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 are using NetSuite OneWorld and the Include in Payroll box is unavailable, it means that you must select a **Subsidiary** for the employee that matches the **Subsidiary** defined at Setup > Payroll > Set Up Payroll. 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 the Compensation Tracking feature is enabled, and if you set up Payroll to copy compensation tracking information (see **Integrating Payroll and Compensation Tracking**), you should enter this information in the **Compensation Tracking** subtab of the employee record.

In the **Pay Frequency** field, select how often this employee is paid.

In the **Last Paid Date** field, enter or verify the last date of this employee’s most recent pay period.

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

If you are adding an employee to payroll for the first time who is already employed by your company, then manually enter the last date of their first pay period. This field is auto-updated with the most recent pay-period end date each time you run payroll.

**Note:** If this employee tracks time using the Time Tracking feature, and you are now adding the employee to payroll, 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 **Setting 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.

**Note:** You cannot delete a workplace that is referenced by any employee record.

5. **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.

**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 0YYYXXXXX. 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, if the 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 if the error cannot be resolved, 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.

After an employee is set up for direct deposit, 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 Earning Payroll Items.
Important: If the Compensation Tracking feature is enabled, and if you set up Payroll to copy compensation tracking information (see Integrating Payroll and Compensation Tracking), you should enter basic earning information in the Compensation Tracking subtab of the employee record. For more information about the Compensation Tracking feature, see the help topic Tracking an Employee's Compensation.

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 to be used as search filters and displayed as search results: Primary Earning Type, Primary Earning Item, and Primary Earning Amount.
   - If the Compensation Tracking feature is enabled, and if you set up Payroll to copy compensation tracking information (see Integrating Payroll and Compensation Tracking), the Compensation Tracking feature uses the Primary box to determine which payroll item to automatically update.
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. Take note of the following:
   - 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 or 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 with the type Earning:Addition and you leave the Default Hours field blank or enter zero, one of two outcomes can occur:
     - The earning type is not calculated. To calculate this earning type, enter a value greater than zero and check the Default box.
     - If you check the Default box in the employee record and the Allow Entry from Create Payroll box in the payroll item record, this earning type is 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**.

**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**

Instead of creating a payroll adjustment to correct an incorrect deduction on a previous paycheck, you can use a negative deduction to add it back to an employee’s earnings, and if required, automatically calculate 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 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 who is included in Payroll, you can set up accrued time by adding payroll items related to sick and vacation time to the employee record.

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

**Important:** If you are using the Time-Off Management feature, refer to the steps for setting up accrued time in 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, choose one of the payroll items that you set up 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 Sum:** 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 period of time set in the Accrue As column in the previous step.
Payroll Setup for Employees

- If the Accrue As field is set to Lump Sum, the accrual rate should be the total number of hours per year.
- If the Accrue As field is set to Per Pay Period, the accrual rate should be the number of hours the employee earns per pay period.
- If the Accrue As field 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. If employees take 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 start Setting Up Taxes for an Employee. Optionally, depending on an employee's jurisdiction, you can complete the following tasks:

- Setting Up Taxes for Employees who Work in Different States During a Pay Period
- Adding Standard Occupational Classification Codes for Employees in Alaska, Louisiana, and South Carolina
- Setting Up California VDI for Employees
- Setting Up Payroll for Expatriate Employees

Verifying the Jurisdictions for an Employee

The Jurisdictions subtab lists all the Federal, State, County, Local, and School District jurisdictions applicable based on the home address entered on the Address subtab of the employee record.

⚠️ Important: Before you can verify jurisdictions for an employee, you must complete the steps in Including an Employee in Payroll, and then 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.

Setting Up Taxes for an Employee

On the Taxes subtab of the employee record's Payroll subtab, review the list of taxes specified for this employee. The taxes are based on the employee's home address and workplace.

Before you can use SuitePeople U.S. Payroll to pay employees, you must provide all tax information for each employee. For some taxes, you need to enter employee-specific information. For example, for the Federal Withholding tax fields, you can define the employee's filing status, indicate whether or not the employee is exempt, enter a number of withholding allowances, and specify a tax override method and an override amount.

You can set up tax override methods for special cases where employee withholding should vary from automated tax calculations. NetSuite provides three different methods: percentage, adjustment amount, and fixed amount. For more information, see Tax Override Methods for Employee Withholding.

To learn more about the taxes applicable for employees in each state in the U.S., you can visit the IRS Website.
To set up taxes for an employee living in Washington, D.C. and working in a neighboring state, 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, withholding is calculated for only Washington, D.C. If a reciprocity agreement is not checked, withholding is calculated for both jurisdictions.

**To set up taxes for an employee:**

1. Go to Lists > Employees > Employees.
2. Next to the employee's name, click **Edit**.
3. Click the **Payroll** subtab, then click the **Taxes** subtab.
4. In the **Filing Status** column, verify that the correct status for the employee is selected for each tax item.
5. If this employee qualifies as exempt for any of the taxes listed, check the **Exempt** box for the tax items.
6. Enter the number of exemptions or allowances for the employee for each tax item where applicable.
7. To apply a tax override method to a tax item, select the method in the **Tax Override Method** dropdown list.
   - For information about using tax override methods, see **Tax Override Methods for Employee Withholding**.
8. If you chose to apply a tax override method, enter an override amount.
9. Click **Save**.

**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 **Setting Up Taxes for an Employee**. 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.
Payroll Setup for Employees

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

When you add a payroll item and 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, and South Carolina

If you have workplaces in Alaska, Louisiana, and South Carolina, you need to collect and maintain Standard Occupational Classification (SOC) codes for employees who work at those workplaces.

Before you can track SOC codes for employees in Alaska, Louisiana, and South Carolina, you must install the U.S. Payroll Compliance SuiteApp.

Bundle Name: Payroll Compliance
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, or South Carolina.

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 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 Address Information 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 dropdown 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 in any way 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 dropdown 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 dropdown 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, read the help topic **Departments and Classes Overview**.
   c. In the **Class** field, select a class.
      
      For details about class records, read 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](image)
   **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]
      **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, read [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 you have not set up YTD information, that you have no YTD information to report, or 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 need to record year-to-date (YTD) federal and state tax liabilities in NetSuite. If you have run any payrolls during the calendar year, you must enter YTD information to ensure all calculations and reports for the remainder of the year are accurate. NetSuite requires that you enter these tax liabilities for the year up to the day before the current quarter and 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 have not run any previous payrolls on another system during the current year, select **I do not have YTD amounts to report** to skip the YTD setup.
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 to update your account information based on the year-to-date data that 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, and 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 have a NetSuite OneWorld account, you can select a subsidiary from the dropdown 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, 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, and 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, you are not able to commit this information until on or after the service start date you set on the Set Up Payroll page and your sign-up forms 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.
Setting Up Year-To-Date Information from Your Previous Payroll System

- **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 details, read 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.

<table>
<thead>
<tr>
<th>Task</th>
<th>See...</th>
</tr>
</thead>
</table>
| **Processing Payroll Batches** | ▪ 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  
▪ Searching for Paychecks |
| **Payroll Reversals and Adjustments** | ▪ Creating a Payroll Reversal  
▪ Committing Payroll Reversals  
▪ Creating Payroll Adjustments |
| **Payroll Transaction Status** | ▪ Viewing the Status of a Payroll Batch  
▪ Viewing Payroll Disbursements |
| **Paying payroll liabilities** | ▪ Making Payroll Liability Payments |
| **Print checks and vouchers** | ▪ Printing Payroll Checks or Vouchers  
▪ Printing Paychecks  
▪ Printing Direct Deposit Vouchers |
| **Other** | ▪ Allocating Paycheck Expenses to Projects  
▪ Performing 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 [Using the 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, which 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 Payroll Setup.

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

- Setting Up Direct Deposit for an Employee
- Allowing 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 Creating a Payroll Batch video.

For detailed steps, see the following topics:

- Payroll Processing Schedule
- 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
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 either 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 either 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:

<table>
<thead>
<tr>
<th>Holiday</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year’s Day</td>
<td>January 1</td>
<td>January 1</td>
</tr>
<tr>
<td>Martin Luther King Jr. Day</td>
<td>January 21</td>
<td>January 20</td>
</tr>
<tr>
<td>President’s Day</td>
<td>February 18</td>
<td>February 17</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>May 27</td>
<td>May 25</td>
</tr>
<tr>
<td>Independence Day</td>
<td>July 4</td>
<td>July 3</td>
</tr>
<tr>
<td>Labor Day</td>
<td>September 2</td>
<td>September 7</td>
</tr>
<tr>
<td>Columbus Day</td>
<td>October 14</td>
<td>October 12</td>
</tr>
<tr>
<td>Veterans Day</td>
<td>November 11</td>
<td>November 11</td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>November 28</td>
<td>November 26</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>December 25</td>
<td>December 25</td>
</tr>
</tbody>
</table>

Bank holidays are based on the holidays observed by the Federal Reserve Bank. When holidays fall on a Saturday, banks are closed on the preceding Friday. 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.
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
- Selecting Payment Options for a Payroll Batch
- Calculating a Payroll Batch
- Committing 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 on the General tab of the Set Preferences page at Home > Set Preferences. If the available employees exceed the number set, a dropdown list appears in the upper right of the list 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:
Processing Payroll Batches

[Image 499x758 to 514x773]

[Image 393x25 to 522x35]

[386x763]

[90x774]58

[90x28]Payroll Guide

[117x715]■ Workplace – Select a workplace from the dropdown list.
  For more information, see Entering Workplace Records for Payroll.

■ Employee Department – Select a department from the dropdown list to include employees from a certain department.

■ Employee Class – Select a class from the dropdown 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 dropdown 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, and 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 dropdown list.
     For more information, see Entering Workplace Records for Payroll.
   ■ Employee Department – Select a department from the dropdown list.
   ■ Employee Class – Select a class from the dropdown list.
     For more information, see the help topic Departments and Classes Overview.
   ■ Saved Search – Select a saved search from the dropdown 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 will be retained on the individual paychecks, but you must recalculate the payroll to update the auto generated payroll items.

   **Note:** If you are using 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 from within NetSuite 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 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.

- **Do Not Accrue Time** – Check this box if you do not want to 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 even if an employee has the Use Direct Deposit option enabled on their employee record. This option overrides individual options.

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 or To Be Printed** – 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 the Service Printed Checks and Stubs feature is not enabled and this box is not checked, 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.

<table>
<thead>
<tr>
<th>Desired Outcome</th>
<th>Boxes to Check</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No Direct Deposits</td>
</tr>
<tr>
<td>Employees receive service-printed checks and service-printed direct deposit stubs.</td>
<td></td>
</tr>
<tr>
<td>Employees receive service-printed direct deposit stubs. Employer prints checks locally.</td>
<td>X</td>
</tr>
<tr>
<td>All employees are paid by check regardless of the Use Direct Deposit option on their employee records. Employer prints checks locally.</td>
<td>X</td>
</tr>
<tr>
<td>All employees are paid by check regardless of the Use Direct Deposit option on their employee records. Checks are printed by the service.</td>
<td>X</td>
</tr>
</tbody>
</table>

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 item defined in your system. For example, you can create a one-time bonus payroll based on the Bonus (Earning:Addition) payroll item. For more information about creating payroll items, see Payroll Items Setup.

To create a one-time payroll for a payroll item:

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 drop-down list.
   b. Check the Off Cycle box.
   c. In the Pay Frequency drop-down 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 dropdown 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, and 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. 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.
7. After you review your payroll, click Calculate.
8. 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.
Processing Payroll Batches

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.

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.

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.

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, and 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. For information, see Editing Calculated Payroll Batches.

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 Account, 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, 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 of the Complete subtab, select the paychecks to remove and click Delete Paychecks. 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 of the Complete subtab, click Bulk Edit to open a popup window, select a payroll item, and edit values for multiple employees in the batch. For more information, see Editing Payroll Items in Bulk on a Payroll Batch.

Edit an individual paycheck – On the Errors subtab and the Paychecks and Net Pay subtabs of the Complete subtab, click Edit to open an individual paycheck and make changes. 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 open icon.

**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 and 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, 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 list of employees eligible to be paid in this payroll 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.
  - **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 list of employees eligible to be paid in this payroll 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 of 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, and beside 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 dropdown list.
  For more information, see Entering Workplace Records for Payroll.
- **Employee Department** – Select a department from the dropdown list.
- **Employee Class** Select a class from the dropdown list.
  For more information, see the help topic Departments and Classes Overview.
- **Saved Search** – Select a saved search from the dropdown list.
  For more information, see the help topic Saved Searches.
Processing Payroll Batches

Payroll Guide

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 dropdown list.
     For more information, see Entering Workplace Records for Payroll.
   - **Employee Department** – Select a department from the dropdown list.
   - **Employee Class** Select a class from the dropdown list.
     For more information, see the help topic Departments and Classes Overview.
   - **Saved Search** – Select a saved search from the dropdown 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, class, and workplace 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 instructions, 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, if 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.

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 (Setup > Accounting > Accounting Preferences), depending on the types of classifications that you use, the **Allow Per-Line Departments**, **Allow Per-Line Classes**, or **Allow Per-Line Locations** boxes must be checked. This ensures that payroll reversals that include individually classified paycheck lines are accounted for properly.

For example, if you use the Departments and Locations feature, make sure the Allow Per-Line Departments and Allow Per-Line Locations boxes are checked.
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. When you are finished, click **Save**.

**Important:** After you add department, location, or class values to individual paycheck lines, if you clear the **Classify Individual Paycheck Lines** box, 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, but 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 other number to be multiplied by the rate shown in the **Rate** field, if necessary.

---

**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. When you are finished, 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 are no longer displayed. They will 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 are no longer displayed. They will 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 are no longer displayed. They will 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, such as 401(k), health insurance, union dues, and credit union deposits. 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. When you are finished, 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, so 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 OK.
4. Repeat these steps to modify additional tax item amounts for this employee, if necessary.
5. When you are finished, 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.
To commit a payroll batch:

- At the top of the Payroll Batch page, click **Commit**. The button appears only when the status is **Calculated**.

When you click Commit, the system 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.

If you make mistakes in your payroll 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.

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 Using Dashboards.

Installing the Payroll Dashboard SuiteApp

For information on 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.

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:

- Employee Net Pay Variances
- Payroll Links
- Run Payroll

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 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.

Employee Net Pay Variances

The Employee Net Pay Variances portlet shares similar capabilities as the Run Payroll portlet.
With this portlet, you can track any changes in your employee payment at a quick glance. The pay changes are tracked in a table which displays the name of the employee, employee ID, pay frequency, last pay date, previous amount, current amount, and the variance between the previous amount and current amount.

| Employee Net Pay Variances |
|-----------------------------|-----------------------------|-----------------------------|
| Name | Employee ID | Pay Frequency | Last Pay Date | Previous | Current | Variance |
| Amalia Escobar | Amalia Escobar | Monthly | 4/30/2018 | $1200.00 | $1250.00 | 5.0% |
| Monthly Empl | Monthly Empl | Monthly | 3/31/2018 | $1000.00 | $1050.00 | 5.0% |
| Monthly Corp | Monthly Corp | Monthly | 1/31/2018 | $800.00 | $850.00 | 5.0% |
| Monthly Emply | Monthly Emply | Monthly | 5/31/2018 | $1400.00 | $1450.00 | 5.0% |

**Printing 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.

**Printing Paychecks**

When you create a payroll or an individual paycheck and check the To Be Printed box, paychecks are saved in a queue to be printed later. 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 print and send checks and stubs.

After you verify that all information in a payroll batch is 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. You should not check this box if you have enabled 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:** You can reprint a direct deposit voucher at any time using the preceding instructions.

### 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 Hartbrook
$1,200.00

Description | Hours | Rate | Amount     | YTD
---|---|---|---|---
Regular Pay | 80.00 | 36.00 | 2880.00 | 5760.00

Description | Amount | YTD
---|---|---
FICA | 901.81 | 1803.62
Medicare | 41.76 | 83.52
Social Security | 178.56 | 357.12
CA - Withholding | 231.01 | 463.02
CA - Disability | 25.02 | 50.04
Wachovia - 1234567 | 1200.00 | 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

One thousand two hundred and 00/100

Angela Hitchcock $1,300 00

Jan 16, 2014 - Jan 31, 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>Hours</th>
<th>Rate</th>
<th>Amount</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Pay</td>
<td>80.00</td>
<td>36.00</td>
<td>2880.00</td>
<td>5760.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>401K</td>
<td>300.00</td>
<td>600.00</td>
</tr>
<tr>
<td>FICA</td>
<td>901.81</td>
<td>1803.62</td>
</tr>
<tr>
<td>Medicare</td>
<td>41.76</td>
<td>83.52</td>
</tr>
<tr>
<td>Social Security</td>
<td>178.56</td>
<td>357.12</td>
</tr>
<tr>
<td>CA - Withholding</td>
<td>231.81</td>
<td>463.62</td>
</tr>
<tr>
<td>CA - Disability</td>
<td>25.92</td>
<td>51.84</td>
</tr>
<tr>
<td>Wachovia - 1234567</td>
<td>1000.00</td>
<td>2000.00</td>
</tr>
<tr>
<td>Wachovia - 987654</td>
<td>200.00</td>
<td>400.00</td>
</tr>
</tbody>
</table>
```

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

One thousand two hundred and 00/100

Angela Hitchcock $1,000 00

Jan 16, 2014 - Jan 31, 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>Hours</th>
<th>Rate</th>
<th>Amount</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Pay</td>
<td>80.00</td>
<td>36.00</td>
<td>2880.00</td>
<td>5760.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>401K</td>
<td>300.00</td>
<td>600.00</td>
</tr>
<tr>
<td>FICA</td>
<td>901.81</td>
<td>1803.62</td>
</tr>
<tr>
<td>Medicare</td>
<td>41.76</td>
<td>83.52</td>
</tr>
<tr>
<td>Social Security</td>
<td>178.56</td>
<td>357.12</td>
</tr>
<tr>
<td>CA - Withholding</td>
<td>231.81</td>
<td>463.62</td>
</tr>
<tr>
<td>CA - Disability</td>
<td>25.92</td>
<td>51.84</td>
</tr>
<tr>
<td>Wachovia - 1234567</td>
<td>1000.00</td>
<td>2000.00</td>
</tr>
<tr>
<td>Wachovia - 987654</td>
<td>200.00</td>
<td>400.00</td>
</tr>
</tbody>
</table>
```

Payroll Guide
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 that 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.

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

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.

**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, when you view the bank account register, the Cleared (Clr) box and the link in the Reconciled Date column no longer show for the voided paycheck.

Committing Payroll Reversals

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 have been paid, unapplied payments, which are liability payments not associated with checks, may display on the Pay Payroll Liabilities page.

**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 show only payroll batches that have a status of Ready to Commit, Funding Calculated, and Edited. To filter the Payroll Batches list by 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. Ensure Show in Filter Region and Show as Multi-Select are enabled.
   d. Click Save.
   e. In the Status filter list, 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, you can go to Transactions > Employees > Create Payroll to create your next payroll.

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

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.
Payroll Reversals and Adjustments

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, because 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, 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:**

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.

To learn more 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 a Payroll Batch

On the Payroll list, you can select an uncommitted payroll batch to review or edit, or you can 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.
Payroll Transaction Status

- **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 a NetSuite OneWorld account, the subsidiary for the payroll batch.

### Viewing 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, description, 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.
Payroll Transaction Status

- **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 to your employees.

Liability payments are made to vendors you set up as tax agencies. For more information, see the help topic **Associating Vendors with Payroll Items**.

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 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**.
6. If you want to print checks to these vendors, check the **To Be Printed** box.
If you have enabled the Service Printed Checks and Stubs feature and you intend the payroll service to print checks and stubs, you should 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 date range of the transactions that you want to include in this liability payment.

9. In the Through field, select an ending date for the date range of 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.

   If you checked To Be Printed, go to Transactions > Management > Print Checks and Forms > Checks to print the checks for the payments you selected to make. For more information, see the help topic Printing Checks and Other Transactions.

Performing 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**

<table>
<thead>
<tr>
<th>Task</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replenish check stock and envelope inventory.</td>
<td></td>
</tr>
<tr>
<td>Plan and coordinate benefits enrollment, if necessary.</td>
<td></td>
</tr>
</tbody>
</table>

**Employee Quarter-End**

<table>
<thead>
<tr>
<th>Task</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review the data on audit reports.</td>
<td></td>
</tr>
<tr>
<td>Verify that employees are set up for the correct state and locality.</td>
<td></td>
</tr>
<tr>
<td>Review employees who moved from one state to another during the tax year. Verify that the appropriate wages are set up for each state.</td>
<td></td>
</tr>
<tr>
<td>Review tax-exempt employees. Update their information, if necessary.</td>
<td></td>
</tr>
<tr>
<td>Review scheduled or repeating earnings and deductions.</td>
<td></td>
</tr>
</tbody>
</table>
Performing Quarterly or Yearly Payroll Tasks

Payroll Guide

86

Payroll Year-End Checklists

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

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

## Company Year-End

<table>
<thead>
<tr>
<th>Task</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update company-level deduction amounts and limits for the upcoming year.</td>
<td></td>
</tr>
<tr>
<td>Use your audit reports to do the following:</td>
<td></td>
</tr>
<tr>
<td>- Verify that your company's legal name and address are correct on year-end forms.</td>
<td></td>
</tr>
<tr>
<td>- Verify your Federal Employer Identification Number (FEIN).</td>
<td></td>
</tr>
<tr>
<td>- Verify that earning and deduction codes print in the correct boxes.</td>
<td></td>
</tr>
<tr>
<td>- Verify that earnings are mapped to box 7 of Form 1099-MISC, and the correct IRS codes are printed.</td>
<td></td>
</tr>
<tr>
<td>- Verify that all of your employees and contractors appear on Form W-2 and 1099-MISC Audit Information.</td>
<td></td>
</tr>
<tr>
<td>- Review any letters in the Error column and review the Error Legend to understand the errors.</td>
<td></td>
</tr>
<tr>
<td>Notify NetSuite 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 NetSuite Customer Support can avoid processing issues.</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Update your state tax payment frequencies as necessary. You are responsible for ensuring that tax payment frequencies are correct in the system, to ensure 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 the system. 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 <a href="#">Setting Preferences for Jurisdictions</a>.</td>
<td></td>
</tr>
</tbody>
</table>

## Employee Year-End

<table>
<thead>
<tr>
<th>Task</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>If you use the Social Security Administration's service to verify that employee names and social security numbers match, begin the verification process as soon as possible.</td>
<td></td>
</tr>
<tr>
<td>Update employee-level deduction amounts and limits.</td>
<td></td>
</tr>
<tr>
<td>Correct excess employee contributions to 401(k), 403(b), and SIMPLE plans.</td>
<td></td>
</tr>
</tbody>
</table>
Performing Quarterly or Yearly Payroll Tasks

<table>
<thead>
<tr>
<th>Task</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct excess employee contributions to health care and dependent care spending accounts.</td>
<td></td>
</tr>
<tr>
<td>Notify employees to update their W-4 (Employee's Withholding Allowance Certificate) information, if applicable.</td>
<td></td>
</tr>
<tr>
<td>Notify employees to update their W-5 (Earned Income Credit Advance Payment Certificate) information, if applicable.</td>
<td></td>
</tr>
</tbody>
</table>

**Forms W-2 and 1099-MISC Year-End**

<table>
<thead>
<tr>
<th>Task</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select a group of employees (totaling 5-6 individuals) to verify that items accurately print on the appropriate year-end form.</td>
<td></td>
</tr>
</tbody>
</table>

**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 completed, 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, NetSuite calculates a percentage based on the total amount of time an employee enters for a project over the total 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 and does not select a payroll item for that project, that time is still 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 have entered time worked for the pay period and selected a project that is 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 at the top of the page, enter the date that you want to use for the paycheck allocation journal entries.
3. For each paycheck amount that you want to allocate to a project, check the Select box, or, 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.
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 details, see Customizing Payroll Reports to Include Batch Information.

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.

If you need to include an employee's address on a report, it is recommended that you customize the report and add Home Address fields from the employee record. This ensures that the report includes only one address for an employee. To see all employee addresses on a report, you can add Address fields from the Address Book to the report. However, if you use Address fields and an employee has more than one address, the employee's data is duplicated on the report.

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.
Employee Payroll Item History Report

- **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 dropdown 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.

You can use the payroll check register to verify the accuracy of a pay run before printing the 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.
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.

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.

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.
**Payroll Summary by Employee 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 the paychecks written 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, 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 company- and employee-level information, you can ensure that accurate Forms W-2 and 1099-MISC are filed with tax agencies and provided to your employees.
Information on this report appears on each employee’s Form W-2 or 1099-MISC.

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.

**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 give you the flexibility to 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 dropdown 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 and 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**

After you include employees in payroll and update payroll information, 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.

Workbook Configuration

<table>
<thead>
<tr>
<th>Root Record</th>
<th>Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joined Records</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Custom Formula Fields</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Data Grid</td>
<td>The following record fields are included in the workbook source data:</td>
</tr>
<tr>
<td>■ Entity ID (Full Name)</td>
<td></td>
</tr>
<tr>
<td>■ First Name</td>
<td></td>
</tr>
<tr>
<td>■ Last Name</td>
<td></td>
</tr>
<tr>
<td>■ Workplace</td>
<td></td>
</tr>
<tr>
<td>■ Tax Jurisdictions:Federal (Federal)</td>
<td></td>
</tr>
<tr>
<td>■ Tax Jurisdiction:State (State)</td>
<td></td>
</tr>
<tr>
<td>■ Tax Jurisdiction:County (County)</td>
<td></td>
</tr>
<tr>
<td>■ Tax Jurisdiction:Local (Local)</td>
<td></td>
</tr>
<tr>
<td>■ Tax Jurisdiction:School District (School District)</td>
<td></td>
</tr>
<tr>
<td>Criteria Filters</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Pivot Tables and Charts</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

For more information about SuiteAnalytics workbooks, see the help topic SuiteAnalytics Workbook.

Workplace Tax Jurisdictions Workbook

After you create workplace records and update payroll information, you can use the Workplace Tax Jurisdictions workbook to identify and verify the tax jurisdictions for each workplace. For more information, see Entering Workplace Records for Payroll and Updating Payroll Information.

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.

Workbook Configuration

<table>
<thead>
<tr>
<th>Root Record</th>
<th>Workplace</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Joined Records</strong></td>
<td>Not applicable</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------</td>
</tr>
<tr>
<td><strong>Custom Formula Fields</strong></td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>Data Grid</strong></td>
<td>The following record fields are included in the workbook source data:</td>
</tr>
<tr>
<td></td>
<td>■ Name</td>
</tr>
<tr>
<td></td>
<td>■ Address (Main Address)</td>
</tr>
<tr>
<td></td>
<td>■ Tax Jurisdictions:Federal (Federal)</td>
</tr>
<tr>
<td></td>
<td>■ Tax Jurisdiction:State (State)</td>
</tr>
<tr>
<td></td>
<td>■ Tax Jurisdiction:County (County)</td>
</tr>
<tr>
<td></td>
<td>■ Tax Jurisdiction:Local (Local)</td>
</tr>
<tr>
<td></td>
<td>■ Tax Jurisdiction:School District (School District)</td>
</tr>
<tr>
<td></td>
<td>■ Subsidiary</td>
</tr>
<tr>
<td><strong>Criteria Filters</strong></td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>Pivot Tables and Charts</strong></td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

For more information about SuiteAnalytics workbooks, see the help topic [SuiteAnalytics Workbook](#).
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.
Using the 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. See SOAP Web Services and Paycheck Journal Transactions.
- Customize payroll forms and fields. See Custom Payroll Forms and Fields.

After partners have created payroll scripts, custom forms, and custom fields, they can use SuiteBundler to package these custom objects into SuiteApps that can be installed in NetSuite customer accounts. 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

To enable the Paycheck Journal feature, go to Setup > Company > Enable Features. Check the Paycheck Journal box. This feature is available in NetSuite accounts that have the Accounting feature enabled.

After this feature is enabled, the paycheck journal transaction and payroll item records become available to users with the 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 accounting impact. The purpose of this transaction
is to serve as a payroll interface for SOAP web services integrations with external payroll systems and for payroll SuiteApps built with SuiteScript.

When the Paycheck Journal feature is enabled, the paycheck journal form is available at Transactions > Employees > Paycheck Journal to users with the Paycheck Journal permission, a Transactions type permission.

The following form shows the fields supported by the paycheck journal transaction. (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.)

Paycheck journal body fields store basic values used by the transaction. Note the following:

- Subsidiary is available only in OneWorld accounts.
- Department, Class, and Location are available in only those accounts that use these classifications.
- Currency is available in only those 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.
Getting Started with Payroll Solutions

Payroll Feature

- NetSuite provides predefined payroll items for deduction, earning, and employer contribution types.
- You can create additional payroll items of these types.

Paycheck Journal Feature

- No predefined payroll items.
- You must create all deduction, earning, and employer contribution type payroll items.

- NetSuite completely manages tax line items for payroll transactions.
- You cannot create payroll items for taxes.

- 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 Payroll Item page is available at Lists > Accounting > Items to users with the Payroll Items permission, a Lists type permission. This page is shown to illustrate the fields supported by the payroll item record.

Note the following:

- Subsidiary is available only in OneWorld accounts.
- Item Type: Tax is available only for non-U.S. subsidiaries.
- Employee Paid field is available only when Item Type is set to Tax. When Employee Paid is set to False, item type is Company Tax. When Employee Paid is set to True, item type is Employee tax.
- Account fields vary according to item type, as shown in the following table:

<table>
<thead>
<tr>
<th>Item Type</th>
<th>Account Fields for Payroll Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deduction</td>
<td>Liability Account, Vendor (Agency)</td>
</tr>
<tr>
<td>Earning</td>
<td>Expense Account</td>
</tr>
</tbody>
</table>

Payroll Guide
## Item Type | Account Fields for Payroll Items
--- | ---
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. See [Creating Customized Paycheck Journal Forms](#).

Custom forms and fields can be bundled in international payroll SuiteApps along with SuiteScripts. 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:

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:

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.

Notes about Including Custom Fields on a Customized Paycheck Journal Form

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 of your form, 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 on your form, 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.
TribeHR Payroll Integration

The TribeHR Payroll Integration SuiteApp enables automatic synching of time-off transactions from TribeHR to SuitePeople U.S. Payroll. If you use TribeHR to manage time off and the Payroll feature to manage your payroll, this SuiteApp eliminates the need to track leave transactions separately and enter them manually in Payroll. This SuiteApp:

- Synchronizes TribeHR leave types with payroll items in NetSuite
- Synchronizes company non-working days and employee locations
- Synchronizes future approved leave requests
- Automates receipt of approved leave requests from TribeHR via Webhooks
- Converts approved leave requests into time entries in NetSuite
- Adjusts time entries if previously approved leave requests are modified (until a pay run)
- Tracks actual leave usage and transactions
- Optionally, notifies the payroll administrator when changes are made to a TribeHR employee record

Note: If leave requests are added, changed, or deleted from TribeHR after a pay run has been done, the leave information in NetSuite must be manually edited to reflect the changes.

If you cannot see this integration from the Search & Install Bundles page, contact your NetSuite account manager.

Prerequisites for TribeHR Payroll Integration

Before installing the TribeHR Payroll Integration SuiteApp, make sure that the following features are enabled in your NetSuite account (if you do not see all of these features on the Enable Features page, contact your NetSuite account manager):

- SuitePeople U.S. Payroll (Setup > Company Setup > Company > Enable Features > Employees > Payroll > Payroll)
- Custom Records (Setup > Company > Enable Features > SuiteCloud > SuiteBuilder > Custom Records)
- SuiteScript (Setup > Company > Enable Features > SuiteCloud > SuiteScript > Server SuiteScript and Client SuiteScript)
- Time Tracking (Setup > Company > Enable Features > Employees > Time Tracking). Note: If you require approval of time entries, then make sure that approval is enabled (Setup > Accounting Preferences > Time Tracking > Require Approval on Time Records)

Also, in TribeHR, make sure that you have integrated TribeHR with NetSuite using the NetSuite Integration Wizard (Admin > Integrations > Launch NetSuite Integration Wizard).

Installing the TribeHR Payroll Integration

Install the TribeHR Payroll Integration SuiteApp:

- Bundle Name: TribeHR Payroll Integration
- Bundle ID: 70261
This is a managed bundle and is automatically updated whenever there are updates. These issue fixes and enhancements are available after the SuiteApp is updated in your account.

For more information about installing SuiteApps, see the help topic Installing a Bundle.

Roles and Permissions

To install and set up the TribeHR Payroll Integration, you must be logged in as a NetSuite administrator. To map TribeHR leave types to payroll items in NetSuite and view TribeHR Payroll Integration reports, you can be logged in as an Administrator, Chief People Officer (CPO), Human Resources Generalist, Payroll Manager, or Payroll Setup role.

Configuring the TribeHR Payroll Integration

TribeHR Payroll Integration has six setup steps:

1. Generate an API Key in TribeHR
2. Enter API Key in NetSuite
3. Set Up Webhooks in TribeHR
4. Set Up Mapping of Payroll Items to TribeHR Leave Types
5. Assign Payroll Items to Employees
6. Run Scheduled Scripts

**Note:** Always log into NetSuite as an administrator.

1. Generate an API Key in TribeHR

To generate an API key:

1. Log in to TribeHR using the NetSuite email address assigned to your company's TribeHR administrator.
2. Click My Profile.
3. Click Edit Profile.
4. Under Add-Ons and Services, click Regenerate API Key.
5. Select the alphanumeric string that appears and copy it.

2. Enter API Key in NetSuite

To enter the API key in NetSuite:

1. Go to Setup > TribeHR > Preferences.
2. On the API Configuration tab, click Edit.
3. In the Domain field, enter the URL used to access TribeHR.
4. In the Email field, enter the NetSuite email address of the administrator.
5. Click in the API Key field and paste the API Key into the field.
6. To notify a payroll administrator when an employee record changes due to a synch with TribeHR, click the Payroll Admin tab, click Edit, and enter their email address.
7. Click Save.

3. Set Up Webhooks in TribeHR

Webhooks are real-time requests sent by TribeHR to NetSuite when events occur in TribeHR. These webhooks must be set up:
- Leave Request
- Employee
- Event

For more information, see http://developers.tribehr.com/Webhooks%20Archive.zip

**To set up the leave request webhooks:**
1. Go to Customization > Scripting > Script Deployments.
2. Open the THR Synch Leave Requests Su script deployment.
3. Copy the value of the EXTERNAL URL.
4. Log in to TribeHR as an administrator.
5. Click the Admin button and select Advanced. Click the Webhooks tab.
6. Click New WebHook.
7. Enter Approve Leave Request for the Name.
8. Enter LeaveRequest.Approve for the Event.
9. Enter the value copied from the EXTERNAL URL for the Url.
10. Click Save Webhook.
11. Repeat steps 7 to 11 with the following values:
    a. Name: Edit Leave Request, Event: LeaveRequest.Edit
    b. Name: Delete Leave Request, Event: LeaveRequest.Delete

**To set up the employee webhooks:**
1. Go to Customization > Scripting > Script Deployments.
2. Open the THR Synchronize Employee Listener Su script deployment.
3. Copy the value of the EXTERNAL URL.
4. Log in to TribeHR as an administrator.
5. Click the Admin button and select Advanced. Click the Webhooks tab.
6. Click New WebHook.
7. Enter Add Employee for the Name.
9. Enter the value copied from the EXTERNAL URL for the Url.
10. Click Save Webhook.
11. Repeat steps 7 to 11 with the following values:
    b. Name: Delete Employee, Event: User.Delete
To set up the event webhooks:

1. Go to Customization > Scripting > Script Deployments.
2. Open the THR Synchronize Event Listener Su script deployment.
3. Copy the value of the EXTERNAL URL.
4. Log in to TribeHR as an administrator.
5. Click the Admin button and select Advanced. Click the Webhooks tab.
6. Click New WebHook.
7. Enter Add Event for the Name.
9. Enter the value copied from the EXTERNAL URL for the URL.
10. Click Save Webhook.
11. Repeat steps 7 to 11 with the following values:
   b. Name: Delete Event, Event: Event.Delete

When the webhooks are configured, the webhooks page should look like this:

4. Set Up Mapping of Payroll Items to TribeHR Leave Types

To synch TribeHR leave requests to SuitePeople U.S. Payroll, this SuiteApp must have a mapping of which leave types correspond to which payroll items.

To set up mapping of payroll items to leave types:

1. Go to Setup > TribeHR > Setup Leave Types.
2. For each leave type, click New TribeHR Leave Type.
3. Enter the Name of the leave type as it appears in TribeHR.
4. Enter the TribeHR Leave Type ID of the leave type in TribeHR. Log in to TribeHR as an administrator and go to Admin > Company > Employees > Types of Time Off. The number is at the end of the URL shown on a time off type.
5. Enter the Payroll Item as it appears in NetSuite.
6. Click Save.

5. Assign Payroll Items to Employees

After you map TribeHR leave types to their corresponding payroll items in NetSuite, ensure the leave-related payroll items are enabled for the employees to be synched.
To assign payroll items to employees:

1. Go to Lists > Employees > Payroll Items.
2. For each leave-related payroll item, click Edit.
3. Check the box for each employee to be synched. Click Mark All to select all employees.
4. Click Save.

6. Run Scheduled Scripts

When the TribeHR Payroll Integration is configured, deploy the scheduled scripts to ensure that all locations, holidays, and approved future-dated TribeHR leave requests are synched with NetSuite.

To run the scheduled scripts:

1. Go to Customization > Scripting > Script Deployments. For each script, click Edit, check the Deployed box, and click Save and Execute:
   - THR Synch Locations SS – Synchronizes all the locations defined in the TribeHR account
   - THR Synch Holidays SS – Synchronizes all the holidays defined in the TribeHR account
   - THR Synch Leave Requests SS – Synchronizes all approved future-dated TribeHR leave requests

Viewing Reports

The SuiteApp provides two reports for payroll administrators:

- A Leave Usage Summary that shows an overall list of leave usage for your company (Reports > TribeHR > Leave Usage Summary)
- A Leave Transaction List that shows individual leave requests for one or more employees (Reports > TribeHR > Leave Transaction List)

Using the TribeHR Integration SuiteApp

After this SuiteApp has been installed and configured, and after the synchronization scripts have been deployed, TribeHR leave requests are automatically synched to NetSuite's time tracking features. To view an employee's leave requests in NetSuite, go to Transactions > Employees > Weekly Time Sheet, and click the Time Details tab.