

Pay Payroll Taxes and Benefit Liabilities

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The Payroll Liabilities account tracks taxes and benefits that are deducted from employees' paychecks and held temporarily until they are paid to the government or a designated bank. Taxes include federal and state income withholding taxes, local taxes, the employee-paid and employer-paid portion of taxes such as social security and Medicare. Benefits may include medical, dental, vision, cancer insurance, or retirement.

Important Issues:

- ✓ Payroll Items must be updated or completed before paychecks are created. (see "[Employer Payroll Items](#)")
- ✓ All employee deductions and employer contributions must be entered in the employee data file and the employee paycheck screen. (See "[Setting Up Employees](#)")
- ✓ Employee Paychecks must be created before Payroll Liabilities checks can be created. (See "[Preparing and Printing Employee Paychecks](#)")

There are several opportunities to make mistakes in the liabilities process, and mistakes are frequently difficult to correct. Please note the following instructions.

Selecting Payroll Liabilities Ready for Payment

The following procedure is the best approach to selecting the payroll liabilities for payment (**Create Custom Liability Payments**). The alternate method of paying payroll liabilities is the **Scheduled Payroll Liability** section under the **Payroll Center**.

- From the **Employees Menu**, select **Payroll Taxes and Liabilities**
- Select **Create Custom Liability Payments**.

- Select the date range for the liabilities you are preparing to pay, click **OK**, and the following screen will appear. **(It is recommended that the beginning date be 01/01/current year)**

Payroll Item	Payable To	Balance	Amt. To Pay
✓ Federal Withholding	Bank of Trump Towers	307.00	0.00
Medicare - Employer	Bank of Trump Towers	83.47	0.00
Medicare Withholding - Emplo...	Bank of Trump Towers	83.47	0.00
Soc. Sec. - Employer	Bank of Trump Towers	356.93	0.00
Soc. Sec. Withholding - Emplo...	Bank of Trump Towers	356.93	0.00
Delta Dental High (employee)	Delta Dental High Ex-Council	10.40	0.00
Retirement-Employer (Jones)	Forest T. Jones	120.00	0.00
MO - Unemployment Company	Mo Dept of Revenue	245.41	0.00
MO - Withholding	Mo Dept of Revenue	182.00	0.00
Retirement-PEBSCO - Employer	University of Missouri	115.81	0.00
MCHCP Medical Withholding	University of Missouri Benefits	274.30	0.00
Retirement-PEBSCO Withhol...	University of Missouri Benefits	131.60	0.00
		2,267.32	0.00

- **To be printed** box should be checked.
- Make sure the proper bank account is identified.
- “Review liability check to enter expenses/penalty” circle is checked.
- Ensure that the pay period dates entered in the **Payment Date**, and **Show liabilities from** and **through** fields are correct.

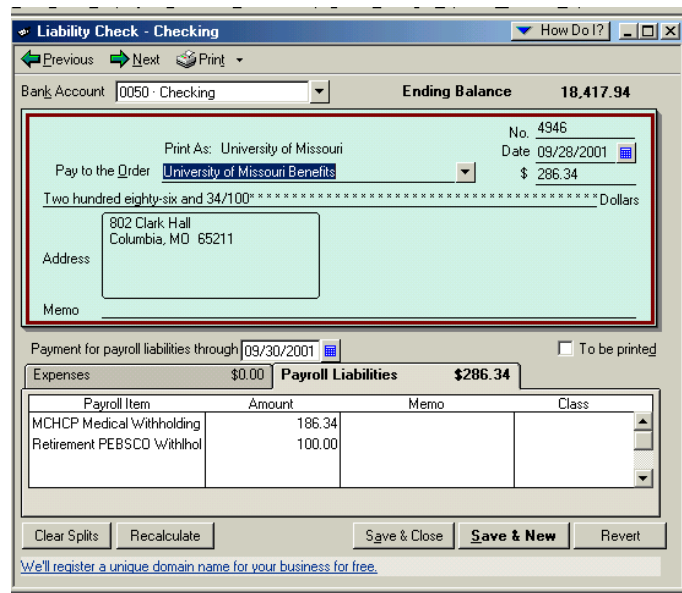
It’s important that the **Show liabilities from** and **through** fields are correct. If these are not correct, the correct liability amounts will not display. If you change the dates in those fields, press **Tab** key (or click once anywhere in lower half of screen) after the new dates are entered, and the liability numbers will refresh.

- Place a **checkmark** next to the liabilities you are paying at this time.

Some liabilities checks may require employee withholding & employer expenses included in the check. (For example, checks to University of Missouri Benefits will frequently need to include both the liabilities withheld from the employee's paychecks AND the expenses paid by the council in the form of health insurance premiums.)

Note: **Quarterly Tax or Benefits Liabilities** will reflect the cumulated amount due. The Pay period dates for **Show Liabilities from and through** fields must include all three months for the Quarter.

- Click **Create**. A sample check is displayed →
- Review the check before printing to determine accuracy.
- Click **Save & Close**, or **Save & New**, whichever is appropriate. Quick Books will generate a single check for all liabilities and/or expenses to the same vendor.



Print Payroll Liability Check

- Under **File**, Select **Print Forms**, then select **Print Checks**.

Note: The Payroll liability checks will be added to the list of “regular” checks waiting to be paid.

Add the Annual Interest Assessment Charge to State Unemployment Tax

The annual Interest Assessment Charge may be added to the State Unemployment Tax liability check as follows. With this procedure, only **one check is written** to the Mo. Dept of Revenue.

- Click the **Expenses Tab** in the Missouri Dept of Revenue liability transaction.
- Select **2870-Unemployment Compensation** account
- Enter the Interest Assessment Charge in Amount field
- Complete the Memo field
- Select appropriate **class code**.

This is an employer expense. Expense must have a class code. Liability tax amount is not assigned a class code.

