



Deduction Code Setup Request Form

Please Email Completed form to: support@payrolldynamics.com

The configuration of deduction codes has a significant impact on tax calculations and reporting for both your employees and your organization. Please allow at least 2 business days to set up a new code to ensure all configurations are applied appropriately.

| | Company Code & Company Name | Contact Name | For use on check date | |
|--------|---|--|--|---|
| | | | | |
| | Deduction Code (6-character code abbreviation) | Description/Display Name (15 characters) | Type (view drop down) | |
| | | | See page 2 for deduction type taxability and definitions | |
| Code 1 | | | | |
| Code 2 | | | | |
| | Settings and configuration | | Code 1 | Code 2 |
| | Create GL Account? | Answer "Yes" if PDI generates a custom general ledger report for your company and provide GL account mapping information in the notes section. If you dont use the GL module within FUSION, please select "N" | Y <input type="checkbox"/> N <input type="checkbox"/> | Y <input type="checkbox"/> N <input type="checkbox"/> |
| | Include in special Calculations? | If you have custom calcs that will be affected by the addition of this code (shift differential, fringe benefits, union, etc.) please describe in notes section below. | Y <input type="checkbox"/> N <input type="checkbox"/> | Y <input type="checkbox"/> N <input type="checkbox"/> |
| | Include in Agency /Vendor remittance? | "Agency/Vemdor payments" are payments made to a third party on behalf of an entire company, a group of company employees, or individual employees of the company. Agency payments can be made via paper check or ACH (direct deposit). Include third party payment information in notes if applicable. | Y <input type="checkbox"/> N <input type="checkbox"/> | Y <input type="checkbox"/> N <input type="checkbox"/> |

Notes:

- Please verify calculations and taxability are set up as desired on the first payroll where new codes are used.
- Employers are responsible for ensuring the correct tax treatment for its specific circumstances as Payroll Dynamics, Inc. does not provide legal or tax advice. Client will be responsible for the full cost of amendments and adjustments if Payroll Dynamics is not notified within 5 business days of first use that a code was set up contrary to desired settings.

Signature:

Date:

See page 2 for the deduction type & taxability key which defines W-2 reporting and taxability for each deduction type. If your deduction will require a custom tax setup, please provide details above in the notes section.

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Deduction type & taxability key

| Type | Taxability | W2 Box |
|---|---|-------------|
| Add – Reimbursement | After-tax basis reimbursement added to the net of the check | None |
| Regular Deduction | After-tax deduction with no special considerations | None |
| 125 – Cafeteria Plan | Pre-Tax (Exempt from all Federal, NY taxes) *subject to State and taxes in some states. | 14 |
| 125 Dep- Dependent care benefits | Pre-Tax (Exempt from all Federal, NY taxes) *subject to State and Local level taxes in some states. | 10 |
| 125 HSA - Health savings account | Pre-Tax (Exempt from all Federal, NY taxes) *subject to State and Local level taxes in some states. | 12W |
| 401kLoan | After-tax deduction with no special considerations | None |
| 401k – ER sponsored deferred comp plan | Exempt from Federal and State and Local Income taxes only | 12D |
| 403b - ER sponsored deferred compensation plan | EEExempt from Federal and State and Local Income taxes only | 12E |
| 457b - ER sponsored deferred compensation plan | Exempt from Federal and State and Local Income taxes only | 12G |
| FSA – Flexible Spending Account | Pre-Tax (Exempt from all Federal, NY taxes) *subject to State and Local level taxes in some states | 14 |
| Roth 401k | After-tax basis | 12AA |
| Roth 403b | After-tax basis | 12BB |
| Roth 457b | After-tax basis | 12EE |
| Roth IRA | After-tax basis | |
| Simple IRA – ER Sponsored deferred compensation plan | Exempt from Federal and State and Local Income taxes only | 12S |