

Payroll Year-End and New Year Processing

To get ready for payroll processing for a new year there are several steps that must be performed:

1. Set up the pay periods for the new year, and
2. Rebuild the year-to-date file.
3. Correct the TD1 amounts in the employee masters.

Pay Period Set Up

This is the menu from which all payroll master file maintenance is started. In order to start a new year in the payroll, new pay periods must be started.

```
PRMAINTMNU          Payroll File Maintenance Menu          System:  S103BC00
Select one of the following:

Work With Employee Tables
  1. Employees
  2. Employee Earning/Deductions
  3. Employee Groups

Work With System Tables
  10. Payroll Configuration
  11. Pay Periods
  12. Calculation Codes
  13. Company Earning/Deduction Codes
  14. Payroll Departments
  15. Province Codes
  16. Payroll WCB Information
  17. Craft Codes

Selection or command
====>

F3=Exit  F4=Prompt  F9=Retrieve  F12=Cancel
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More...
```

Select option 11 from the menu and completing the company number/password panel you will be presented with the Work With Pay Periods panel.

```

                                Work With Pay Periods                                P2006B
100 CMT TEST COMPANY                                                    SCHUETTR
PAY PERIOD YEAR . . . . .                                           2003-12-23
PAY PERIOD ID . . . . .                                           12.09.00

Type options, press Enter.
 1=Work With Details   2=Change   4=Delete   5=Display
  PP   PP              PP   HR
Opt YEAR ID PP DESCRIPTION      PP/YR TYPE /PP
 2003  1 WEEKLY 2003             52   WK   40

                                                    Bottom

F3=Exit  F4=Prompt  F5=Refresh  F6=Create

```

To add a new pay period (in this case a 2004 pay period) press F6.

```

ADD                                Work With Pay Periods                                P2006B
100 CMT TEST COMPANY                                                    SCHUETTR
                                                    2003-12-23
                                                    12.09.00

PAY PERIOD YEAR . . . . .
PAY PERIOD ID . . . . .
PAY PERIOD DESC . . . . .
NO PP/YR . . . . . (52, 53, 26, 27, 12, 13, 24)
PP TYPE . . . . . (WK, BW, MO, SM)
NORMAL WORK HOURS PER PP . . . . . (Enter 40 for 40 hrs per pay)

F3=Exit  F4=Prompt  F5=Refresh                                F12=Cancel

```

Enter 2004 for the PAY PERIOD YEAR and the appropriate PAY PERIOD ID. Note that this ID is arbitrary and, generally, users assign 01 for their most commonly used pay period type. The description should be in the form “2004 – WEEKLY” since this description prints on some forms and it is important to make it meaningful.

The NO PP/YR defines how many pay periods you expect to have that year. Note that if you are starting the pay periods in December of 2003 and the year will end in mid-

December 2004, you should probably set up 53 pay periods for your 2004 payroll. This is the way that the payroll manager can control the starting and ending of the payroll year. Note that the year of PAYMENT governs the taxation of the pay so the paydates must be adusted to the appropriate point to make sure the payments are issued in the desired year.

The PP TYPE refers to whether the payroll is a weekly (WK), biweekly(BW), semimonthly (SM), or monthly (MO) payroll. Enter the hours worked per week where indicated. You should now end up with a panel that looks like this.

```
ADD                               Work With Pay Periods                               P2006B
100 CMT TEST COMPANY                                                     SCHUETTR
                                                                           2003-12-23
                                                                           12.09.00

PAY PERIOD YEAR . . . . . 2004
PAY PERIOD ID . . . . . 01
PAY PERIOD DESC . . . . . 2004 - WEEKLY
NO PP/YR . . . . . 52 (52, 53, 26, 27, 12, 13, 24)
PP TYPE . . . . . WK (WK, BW, MO, SM)
NORMAL WORK HOURS PER PP . . . . . 40 (Enter 40 for 40 hrs per pay)

F3=Exit      F4=Prompt      F5=Refresh      F12=Cancel
```

Press <Enter> and you have set up the PAY PERIOD TYPE 01 for 2004. Actually, you will have to press <Enter> twice since the system validates your input after the first <Enter>. You will then return to the WORK WITH PAY PERIODS PANEL.

The next step is to set up the individual pay periods for the year. Enter option 1 beside the new pay period that you have set up. You will then be presented with a panel WORK WITH PAY PERIOD DETAIL as shown below.

```

ADD                               Work With Pay Period Detail           P2006C
100 CMT TEST COMPANY
Pay Period Year: 2004
      Type: 1
      Number . . . . .:

Type options, Press enter.
  2=Change    4=Delete    5=Display

Opt PP      Start Date          End Date          Pay Date

F3=Exit      F5=Refresh      F6=Add Mode      F9=Autosetup

```

No pay periods are shown on this panel – you have not set any up yet. You can enter each pay period individually, but the Autosetup option makes it much easier. Press <F9> and you will see the following panel.

```

PRPPB1                               Autogenerate Pay Periods
Company:                               100
Pay Period Type: 01 2004 - WEEKLY
      Year: 2004

Pay Period Start Date. . . . .
Offset to Pay Date . . . . .      00

```

Enter the start date of the new payroll year in the form YYYYMMDD. NOTE that it is extremely important that this date is the day immediately after the last date in the last pay period of your previous payroll year. For the purposes of this example, we will assume that the last date of work for the previous year was Saturday, December 27, 2003. Thus, the

first date of the new payroll year is Sunday, December 28, 2004. Generally, in the payroll system we have adopted the convention that Sunday is the first day of the week.

The Offset To Pay Date is the number of days that the system adds to the last day of the pay period to calculate the date that the cheques will be dated. So, if you want the pay period to be from Sunday through Saturday, and the cheques to be dated the following Friday, you should enter 06 here. (Sunday, Monday, Tuesday, Wednesday, Thursday, Friday = 6 days).

Press enter and you will be returned to the Work With Pay Period Detail panel and you will see the pay periods you have set up. Scroll up and down to review the dates. You can alter any of the pay dates if they happen to fall on a holiday by typing over the pay date in question and pressing <Enter>.

You can enter as many pay periods as you want at this time – for example you may wish to run both weekly and biweekly payrolls.

Press <F3> to exit to the Work With Pay Periods panel and press <F3> again to exit to the Payroll File Maintenance Menu.

Rebuild Year To Date File (PREEDY)

The system keeps track of all the detail entered and calculated in two different places. The individual calculations by each EDC Code are kept in a file called PREEDH (think of it as being called **P**ay**R**oll **E**mployee **E**arning and **D**eduction **H**istory – which is exactly how it was named) while summary level information is kept in a file called PREEDY(**P**ay**R**oll **E**mployee **E**arning and **D**eduction **Y**ear-to-date). PREEDY is used in many reports in the system and only contains the current year payroll information. Thus, we have to clear out the prior year data before we start running payrolls.

On the Payroll File Maintenance Menu, option 18 provides a way to clear out and rebuild PREEDY. This is the only time that this option is used unless you are specifically directed to use it by support personnel. Select option 18 and you will be asked to enter the Payroll Year. You must enter the year of the data that you want PREEDY to contain. In this example, since we are building a 2004 payroll, enter 2004 and press <Enter>.

You have now rebuilt PREEDY

Correct TD1 Amounts

Each employee should complete a TD1 form to determine the proper tax credits for both Federal and Provincial Tax calculations. If no TD1 is received, you should leave the appropriate fields on the employee master update blank and the system will fill in the default values for the province of residence. Note that the system will not calculate the proper tax values if the TD1 amounts have not been corrected.