

## Tips Setups

Modified on: Wed, 22 Dec, 2021 at 9:30 AM

### **Synopsis:**

This manual walks you through the process of setting up tips earnings

Step 1.)

Create a New Payroll Code for Tips

- Full Payroll Menu > Payroll Codes > New

### Full Payroll Menu

| Payroll Processing         | Reports                     | History                | Periodic Activities               | Setup                      | Setup Groups                 | Posting Setup             |
|----------------------------|-----------------------------|------------------------|-----------------------------------|----------------------------|------------------------------|---------------------------|
| Payroll Employees          | Payroll Report              | Posted Payroll         | Periodic Processing..             | Payroll Setup              | Additional Setups..          | Employee Posting Groups   |
| Payroll Processing         | US Tax Reports..            | Payroll Ledger Entries | Financial Periodic Activities..   | Payroll Codes              | HR Setup..                   | Earnings                  |
| Batch Payroll Processing   | Payroll Financial Reports.. | Payroll Statistics     | ACA Compliance..                  | Pay Cycles..               | Report Setup..               | Withholdings / Deductions |
| Payroll Applicants         | Payroll Employee Info.      | Posted Batch List      | Web Portal Documents..            | Payroll Calc. Formulas     | Process Procedures..         | Employer Taxes            |
| Payroll Journal            | HR Reports..                | PTO Ledger Entries     | Create Emp. Info. from Template.. | Earnings Rates             | Payroll Division Templates.. | Employer Contributions    |
| PTO Management..           | Field Select. Reports..     | Hours Detail Entries   | Time Transfer Reports..           | Payroll Tax Setup          | Applicant Setup..            | Reimbursements            |
| Enter Hours / Quantity..   | Time / PTO Reports..        | Approved PTO Hours     | Labor Cost Updates..              | Customer Payroll Tax Setup | Position and Union Setup..   | Payment Advances          |
| Emp. Change Req./Approve.. | Labor Costing Information.. | Other Ledgers..        | Automatic Data Migration..        | State Tax IDs              | Labor Cost Setups..          | Payments                  |

Step 2.)

Setup the Tips Payroll Code

- Type: Earnings
- Earnings Subtype: Additional Rate
- Tip Earnings: Set to True

# Earnings · TIPS

Remove Uneditable Lookup Codes

## Payroll Code

Show less

|                         |                          |   |                         |                          |   |     |
|-------------------------|--------------------------|---|-------------------------|--------------------------|---|-----|
| Type .....              | Earnings                 | ▼ | Process Procedure C...  |                          | ▼ | ... |
| Code .....              | TIPS                     |   | W2 Classification ..... |                          | ▼ |     |
| Description .....       | Tip Earnings             |   | Sorting No. ....        |                          |   | 100 |
| Manual Input Allowed .. | <input type="checkbox"/> |   | Blocked .....           | <input type="checkbox"/> |   |     |
| Reverse Sign Allowed .. | <input type="checkbox"/> |   |                         |                          |   |     |

## Earnings Setup

Show less

|                         |                          |   |                          |                                     |
|-------------------------|--------------------------|---|--------------------------|-------------------------------------|
| Earnings SubType .....  | Additional Rate          | ▼ | Allow Negative Hours ..  | <input type="checkbox"/>            |
| Use Earnings Rate Ta... | <input type="checkbox"/> |   | Work Type Code .....     |                                     |
| Pay Matrix Code .....   |                          | ▼ | Exclude from Exp. All... | <input type="checkbox"/>            |
| Copy Job Dimensions ..  | <input type="checkbox"/> |   | Exclude From Insurab...  | <input type="checkbox"/>            |
| Auto-Deduct Code ....   |                          | ▼ | Exclude From Auto-S...   | <input type="checkbox"/>            |
| Auto-Approve Earnin...  | <input type="checkbox"/> |   | Tip Earnings .....       | <input checked="" type="checkbox"/> |
| Use in Blended OT/D...  | <input type="checkbox"/> |   | Tips Direct to Employ... | <input type="checkbox"/>            |

*NOTE: Tip Earnings is the critical check box to compute tips properly. 'Tips Direct to Employee' is mainly informational and will allow employers to track that the tips were not paid through the company but given directly to the employee*

Step 3.)

Set up Tips Earnings Code with a Posting Group

- Open 'Earnings' Posting Groups

| Full Payroll Menu           |                              |                        |                                    |                            |                               |                           |
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- Add 'Tips' Earnings Code Posting Group

← PAYROLL EARNINGS POSTING SETUP ✓ SAVED

Search + New Edit List Delete Copy... Page More options

| Payroll Code ↑ | Employee Posting Group ↑ | Account Type | Account No. |
|----------------|--------------------------|--------------|-------------|
| BONUS          | ALL                      | G/L Account  | 10100       |
| HOLIDAY        | ALL                      | G/L Account  | 10100       |
| OTHER          | ALL                      | G/L Account  | 10100       |
| OVERTIME       | ALL                      | G/L Account  | 10100       |
| PERSONAL DAY   | ALL                      | G/L Account  | 10100       |
| REGULAR        | ALL                      | G/L Account  | 10100       |
| SICK PAY       | ALL                      | G/L Account  | 10100       |
| VACATION PAY   | ALL                      | G/L Account  | 10100       |
| → TIPS         | ALL                      | G/L Account  | 10100       |
|                |                          |              |             |

Step 4.)

Set up Employee Earnings Amounts

- Use Search function to select 'Employee Earnings Amounts'

TELL ME WHAT YOU WANT TO DO

employee earnings amounts

Go to Pages and Tasks

> Employee Earnings Amounts Tasks

- When you open the Employee Earnings Amounts table;
- Select an employee
- Select a date that is within the pay cycle that they are being paid their tips
- Select 'Earnings' Payroll type
- Select your Tips payroll code
- Add any details you wish to add to the tips earnings ie, project codes, department codes, job codes etc.

← EMPLOYEE EARNINGS AMOUNTS NOT SAVED

Search + New Edit List Delete Page

| Payroll Employee No. | Date      | Payr... Rea... Code | Amount | First Name | Last Name  | Payroll Type | Payroll Code | Department Code | Pr |
|----------------------|-----------|---------------------|--------|------------|------------|--------------|--------------|-----------------|----|
| → EMP20196           | 6/22/2020 |                     | 150.00 | John...    | Saperst... | Earnings     |              |                 |    |

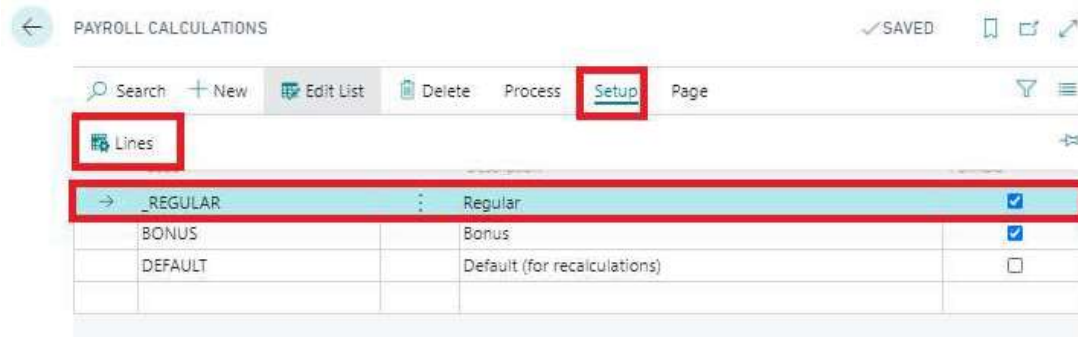
Step 5.)

Set up Payroll Calculation Formula

Once you have the tips payroll code and the Employee Earnings Amounts set up, the system needs to know to include the Tips Code in the employee payroll document.

- Open Payroll Calculation Formula List

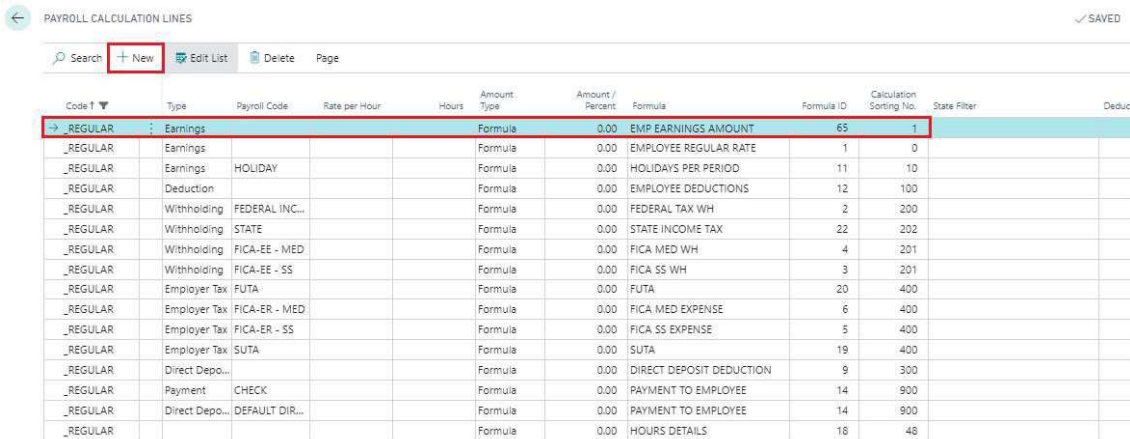
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- Select the 'Regular' Payroll Calculation Formula
- Click Setup > Lines
- 

Once you have access to the Payroll Formula Calculation Lines:

- Click 'New'
- Type 'Earnings'
- Leave Payroll Code blank
- Amount Type 'Formula'
- Formula 'EMP EARNINGS AMOUNT'
- Formula ID '65'
- Calculation Sorting No. '1'
- 



Now that you have setup the tips, when you run payroll documents with tips, you should see tips inserted into the payroll document:

PRP10048

Suggest Lines Print Check... Print Check Stub... Email Check Stub Post... Post and Print... Register... Card Actions Navigate Fewer options

First Name ..... John-Ralphie Direct Deposit Employee ..... ☐

Last Name ..... Saperstein Vacation .....

Pay Cycle Period ..... June 2nd Period 2020 Sick Leave .....

Payment Date ..... 6/30/2020 Holiday .....

Posting Date ..... 6/30/2020 Personal Day Hours .....

Status ..... Open Check Export Status .....

Check Printed ..... ☐

Lines Manage Line Fewer options

| Payroll Type T | Code               | Description            | Hours | Quantity | Rate per Hour | Total Amount | Base Taxable Amount | Job No. | Job Task No. |
|----------------|--------------------|------------------------|-------|----------|---------------|--------------|---------------------|---------|--------------|
| → Earnings     | REGULAR            | Regular                | 20.00 |          | 7.21154       | 144.24       | 0.00                |         |              |
| Earnings       | TIPS               | Tip Earnings           |       |          |               | 150.00       | 0.00                |         |              |
| Deduction      | GARNISHMENT        | Garnishment            |       |          |               | -5.09        | 0.00                |         |              |
| Withholding    | FEDERAL INCOME TAX | Federal W/H            |       |          |               | 0.00         | 294.24              |         |              |
| Withholding    | FICA-EE - MED      | FICA - Medicare        |       |          |               | -4.27        | 294.24              |         |              |
| Withholding    | STATE              | State Income Tax W/H   |       |          |               | -9.50        | 294.24              |         |              |
| Withholding    | FICA-EE - SS       | FICA - Social Security |       |          |               | -18.24       | 294.24              |         |              |