

Retirement

100% Employer Provided

If the employer provides 100% of the retirement benefit, follow the current steps:

1. Click the "Payroll" tab, click the "Setup" button, and click the "Deduction/Benefit List" link.

The screenshot displays the ConnectNow Accounting software interface. At the top left is the ConnectNow logo, and to its right is the word "Accounting". In the top right corner, there are links for "HOME" and "LOGOUT", and a user profile for "Leven Zuelke" with the text "Diocese of Bismarck, June 2013 [Sample 19 (0)]". Below the header is a navigation bar with four tabs: "Church Manager", "Ledger and Payables", "Payroll", and "Consolidation Manager". The "Payroll" tab is selected. Underneath the navigation bar, there are two main sections: "Entry Screens" and "List Screens". The "List Screens" section contains three icons: "Setup", "Forms", and "Reports". The "Setup" icon is highlighted. Below the "List Screens" section is a "Basic Setup" area with a list of links, each preceded by a pencil icon: "Employer Info", "Pay Group", "Pay Item", "Deduction/Benefit List", "Account Distributions", and "Payroll Check Layout". A black arrow points from the "Payroll" tab to the "Setup" icon, and another black arrow points from the "Setup" icon to the "Deduction/Benefit List" link. A third black arrow points from the "Deduction/Benefit List" link to the right side of the screen.

2. Click on the “Add a New Deduction/Benefit From Template” link.

ConnectNow Accounting

HOME LOGOUT

Leven Zuelke Diocese of Bismarck, June 2013 [Sample 19 (0)]

Church Manager Ledger and Payables Payroll Consolidation Manager

Payroll Process Employees Setup Forms Reports

Entry Screens List Screens

[Add a New Deduction/Benefit From Template](#)

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	Code	Type	Description	Category	Effect on Taxes and Wages
Edit	1	Benefit	Social Security Employer	System	
Edit	1	Deduction	Social Security Withheld	System	
Edit	2	Benefit	Medicare Employer	System	
Edit	2	Deduction	Medicare Withheld	System	
Edit	3	Deduction	Federal	System	
Edit	4	Deduction	State	System	
Edit	6	Deduction	Local	System	

3. Select the “403(b) Employer Benefit” from the list.

Deduction/Benefit Templates

Type	Description	Extended Information
<input type="button" value="Select"/>	Benefit 403(b) Employer Benefit	Percentage of gross pay to be paid by employer on behalf of the employee. Amount is accumulated in an expense account and a liability account for payment.
<input type="button" value="Select"/>	Benefit Health Care Benefit	Health care cost provided to employees by the employer as a benefit. Including integrated dental or vision plans.
<input type="button" value="Select"/>	Benefit Taxable Group Term Life Ins.	Used to record and report on W-2 the cost of group term life insurance provided to the employee as a benefit. Increases taxable wages.
<input type="button" value="Select"/>	Deduction 403(b) Employee Deduction	Withhold a percent of gross pay from employee. Taken before Federal and State taxes but not Social Security and Medicare.
<input type="button" value="Select"/>	Deduction Advance	The church has given a payment to an employee in advancement of their payroll payment. This deduction will withhold that amount from a paycheck. Set to zero on employee screen after close of payroll.
<input type="button" value="Select"/>	Deduction After-tax IRA	IRA deduction withheld. Taxes are calculated on full amount of gross pay.
<input type="button" value="Select"/>	Deduction Before tax IRA.	Deduction is taken before federal tax is calculated but before Social Security and Medicare taxes are calculated.
<input type="button" value="Select"/>	Deduction Cafeteria/Flex Plan Deduction	Withhold a tax-free amount from employee’s pay for a Cafeteria/Flex Plan. Amount is taken before all taxes are calculated.
<input type="button" value="Select"/>	Deduction Disability Insurance Deduction	The employee pays a percentage of gross pay for long or short term disability insurance. This template inserts an after-tax deduction. Please revise the percent for your needs. Some group plans are before tax deductions. Please contact the plan administrator if you are not sure.
<input type="button" value="Select"/>	Deduction Garnishment	A deduction from an employee’s pay after taxes are calculated. Amount is to be paid from a liability account.
<input type="button" value="Select"/>	Deduction Loan Repayment	The church has loaned an employee some money. This deduction will withhold an amount for repayment of the loan.
<input type="button" value="Select"/>	Deduction Tax Shelter Annuity Deduction	Withhold a Federal and State tax-deferred deduction for a typical TSA plan.
<input type="button" value="Select"/>	Deduction Tax-Free Health Insurance Deduction	A health or dental insurance plan that is deducted from an employee before all taxes are calculated.
<input type="button" value="Select"/>	Deduction Taxable Health Insurance Deduction	After-tax deduction from employee for a health or dental insurance plan.
<input type="button" value="Select"/>	Deduction Tuition	Withhold school tuition from employee. Accumulates in a liability account.

4. Click "Edit" for the newly selected "403(b) Employer Benefit."

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HOME LOGOUT
Leven Zuelke Diocese of Bismarck, June 2013 [Sample 19 (0)]

Church Manager Ledger and Payables Payroll Consolidation Manager

Payroll Process Employees Setup Forms Reports
Entry Screens List Screens


Add a New Deduction/Benefit From Template

Watch Help Video!


Deductions/Benefits

	Code	Type	Description	Category	Effect on Taxes and Wages
Edit	1	Benefit	Social Security Employer	System	
Edit	1	Deduction	Social Security Withheld	System	
Edit	2	Benefit	Medicare Employer	System	
Edit	2	Deduction	Medicare Withheld	System	
Edit	3	Deduction	Federal	System	
Edit	4	Deduction	State	System	
Edit	6	Deduction	Local	System	
Edit	14	Benefit	403(b) Employer Benefit	Retire and Tax Def	No Effect

- 5. Change the current description of “403(b) Employer Benefit” to “401(k) Employer Benefit.”

Description of Deduction / Benefit	
Description:	403(b) Employer Benefit
Watch Help Video! 	

TO

Description of Deduction / Benefit	
Description:	401(k) Employer Benefit
Watch Help Video! 	

6. Double check to make sure that the type is “Benefit,” the category is “Retire & Tax Def,” and that **NONE** of the boxes are checked. Click “Submit” when finished.

Deduction or Benefit

Deductions are withheld from employee's check and accumulated in a liability account for payment. Benefits are calculated amounts the employer pays on behalf of the employee. Benefit amounts are accumulated in a liability for payment and are automatically expensed.

Type:

Code Number

Use a code number 11 or higher.

Code Number:

W2 Category

Used for checking applicable boxes for Form W-2 printing.

Category:

Subject to Tax

The amount of this benefit will be added to taxable wage amounts when calculating the checked taxes below, thereby increasing the amount of tax.

Social Security
 Medicare
 Federal
 State
 Local

Type should be “Benefit.”

Category should be “Retire and Tax Def.”

None of the boxes should be checked.

Click when done.

7. After these items are setup, you must select these options for each employee. Click on the “Payroll” tab and click the “Employees” button. Select the employee you wish to add these Benefits/Deductions to by clicking “Go” next to their name.

ConnectNow Accounting

HOME LOGOUT
Leven Zuelke Diocese of Bismarck, June 2013 [Sample 19 (0)]

Church Manager Ledger and Payables Payroll Consolidation Manager

Payroll Process Employees Setup Forms Reports

Entry Screens List Screens

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, ALL

Employee List Add a New Employee

LastName	FirstName
System	Test


A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, ALL

8. On the employee information ribbon, click the “Ded/Ben” link. On the resulting list screen, using the drop down menu, select the deduction/benefits that fit this employee.

Employee Information
Test System

↓

General Emp/Cust Tax Data Pay Data **Ded/Ben** Accums Personal Direct Deposit Paychecks

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	#	Deduction/Benefit Description	Amount	Percent	Limit	2013	2012
✘	1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		
✘	2	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		
✘	3	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		
Total:			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>		

[More Lines](#)

The following example is if the employer provides 100% of the Retirement Benefit.

	#	Deduction/Benefit Description	Amount	Percent	Limit	2013	2012
✘	1	14 Benefit: 401(k) Employer Benefit <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		
✘	2	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		
✘	3	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		
Total:			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>		

Part Employer Provided, Part Employee Contribution

1. Perform steps 1-4 for “100% Employer Provided.” (Provided on pages 1-6)
2. Click on the “Add a New Deduction/Benefit From Template” link.

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HOME LOGOUT
Leven Zuelke Diocese of Bismarck, June 2013 [Sample 19 (0)]

Church Manager Ledger and Payables Payroll Consolidation Manager

Payroll Process Employees Setup Forms Reports

Entry Screens List Screens

[Add a New Deduction/Benefit From Template](#)

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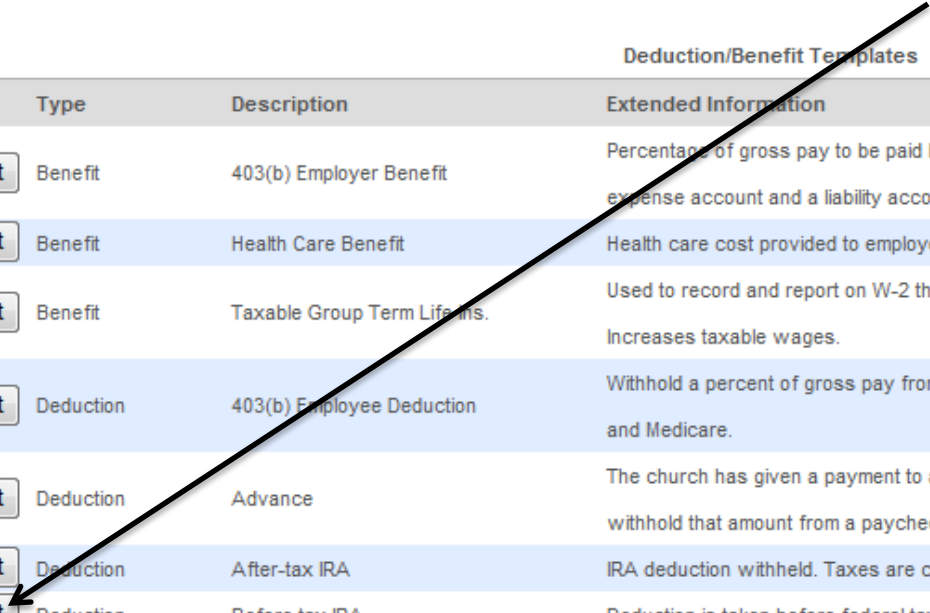
	Code	Type	Description	Category	Effect on Taxes and Wages
Edit	1	Benefit	Social Security Employer	System	
Edit	1	Deduction	Social Security Withheld	System	
Edit	2	Benefit	Medicare Employer	System	
Edit	2	Deduction	Medicare Withheld	System	
Edit	3	Deduction	Federal	System	
Edit	4	Deduction	State	System	
Edit	6	Deduction	Local	System	

IF YOU DO NOT HAVE EMPLOYEES WHO CHOSE A TRADITIONAL IRA, SKIP STEPS 3-6 AND PERFORM STEPS 7-10. IF YOU DO NOT HAVE EMPLOYEES THAT CHOSE A ROTH IRA, SKIP STEPS 7-10 AND PERFORM STEPS 3-6.

3. If the employee chooses to pay into a traditional IRA, select “Before Tax IRA” from the list.

Deduction/Benefit Templates

Type	Description	Extended Information	
<input type="button" value="Select"/>	Benefit	403(b) Employer Benefit	Percentage of gross pay to be paid by employer on behalf of the employee. Amount is accumulated in an expense account and a liability account for payment.
<input type="button" value="Select"/>	Benefit	Health Care Benefit	Health care cost provided to employees by the employer as a benefit. Including integrated dental or vision plans.
<input type="button" value="Select"/>	Benefit	Taxable Group Term Life Ins.	Used to record and report on W-2 the cost of group term life insurance provided to the employee as a benefit. Increases taxable wages.
<input type="button" value="Select"/>	Deduction	403(b) Employee Deduction	Withhold a percent of gross pay from employee. Taken before Federal and State taxes but not Social Security and Medicare.
<input type="button" value="Select"/>	Deduction	Advance	The church has given a payment to an employee in advancement of their payroll payment. This deduction will withhold that amount from a paycheck. Set to zero on employee screen after close of payroll.
<input type="button" value="Select"/>	Deduction	After-tax IRA	IRA deduction withheld. Taxes are calculated on full amount of gross pay.
<input type="button" value="Select"/>	Deduction	Before tax IRA.	Deduction is taken before federal tax is calculated but before Social Security and Medicare taxes are calculated.
<input type="button" value="Select"/>	Deduction	Cafeteria/Flex Plan Deduction	Withhold a tax-free amount from employee's pay for a Cafeteria/Flex Plan. Amount is taken before all taxes are calculated.
<input type="button" value="Select"/>	Deduction	Disability Insurance Deduction	The employee pays a percentage of gross pay for long or short term disability insurance. This template inserts an after-tax deduction. Please revise the percent for your needs. Some group plans are before tax deductions. Please contact the plan administrator if you are not sure.
<input type="button" value="Select"/>	Deduction	Garnishment	A deduction from an employee's pay after taxes are calculated. Amount is to be paid from a liability account.
<input type="button" value="Select"/>	Deduction	Loan Repayment	The church has loaned an employee some money. This deduction will withhold an amount for repayment of the loan.
<input type="button" value="Select"/>	Deduction	Tax Shelter Annuity Deduction	Withhold a Federal and State tax-deferred deduction for a typical TSA plan.
<input type="button" value="Select"/>	Deduction	Tax-Free Health Insurance Deduction	A health or dental insurance plan that is deducted from an employee before all taxes are calculated.
<input type="button" value="Select"/>	Deduction	Taxable Health Insurance Deduction	After-tax deduction from employee for a health or dental insurance plan.
<input type="button" value="Select"/>	Deduction	Tuition	Withhold school tuition from employee. Accumulates in a liability account.



4. Click "Edit" for the newly selected "Before Tax IRA."

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HOME LOGOUT

Leven Zuelke Diocese of Bismarck, June 2013 [Sample 19 (0)]

Church Manager Ledger and Payables Payroll Consolidation Manager

Payroll Process Employees Setup Forms Reports

Entry Screens List Screens


Add a New Deduction/Benefit From Template

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Deductions/Benefits

	Code	Type	Description	Category	Effect on Taxes and Wages
Edit	1	Benefit	Social Security Employer	System	
Edit	1	Deduction	Social Security Withheld	System	
Edit	2	Benefit	Medicare Employer	System	
Edit	2	Deduction	Medicare Withheld	System	
Edit	3	Deduction	Federal	System	
Edit	4	Deduction	State	System	
Edit	6	Deduction	Local	System	
Edit	14	Benefit	401(k) Employer Benefit	Retire and Tax Def	No Effect
Edit	15	Deduction	Before tax IRA.	Retire and Tax Def	Reduces calculated Federal, State, Local

5. Change the description from “Before Tax IRA” to “401(k) Employee Deduction.”

Description of Deduction / Benefit	
Description:	<input type="text" value="Before tax IRA."/>
Watch Help Video! 	

TO

Description of Deduction / Benefit	
Description:	<input type="text" value="401(k) Employee Deduction"/>
Watch Help Video! 	

6. Double check to make sure that the type is “Deduction,” the category is “Retire and Tax Def,” and that the boxes for Federal, State and Local are checked and the boxes for Social Security and Medicare are unchecked.

Deduction or Benefit

Deductions are withheld from employee's check and accumulated in a liability account for payment. Benefits are calculated amounts the employer pays on behalf of the employee. Benefit amounts are accumulated in a liability for payment and are automatically expensed.

Type:

Code Number

Use a code number 11 or higher.

Code Number:

W2 Category

Used for checking applicable boxes for Form W-2 printing.

Category:

Subject to Tax

This deduction will reduce the following checked taxes. When the checked taxes are calculated, the taxable wage amount used will be reduced by the amount of the deduction.

<input type="checkbox"/>	Social Security
<input type="checkbox"/>	Medicare
<input checked="" type="checkbox"/>	Federal
<input checked="" type="checkbox"/>	State
<input checked="" type="checkbox"/>	Local

Submit Cancel Delete

Type should be “Deduction.”

Category should be “Retire and Tax Def.”

Social Security and Medicare should be unchecked.

Federal, State, and Local should be checked.

Click when done.

7. If the employee chooses to pay into a Roth IRA, select the “After-Tax IRA” from the list.

Deduction/Benefit Templates

Type	Description	Extended Information	
<input type="button" value="Select"/>	Benefit	403(b) Employer Benefit	Percentage of gross pay to be paid by employer on behalf of the employee. Amount is accumulated in an expense account and a liability account for payment.
<input type="button" value="Select"/>	Benefit	Health Care Benefit	Health care cost provided to employees by the employer as a benefit. Including integrated dental or vision plans.
<input type="button" value="Select"/>	Benefit	Taxable Group Term Life Ins.	Used to record and report on W-2 the cost of group term life insurance provided to the employee as a benefit. Increases taxable wages.
<input type="button" value="Select"/>	Deduction	403(b) Employee Deduction	Withhold a percent of gross pay from employee. Taken before Federal and State taxes but not Social Security and Medicare.
<input type="button" value="Select"/>	Deduction	Advance	The church has given a payment to an employee in advancement of their payroll payment. This deduction will withhold that amount from a paycheck. Set to zero on employee screen after close of payroll.
<input type="button" value="Select"/>	Deduction	After-tax IRA	IRA deduction withheld. Taxes are calculated on full amount of gross pay.
<input type="button" value="Select"/>	Deduction	Before tax IRA.	Deduction is taken before federal tax is calculated but before Social Security and Medicare taxes are calculated.
<input type="button" value="Select"/>	Deduction	Cafeteria/Flex Plan Deduction	Withhold a tax-free amount from employee’s pay for a Cafeteria/Flex Plan. Amount is taken before all taxes are calculated.
<input type="button" value="Select"/>	Deduction	Disability Insurance Deduction	The employee pays a percentage of gross pay for long or short term disability insurance. This template inserts an after-tax deduction. Please revise the percent for your needs. Some group plans are before tax deductions. Please contact the plan administrator if you are not sure.
<input type="button" value="Select"/>	Deduction	Garnishment	A deduction from an employee’s pay after taxes are calculated. Amount is to be paid from a liability account.
<input type="button" value="Select"/>	Deduction	Loan Repayment	The church has loaned an employee some money. This deduction will withhold an amount for repayment of the loan.
<input type="button" value="Select"/>	Deduction	Tax Shelter Annuity Deduction	Withhold a Federal and State tax-deferred deduction for a typical TSA plan.
<input type="button" value="Select"/>	Deduction	Tax-Free Health Insurance Deduction	A health or dental insurance plan that is deducted from an employee before all taxes are calculated.
<input type="button" value="Select"/>	Deduction	Taxable Health Insurance Deduction	After-tax deduction from employee for a health or dental insurance plan.
<input type="button" value="Select"/>	Deduction	Tuition	Withhold school tuition from employee. Accumulates in a liability account.

8. Click "Edit" for the newly selected "After-Tax IRA."

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HOME LOGOUT
Leven Zuelke Diocese of Bismarck, June 2013 [Sample 19 (0)]

Church Manager Ledger and Payables Payroll Consolidation Manager

Payroll Process Employees Setup Forms Reports
Entry Screens List Screens


Add a New Deduction/Benefit From Template

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Deductions/Benefits

	Code	Type	Description	Category	Effect on Taxes and Wages
Edit	1	Benefit	Social Security Employer	System	
Edit	1	Deduction	Social Security Withheld	System	
Edit	2	Benefit	Medicare Employer	System	
Edit	2	Deduction	Medicare Withheld	System	
Edit	3	Deduction	Federal	System	
Edit	4	Deduction	State	System	
Edit	6	Deduction	Local	System	
Edit	14	Benefit	401(k) Employer Benefit	Retire and Tax Def	No Effect
Edit	15	Deduction	401(k) Employee Deduction	Retire and Tax Def	Reduces calculated Federal, State, Local
Edit	16	Deduction	After-tax IRA	Retirement Plan	No Effect

9. Change the description from “After-Tax IRA” to “Roth 401(k) Employee Deduction.”

Description of Deduction / Benefit	
Description:	<input type="text" value="After-tax IRA"/>
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TO

Description of Deduction / Benefit	
Description:	<input type="text" value="Roth 401(k) Employee Deductio"/>
Watch Help Video! 	

10. Double check to make sure that the type is "Deduction," the category is "Retirement Plan," and that **NONE** of the boxes are checked.

Deduction or Benefit

Deductions are withheld from employee's check and accumulated in a liability account for payment. Benefits are calculated amounts the employer pays on behalf of the employee. Benefit amounts are accumulated in a liability for payment and are automatically expensed.

Type:

Code Number

Use a code number 11 or higher.

Code Number:

W2 Category

Used for checking applicable boxes for Form W-2 printing.

Category:

Subject to Tax

This deduction will reduce the following checked taxes. When the checked taxes are calculated, the taxable wage amount used will be reduced by the amount of the deduction.

- Social Security
- Medicare
- Federal
- State
- Local

Type should be "Deduction."

Category should be "Retirement Plan."

None of the boxes should be checked.

Click when done.

11. After these items are setup, you must select these options for each employee. Click on the "Payroll" tab and click the "Employees" button. Select the employee you wish to add these Benefits/Deductions to by clicking "Go" next to their name.

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HOME LOGOUT
Leven Zuelke Diocese of Bismarck, June 2013 [Sample 19 (0)]

Church Manager Ledger and Payables Payroll Consolidation Manager

Payroll Process Employees Setup Forms Reports

Entry Screens List Screens

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, ALL

Employee List Add a New Employee

LastName	FirstName
System	Test

A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, ALL

12. On the employee information ribbon, click the “Ded/Ben” link. On the resulting list screen, using the drop down menu, select the deduction/benefits that fit this employee.

Employee Information
Test System

General Emp/Cust Tax Data Pay Data **Ded/Ben** Accums Personal Direct Deposit Paychecks

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	#	Deduction/Benefit Description	Amount	Percent	Limit	2013	2012
✘	1						
✘	2						
✘	3						
Total:			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>		

[More Lines](#)

Submit Delete

The following example is if an employee chooses a traditional IRA.

	#	Deduction/Benefit Description	Amount	Percent	Limit	2013	2012
✘	1	14 Benefit: 401(k) Employer Benefit ▼					
✘	2	15 Deduction: 401(k) Employee Dedu ▼					
✘	3	▼					
Total:			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>		

The following example is if an employee chooses a Roth IRA.

	#	Deduction/Benefit Description	Amount	Percent	Limit	2013	2012
✘	1	14 Benefit: 401(k) Employer Benefit ▼					
✘	2	16 Deduction: Roth 401(k) Employee ▼					
✘	3	▼					
Total:			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>		

Repeat steps 11 and 12 for each employee.