Child Care Contribution Setup in NEMRC Payroll

Step 1: General Ledger Accounts: You will need a liability account (we recommend using the already established State Withholding Liability Account, this contribution will be paid at the same time the other State Payroll Withholdings are paid) and at least one expense account set up in the general ledger to track the Child Care Contribution.

The accounts can be set up in the General Ledger, Main Menu, Option 2: Account Maintenance



What exactly is the Child Care Contribution?

The State of Vermont has required an Employer Tax Expense for the Child Care Contribution to be submitted with the state tax withholding as required by your site. This presently is 0.44% of the State Wages as calculated for the State Taxes paid after June 30, 2024. The Employer may require some or all employees to contribute up to 25% (0.11%) of the contribution through a taxable deduction to appear in Box 14 of their W-2. The instructions will include how to establish this deduction if your site has made the determination they will exercise that option.

Step 2: Tax File Maintenance

The following change has been made to the Tax File Maintenance main menu item: Option 9: We added a tab called CCC. The default liability account and vendor will be copied from the State tab, but you can override them if you're using a different vendor or liability account. The rate is stored and updated via NEMRC just like the other tax tables.

			1 -	-		1						1000
-ederal	FICA	MEDI	State	Fed Ur	remploymnt	State	e Unemploymr	t ER FICA	ER MEDI	Local	SDI	LLL
					Child	Care (Contributio	n				
	Th	is tax	setup is n	naintain	ed by NEM	RC and	is set for tax	year 2024.				
Liabilit	y Accour	nt ×	101-1142	-00.00		**	Find					
AP Ven	dor		VT.DEPT		Find							
	inere is	10 00	any en	pioyee	contribu	uona	please che	ch mstanat	on option	5 10 30	in up	
			Qtr 1	_	Qtr 2	_	Qtr 3	Qtr 4	-			
Withhe	ld		Qtr 1 0.01	0	Qtr 2 0.00		Qtr 3	Qtr 4	0			
Withhe Deposi	eld ted		Qtr 1 0.01 0.01	0	Qtr 2 0.00 0.00		Qtr 3 0.00 0.00	Qtr 4 0.0 0.0	0			
Withhe Deposi	eld ted		Qtr 1 0.01 0.01	0	Qtr 2 0.00 0.00		Qtr 3 0.00 0.00	Qtr 4 0.0 0.0	0			
Withhe Deposi	eld ted		Qtr 1 0.01 0.01	0	Qtr 2 0.00 0.00		Qtr 3 0.00 0.00	Qtr 4 0.0 0.0	0			
Withhe Deposi	eld ted		Qtr 1 0.01 0.01	0	Qtr 2 0.00 0.00		Qtr 3 0.00 0.00	Qtr 4 0.0 0.0	0			
Withhe Deposi	ted		Qtr 1 0.01 0.01	0	Qtr 2 0.00 0.00		Qtr 3 0.00	Qtr 4 0.0 0.0	0			
Withhe Deposi	eld ted		Qtr 1 0.01 0.01	0	Qtr 2 0.00 0.00		Otr 3 0.00 0.00	Qtr 4 0.0 0.0	0			

Step 3: Payroll Module Installation Options (Default Expense Account)

A new field was added on the accounts tab for this contribution expense. This default Child Care Contribution expense account will be assigned to all employees at the start. You will have the ability to change it at the employee level if you are using more than one account. If you have more than one expense account, choose the account that represents the greatest number of employees to reduce the manual process of updating.

General	F-Keys/Misc	Accounts	Bank	Departments	Fringe F	rorate	Direct Depo	sit Leave/Accrua	I Import
Automa Are you Are you Warn w	atically disencum u using one encur u using one accou when using an exp	ber payroll nbrance ad int for each pense acco	count withhol ount with	lding no budget.			 ○ Yes ○ Yes ○ Yes ○ Yes ○ Yes 	No No No No	1 2
Default	Net (Checking)	x 1	101-0002-	02.01	«	Find	GF Masc	oma Checking	
Tax Exp	ense Account	x 1	101-3000-	15.01	×	Find	Social Se	curity	
Employ	er Fica	ж 1	01-3000-	15.01	*	Find	Social Se	curity	
Employ	er Medi	x 1	01-3000-	15.01	*	Find	Social Se	curity	
Due to a	other Funds	N 1	101-0250-	00.00	*	Find	Due From	/Due To Funds	
Due from	m other Funds	x 1	01-0250-	00.00	«	Find	Due From	/Due To Funds	
Disencu	imbrance Accoun	t × 1	01-1920-	00.00	*	Find	Encumbra	nce Account	
Childca	re Contribution A	cct »	01-3000-	15.05	ĸ	Find	VT Child	Care Contributio	
			ok.				de de la		

When you have completed and click OK the following prompt will appear:



It would be best to answer **YES** so that all employees start with a valid account.

Step 4: If using more than one expense account, update the expense account in employee maintenance, account tab.

The default account set up in Step 3 will be showing in the Childcare Contribution Acct field, overwrite it with the appropriate expense account for the employee.

Personal	W4 W2 Taxes	Paytypes	Deductions	Accounts	Histo	ory Lea	we Notes & Misc	TimeCard	ACA
Net (Che	cking) Account	» 10	1-0002-02.01		«	Find	GF Mascoma Che	cking	
Tax Expe	ense Account	» 10	1-3000-15.01		«	Find	Social Security		
Childcar	e Contribution Ac	ct » 10	1-3000-15.05		«	Find	VT Child Care Cor	tributio	

Step 5:

- If the employer is paying all the contributions, stop here you are ready to process your first payroll in July.
- If the employee will be paying some of the contribution, continue to Step 6.

Step 6: Alerting program that your employees will be paying a portion of the contribution.

Installation Maintenance, Main Menu, Option I. If the Employer has determined some or all employees shall contribute to the Child Care Contribution to reduce the Employer expense, then the following actions in NEMRC Payroll need to be taken:

Payroll Installation Options							
General F-Keys/Misc Ad	ccounts Bank	Departments	Fringe Pr	orate	Direct Deposit	Leave/Accrual	Import
Check Form Link to General Ledger	62 • Yes O No	Entity 01	~	[During calculatio	n, automatically cha MEDI accounts to m	ange nimic 🗌
Link to Accounts Payable	⊖ Yes O No			i	Mimic up to pos	sition # (0=all)	
Track labor costing? Federal tax ID:	○ Yes ○ No 03-6000384	F	ederal PIN	#:			
State tax ID:	430036000384	1F01	TState Acc	at # 10	074407	VTState Deposit Frequency (S,M,C	(<u>د</u>
Check voiding date: Pre-numbered checks?		0	Actual Yes O	∑oided <u>N</u> o	Next warra	ant number	
Title to appear on warrant r	eport	\$	Selectboard	& Comm	issioners		
Allow editing of employee I Default posted leave time r	nistory info? ate to 0.00?	C	Yes O	No No ○	Salary Only		
Allow hours to be posted for	or G paytypes?	C	Yes o	No De	fault G paytype	hrs? <u>Y</u> es	3 <u>0 N</u> o
2024 one federal allowance for Pre-	2020 W-4s is 4,300. F	or 2020+ W-4s the	standard dedu	ction: marr	ied joint file is 12,95	50 for others is 8,650	
Include reimbursements in	net deductions?	c	Yes O	<u>N</u> o En	p Contribution	is (CCC)? O Yes	5 <u>N</u> o
Lise New Posting Screen (lanuary 2008)	costs.	Yes O	No			
Allow custom deduction ca	lculations	C		No No			
Use 2020 executive order t	o defer taxes	C	Yes O	No			
During posting warn if amo	Bi-Weekly 26	% off or hour	sis	0 Monthly	off. (Zero for no	o check)	
constants				monuny	12.0		
	<u>o</u> k			<u>C</u> a	ncel		My Help

There is a question on the Payroll Installation: General Tab, Click YES

This will make the following prompt appear: NEMRC will help you set up a standard deduction to make set up the employee deduction portion of the Child Care Contribution easier.

Click OK



This next screen will assist in setting up the Standard Deduction Code. It will be prepopulated with everything you need, make sure the liability account is correct and you may just have to change the rate, see below.

Standard Deduction Maintenance						
Standard Deduction Code	CCC*		Desc	Child	icare Contr	Plan
Subject to what Withholding? Accumulate for what Wages?	 Federal Federal 	State Fi	ICA ME		-2 Box 10 - De	W-2 Box 12 code
Deduction Type G,N,W,D or T	G G=Gross	s, N=Gross minus	Taxes,W=Gro	ss minus	s Fed and State,D=	Net,T=Gross minus Plans
Frequency (One time, Pay peri	od or <u>N</u> ever)	P Dec	duction Per	riods	12345	
Method (Rate or Flat)	Base (Pa	ay period or H	ourly)	Ρ		
Amount (for Rate:20=20%)	0.1100	Maximum	0.00	Ytd/F	td/Pay Y	
Direct Deposit? N		(0 = No Max	All Em	ployees, -1 = fo	or Employee Control)
Account to Credit » 10.2	2-20-01.02		Eind			
	Ва	ck to List of [Deductions		CTax	

NEMRC REQUIRES the Stand Deduction Code to be CCC* for the internal programming to calculate between the CCC Tax and the CCC* Employee portion. The present maximum rate the Employer is allowed to have the Employee contribute is 0.11%

Amount (for Rate:20=20%) 0.1100

Leave the rate here as 0.00 if you are having employees contribute different rates. If some are at the 0.11% and all others are contributing nothing, then you may use the 0.11% here.

Change the frequency to 'N' until you are in July Quarter 3 of Payroll and at that time the standard deduction can globally be updated to active using the Standard Deduction Table maintenance process.

Click OK to complete this screen.

Step 7: Employee Deduction Setup: Employee Maintenance, Deductions Tab.

If the Employee(s) are going to have a deduction for their contribution, then under Employee Maintenance you will need to set up each deduction for each employee. Add this to your procedure when setting up new employees in the future.



Click on ADD.

A similar screen will appear to assign a number or letter to this deduction for this employee. If you have been using uniform assignments for each deduction, then add this to your notes. It is best practice to be consistent in these assignments. **CHOOSE a deduction number or letter that has not been used yet for anyone.**

Add a Deduction						
	01		ОC	ΟN	ΟY	
	2		OD	00	ΟZ	
	3		ОE	OP		
	0 4		⊖ F	OQ		
	05		⊂G	OR		
	6		⊖н	○s		
	0 7		01			
	08		ΟJ	ΟU		
Deduction	O 9		Οĸ	$\circ v$		
	• A		ΟL	○ W		
	ОВ		ОM	○x		
		OK	Cancel	Copy setup from Emp	oloyee	

Click OK after selection.

On the following screen use the drop down to select the Standard Code CCC* as required by the system. The amount for the rate is controllable ONLY if the standard used 0.00 to start.

Employee Maintenance								
Employee # BEANJO	DHN Ein	d <u>A</u> dd L	ast Name			First Name	MI	Ext
Active Ina	ctive Termi	nated	BEAN			JOHN	E	
Personal W4 W2 Ta	xes Paytypes	5 Deductions	Accounts	History	Leave	Notes & Misc	TimeCard	ACA
Deduction Code C	Standard De	eduction Code	CCC*	✓ Des	c Childca	re Contr	Plan	
Subject to what With Accumulate for what	holding? Wages?	 Federal Federal St 	ate SFICA	MEDI	W 2 B	W-2 B	ox 12 code	
Deduction Status	0	Active O	Inactive		W-2 B	bx 10 - Depend	ent Care	U
Deduction Type G,N	W,D or T	G=Gross, N=G	Fross minus Tax	kes,W=Gross	minus Fed a	nd State,D=Net,T=	Gross minus Pl	ans
Frequency (One time	e, Pay period o	r <u>N</u> ever) P	Deduc	tion Period	ds 1234	15		
Method (Rate or Flat) R	Base (Pay pe	riod or Hou	rly) P				
Amount (for Rate:20	=20%)	0.1100 Max	imum	0.00 Y	td/Ftd/Pay	Y Keep i after n	n net et levy	
Direct Deposit? N	Employee'	s Bank Accour	it #?		Emplo	yee's Bank (A	BA) #?	
Miscellaneous Inform	mation?							
	Vendor							
Account to Credit	» 10-2-20-	01.02	«	Find	CCC Tax			
	-			MTD	QTD	YTD	FTD	LTC
				0.00	0.00	0.00	0.00	0.0
		Back to	List of Dec	luctions			Print S	reen
	Save and Clos					Delete	L au m	

Click Back to List of Deductions to continue. Be sure to SAVE on the main Employee screen. Do this for every active employee.

Step 8: You are done! Before your first payroll in July, go into the Standard Deduction Code Table and change the Frequency to P for the CCC* Standard Deduction Code. The following are examples of Edit Postings AFTER calculation where the is no Employee Deduction

	Change green values directly below in grid								
Туре	Desc (Yellow=Auto)	EarrO	ty/Hrs	Rate	Amount	Account		Description	Jot
▶ <mark>H1</mark>	TREASURE: 1.00 Hrs		1.00	1000.0000	1000.00	101-3400-10.0	Find	Salary Treasurer	
FW	Federal W/H		1000.00	0.0000	27.31	101-1140-00.0	Find	Federal Withholding	
SW	Vermont W/H		1000.00	0.0000	11.92	101-1142-00.0	Find	State Withholding	
CE	Child Care Cont		1000.00	0.4400	4.40	101-3000-15.0	Find	VT Child Care Contributio	
FI	Fica W/H	1	1000.00	0.0620	62.00	101-1141-00.0	Find	Fica Liability	
FE	Employers Fica		1000.00	0.0620	62.00	101-3000-15.0	Find	Social Security	
MI	Medicare	1	1000.00	0.0145	14.50	101-1141-00.0	Find	Fica Liability	
ME	Emplr Medicare	}	1000.00	0.0145	14.50	101-3000-15.0	Find	Social Security	
									- '
Tot	al Hours: 1.00				-	Total Withhel	d• 115	73	
Tot	al Amount: 1000 00					Not: 884 27	u. 115.	15	
101	an Amount. 1000.00					101. 004.21		Payroll Ending Date	
		la a la al-	-	Delete		N-14		07/05/2024	
	Aaa C	nange		Delete		Void		01103/2024	
	Save Cancel Open Employee in Maintenance Save and Calculate								

and with an Employee Deduction using simple math:

Change green values directly below in grid								
Туре	Desc (Yellow=Auto)	Earn	Qty/Hrs	Rate	Amount	Account		Description
▶H1	TREASURE:1.00 Hrs		1.00	1000.0000	1000.00	101-3400-10.00	Find	Salary Treasurer
DC	Child Care Con:Gross,Po		1000.00	0.1100	1.10	101-1142-00.00	Find	State Withholding
FW	Federal W/H		1000.00	0.0000	27.31	101-1140-00.00	Find	Federal Withholding
SW	Vermont W/H		1000.00	0.0000	11.92	101-1142-00.00	Find	State Withholding
CE	Child Care Cont		1000.00	0.3300	<mark>3.30</mark>	101-3000-15.05	Find	VT Child Care Contributio
FI	Fica W/H		1000.00	0.0620	62.00	101-1141-00.00	Find	Fica Liability
FE	Employers Fica		1000.00	0.0620	62.00	101-3000-15.01	Find	Social Security
MI	Medicare		1000.00	0.0145	14.50	101-1141-00.00	Find	Fica Liability
ME	Emplr Medicare		1000.00	0.0145	14.50	101-3000-15.01	Find	Social Security
-			_		-			
lota	al Hours: 1.00				1	otal Withheld: 11	6.83	
Tota	al Amount: 1000.00				N	et: 883.17		
								Payroll Ending Date
	Add Cha	ange		Delete		Void		07/05/2024
	Save Cancel Open Employee in Maintenance Save and Calculate							

The following is an example of the Detail Posting Register for each:

Description	Units		Rate	Amount	Job	Work
H1 : TREASURER	1.00	Hrs	1000.0000	1000.00		
101-3400-10.00		Salary	Treasurer			
		-				
Total hours	1.00		Gross income	1000.00		
FW:Federal W/H				27.31		
101-1140-00.00		Federa	l Withholding			
SW:Vermont W/H				11.92		
101-1142-00.00		State	Withholding			
CE:Child Care Cont				4.40		
101-3000-15.05		VT Chi	ld Care Contrib	outio		
FI:Fica W/H				62.00		
101-1141-00.00		Fica L	iability			
FE:Employers Fica				62.00		
101-3000-15.01		Social	Security			
MI:Medicare				14.50		
101-1141-00.00		Fica L	iability			
ME:Emplr Medicare				14.50		
101-3000-15.01		Social	Security			
Net income				884.27		

Description	Units		Rate	Amount	Job	Work
H1 : TREASURER	1.00	Hrs	1000.0000	1000.00		
101-3400-10.00		Sala	ry Treasurer			
Total hours	1.00		Gross income	1000.00		
DC:Child Care Cont	Gross, Pd		0.1100%	1.10		
101-1142-00.00		Stat	e Withholding			
FW:Federal W/H				27.31		
101-1140-00.00		Fede	ral Withholding			
SW:Vermont W/H				11.92		
101-1142-00.00		Stat	e Withholding			
CE:Child Care Cont				3.30		
101-3000-15.05		VT C	hild Care Contr	ibutio		
FI:Fica W/H				62.00		
101-1141-00.00		Fica	Liability			
FE:Employers Fica				62.00		
101-3000-15.01		Soci	al Security			
MI:Medicare				14.50		
101-1141-00.00		Fica	Liability			
ME:Emplr Medicare				14.50		
101-3000-15.01		Soci	al Security			
Net income				883.17		
				500.11		

Account Number	Description	Actual Debit	Amount Credit
101-0002-02.01	GF Mascoma Checking		883.17
101-1140-00.00	Federal Withholding		27.31
101-1141-00.00	Fica Liability		153.00
101-1142-00.00	State Withholding		16.32
101-3000-15.01	Social Security	76.50	
101-3000-15.05	VT Child Care Contributio	3.30	
101-3400-10.00	Salary Treasurer	1000.00	
Report Totals		1079.80	1079.80

The following is an example of the General Ledger Posting with the Employee Contribution.

The following is an example of the transfer to Account Payable when linked:

Enter Invoice Due Dates								
	Vendor		Check Date	AmountDue Date				
	▶ IRS	COMPANY 453	07/05/24	180.31 07/05/2024				
	VT.DEPT	COMPANY 66	07/05/24	16.32 07/05/24				

The following is an example of the Tax Summary Report from Payroll:

Federal deposit liability

SS Employee SS Employer	62.00 62.00
Total SS	124.00
MEDI Employee	14.50
MEDI Employer	14.50
Total Medicare	29.00
Federal tax withheld	27.31
TOTAL FEDERAL DEPOSIT	180.31

Gross (federal) taxable wages		1,000.00
State wages		1,000.00
State tax withheld		11.92
CCC Employee CCC Employer	1.10 3.30	
Child Care Contribution Total	==	4.40
TOTAL STATE DEPOSIT		16.32