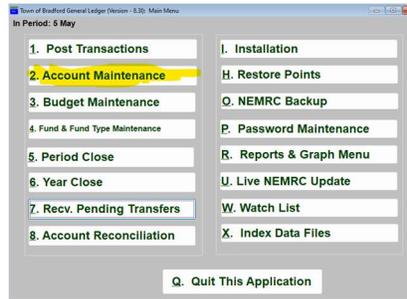


Child Care Contribution Setup in NEMRC Payroll

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.

	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Withheld	0.00	0.00	0.00	0.00
Deposited	0.00	0.00	0.00	0.00

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.

The screenshot shows the 'Payroll Installation Options' dialog box with the 'Accounts' tab selected. It contains several configuration options and a list of accounts. The 'Childcare Contribution Acct' field is highlighted with the value '101-3000-15.05'.

Field	Value	Find	Description
Default Net (Checking)	101-0002-02.01	Find	GF Mascoma Checking
Tax Expense Account	101-3000-15.01	Find	Social Security
Employer Fica	101-3000-15.01	Find	Social Security
Employer Medi	101-3000-15.01	Find	Social Security
Due to other Funds	101-0250-00.00	Find	Due From/Due To Funds
Due from other Funds	101-0250-00.00	Find	Due From/Due To Funds
Disencumbrance Account	101-1920-00.00	Find	Encumbrance Account
Childcare Contribution Acct	101-3000-15.05	Find	VT Child Care Contributio

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

The screenshot shows a dialog box titled 'NEMRC Fund Accounting' with a question mark icon. The text asks: 'Populate Employees with Childcare Contribution Account of <BLANK> to the new value?'. There are 'Yes' and 'No' buttons at the bottom.

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.

The screenshot shows the 'Accounts' tab in the employee maintenance screen. It displays the same list of accounts as in Step 3, but the 'Childcare Contribution Acct' field is now set to '101-3000-15.05'.

Field	Value	Find	Description
Net (Checking) Account	101-0002-02.01	Find	GF Mascoma Checking
Tax Expense Account	101-3000-15.01	Find	Social Security
Childcare Contribution Acct	101-3000-15.05	Find	VT Child Care Contributio

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:

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

The screenshot shows the 'Payroll Installation Options' dialog box with the 'General' tab selected. The 'Emp Contributions (CCC)?' option is highlighted in yellow and set to 'Yes'. Other options include 'Link to General Ledger' (Yes), 'Link to Accounts Payable' (No), 'Track labor costing?' (No), 'Federal tax ID: 03-6000384', 'State tax ID: 430036000384F01', 'Federal PIN #', 'VTState Acct # 10074407', 'VTState Deposit Frequency (S,M,Q) M', 'Check voiding date: Voided', 'Pre-numbered checks? Yes', 'Title to appear on warrant report: Selectboard & Commissioners', 'Allow editing of employee history info? No', 'Default posted leave time rate to 0.00?', 'Allow hours to be posted for G paytypes? No', 'Default G paytype hrs? No', 'Include reimbursements in net deductions? Yes', 'Employer pays for some part of health care costs. Yes', 'Use New Posting Screen (January 2008) No', 'Allow custom deduction calculations No', 'Use 2020 executive order to defer taxes No', 'During posting warn if amount is 0 % off or hours is 0 off. (Zero for no check)', and 'Annualizing constants: Weekly 52.0, Bi-Weekly 26.0, Semi-Monthly 24.0, Monthly 12.0, Quarterly 4.00, Annually 1.00'. Buttons for 'OK', 'Cancel', and 'My Help' are at the bottom.

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

The screenshot shows the 'NEMRC Fund Accounting' dialog box. The message reads: 'Opening Standard Deduction Screen - please ensure AP Vendor and Account to Credit are accurate.' with an 'OK' button at the bottom right.

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: Childcare Contr Plan: [Dropdown]

Subject to what Withholding? Federal State FICA MEDI
Accumulate for what Wages? Federal State FICA MEDI W-2 Box 12 code: [Dropdown]

W-2 Box 10 - Dependent Care

Deduction Type G,N,WD or T: G G=Gross, N=Gross minus Taxes, W=Gross minus Fed and State, D=Net, T=Gross minus Plans
Frequency (One time, Pay period or Never): P Deduction Periods: 12345
Method (Rate or Flat): R Base (Pay period or Hourly): P
Amount (for Rate:20=20%): 0.1100 Maximum: 0.00 Ytd/Ftd/Pay: Y
Direct Deposit?: N (0 = No Max All Employees, -1 = for Employee Control)

Account to Credit: » 10-2-20-01.02 « Find CCC Tax

Back to List of Deductions

OK Cancel

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.

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 # BEANJOHN Find Add Last Name BEAN First Name JOHN MI Ext E

Active Inactive Terminated

Personal W4 W2 Taxes Paytypes Deductions Accounts History Leave Notes & Misc TimeCard ACA

Deduction Code C Standard Deduction Code CCC* Desc Childcare Contr Plan

Subject to what Withholding? Federal State FICA MEDI
 Accumulate for what Wages? Federal State FICA MEDI W-2 Box 12 code

Deduction Status Active Inactive W-2 Box 10 - Dependent Care

Deduction Type G,N,W,D or T G G=Gross, N=Gross minus Taxes, W=Gross minus Fed and State, D=Net, T=Gross minus Plans

Frequency (One time, Pay period or Never) P Deduction Periods 12345

Method (Rate or Flat) R Base (Pay period or Hourly) P

Amount (for Rate:20=20%) 0.1100 Maximum 0.00 Ytd/Ftd/Pay Y Keep in net after net levy

Direct Deposit? N Employee's Bank Account #? Employee's Bank (ABA) #?

Miscellaneous Information?

Vendor

Account to Credit » 10-2-20-01.02 « Find CCC Tax

MTD	QTD	YTD	FTD	LTD
0.00	0.00	0.00	0.00	0.00

Back to List of Deductions Print Screen

Save and Close Employee Cancel Delete Change EE Number

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.

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		
	-----			-----		
DC:Child Care Cont	Gross, Pd		0.1100%	1.10		
101-1142-00.00			State Withholding			
FW:Federal W/H				27.31		
101-1140-00.00			Federal Withholding			
SW:Vermont W/H				11.92		
101-1142-00.00			State Withholding			
CE:Child Care Cont				3.30		
101-3000-15.05			VT Child Care Contributio			
FI:Fica W/H				62.00		
101-1141-00.00			Fica Liability			
FE:Employers Fica				62.00		
101-3000-15.01			Social Security			
MI:Medicare				14.50		
101-1141-00.00			Fica Liability			
ME:Emplr Medicare				14.50		
101-3000-15.01			Social Security			

Net income				883.17		

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

Account Number	Description	Actual Amount	
		Debit	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 transfer to Account Payable when linked:

Vendor	Check Date	Amount	Due Date
IRS	07/05/24	180.31	07/05/2024
VT.DEPT	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	62.00	
SS Employer	62.00	
Total SS		124.00

MEDI Employee	14.50	
MEDI Employer	14.50	
Total Medicare		29.00

Federal tax withheld		27.31
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TOTAL FEDERAL DEPOSIT		180.31
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Gross (federal) taxable wages		1,000.00
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State wages		1,000.00
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State tax withheld		11.92
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CCC Employee	1.10	
CCC Employer	3.30	

Child Care Contribution Total		4.40
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TOTAL STATE DEPOSIT		16.32
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