Quick Guide
Pay Liabilities

Abstract
This guide provides an overview of how to pay liabilities.

Table of Contents

Pay Liabilities

QuickBooks shows all of your payroll liabilities, and lets you choose all or just some of them to pay. It also lets you create cheques to pay the liabilities. You can also add penalties, expenses, and discounts to the cheques, if you need to.

Note: Before your payroll liabilities can be paid, you must have a payee name associated with each liability.

To pay the liabilities

1. From the **Employees** menu, select **Payroll Centre**.
2. Click the **Pay Liabilities** tab and then click the **Pay Liabilities** icon.

   The Select Date Range For Liabilities window appears.

3. Under SHOW PAYROLL LIABILITIES in the **From** and **Through** fields select the appropriate date and then click **OK**.

   Note: Ensure that you select dates that correspond to the dates of payroll payments that you created in QuickBooks.

   The Pay Liabilities window appears.
   The following table lists the fields and check boxes that you can select on the Pay Liabilities window.

Fields and Check Boxes	Description
To be printed check box	Select this check box, if you want to print the cheques. If you are writing cheques by hand, click to clear the **To be printed** check box.
Current Account field	Select the appropriate bank account that you want to use. You can also add a new bank account by clicking **New Account** in the **Current Account** drop down list.
Payment Date field	Enter the date that you want to appear on the Cheque.
Sort By field	Select the appropriate sort option to sort the list of liabilities. The available options are Payroll item, Payable to, and Balance.
Review Liability cheque to enter expense/penalties option	If you want to review the liability cheque to enter expense or penalties, select this option.
Create Liability cheque without reviewing option	If you want to create a cheque and do not want to review, then select this option.
Show Payroll Liabilities section	Select the appropriate dates in the **From** and **Through** fields to show the Payroll Liabilities in that period. Change the date range if you want to view your liabilities as of a date other than the last day of the previous month. QuickBooks uses this date range to generate the Payroll Liabilities report.
Show all liabilities check box	If you want to view all the liabilities, select this check box.

After updating the information in the above fields, the list of liabilities appears in the table.

4. Select the liabilities that you want to pay.

   If you want to pay less than the full amount, adjust the amount in the **AMT. TO PAY** column.

5. Click **Review** or **Create** depending on your selection in Review liability cheque to enter expenses/penalties or Create liability cheque without reviewing.

   If RTI is on, the EPS submission window appears. You can then review and submit the EPS.

To review and submit the EPS

1. Review the amounts.
2. If you are a limited company that has had Construction Industry Scheme (CIS) deductions made from payments received for work in the construction industry, verify the total amount of CIS deductions suffered year to date.
3. If you did not pay any employees, select the No employees were paid in the period checkbox, and enter the start and end dates of the period.

> **Note:** No payment for period filing is changed for the 2014-2015 tax year. As of April 2014, you can submit an EPS for a period of no payments for the current month and you can do so before the end of the current month. You can also submit an EPS for a period of no payments for prior months. The only restriction is that the end date of your period of no payments cannot be later than the end of the current month.

> **Caution:** If you have employees still to be paid in the current month, we recommend you wait until those payments are made before submitting the EPS. This ensures your EPS includes all of the statutory recovery up to and including this full month.

4. If you intend to claim the employment allowance, select the **Employment Allowance indicator** checkbox. This notifies HMRC that there is an application.

To adjust your NIC Employer liability

a) Go to the **Employees** menu and select Payroll Centre.
b) Click the **Pay Liabilities** tab.
c) In the **Reports** section, click **Payroll Liability Balances** and check the amount owing.
d) Still on the **Pay Liabilities** tab of the Payroll Centre, click the **Adjust Liabilities** icon.
e) Verify that the date is correct.
f) Select Company.
g) In the **Item Name** drop-down list, click **NIC Employer**.
h) In the **Amount** column, enter the NIC Employer amount that you want to reduce the liability payment by, preceded by a negative sign.
i) Add a note in the **Memo** column that the adjustment is for the Employment Allowance and click OK.

This reduces the NIC Employer amount for the period by the amount of the liability adjustment.

> **Note:** Keep the indicator selected in the future EPS submissions, unless you change your mind and do not want to claim the Employment Allowance. If you send a later EPS with the indicator cleared, that notifies HMRC that there is no application.

> You need to check each time that you pay liabilities to ensure that you have not gone over the limit.

To check your pay liabilities have not gone over limit

- Go to the **Employee Centre**, click the **Transactions** tab, and click **Liability Adjustments** to find a list of the Liability Adjustments.

5. Click **Add/Edit Account Holder's Info** to review and edit your bank account details as required, then click **Save & Close**.
6. Click **Submit**.
7. Enter your HMRC credentials and click **Submit**.
8. If you chose the review option, review your liability cheque, and then click **Save & Close**.