



Quick Guide

Setting up Payroll

Abstract

This guide provides an overview of how to set up Payroll in QuickBooks.



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Setting up Payroll

Before you start working with Payroll, you need to configure the Payroll settings.

To set up payroll for the first time, you must:

- Set up your company's PAYE information
- Set up payroll preferences
- Set up payroll items
- Set up employees and year-to-date amounts
- (Optional) Set up payroll schedules and assign employees to payroll schedules
- (Optional) Get ready for RTI

Payroll setup checklist

The following table lists the information that you need to gather before you can set up QuickBooks Payroll.

Item	Description	Examples
Company Setup	Enter the details of your company such as Payroll with holdings, Reference numbers and ids.	<ul style="list-style-type: none">▪ Payroll withholdings. A list of all government payroll withholdings that apply, such as income tax, National Insurance, and pension schemes.▪ Reference numbers and ids such as employer's PAYE reference, Accounts Office Reference, and PAYE online id and password.▪ Benefits. A list of benefits that your company pays on behalf of your employees such as dental or life insurance benefits.▪ Agencies Information. Names and addresses of the agencies to which you make payroll withholding and other liability payments.
Employee Setup	Enter the details of employees.	<ul style="list-style-type: none">▪ Employee personal data such as legal name, address, date of birth, and NI number. If being paid through BACS, Giro, or internet banking, you must also provide the banking details.<Cell body>▪ Employment information such as employee's rate of pay, tax code (e.g. from a P45 form), accrued sick (not related to SSP) and holiday time, and hours of work specified in the contract.



Item	Description	Examples
		<p>Also, provide the information whether the employee has other jobs or pensions.</p> <ul style="list-style-type: none">▪ Benefits that your company provides to your employees, such as dental or life insurance and pension contributions.▪ Deductions from your employees' pay. For each benefit, you need to know the following:<ul style="list-style-type: none">○ Amount or percentage for each employee○ The monthly or annual limit, if any○ Whether the deduction affects any of the payroll withholdings.
Year-to-date (YTD) Totals	Enter the Year-to-date (YTD) totals	<ul style="list-style-type: none">▪ Employee payroll summaries for the current payroll year. These totals should include gross salary or wages, income tax and NI withheld (employee's and employer's portions), other deductions, and commissions or bonuses.▪ Prior liability payments. These are all the payments that are already made for taxes and other liabilities for the current payroll year. (If you have already entered your YTD account balances, use the YTD wizard to enter these payments. In this wizard, you can choose whether these entries affect your accounts or not.)



Set up your company PAYE information

If you have not already done so, enter your company's PAYE information into QuickBooks.

To do this task

1. Go to the **Company** menu and click **Company Information**.
2. In the **Payroll Information** section, enter your company's PAYE information and reference numbers.
3. If the Pensions Regulator has advised you of a pension automatic enrolment staging date, in the **Pension Information** section, in the **Pension automatic enrolment staging date** field enter the date.
4. Click **OK**.

Set up payroll preferences

There are several preferences that let you use payroll more effectively in QuickBooks.

To edit payroll preferences

1. In the Payroll Centre, click **Preferences**.
2. Select your preferences and click **OK**.

Set up payroll items

When the payroll feature is turned on, QuickBooks creates payroll items for you. The Payroll Item list contains the payroll items that are currently set up in QuickBooks. The list is initially grouped by item type, but you can re-sort it by item name.

To set up payroll items

1. In the Payroll Centre, click **Payroll Items**.
To track your payroll entirely, you may need to add more payroll items to the list. For example, you can add payroll items for employee and employer pension contributions - Give As You Earn (GAYE) schemes, employee deductions of any kind, additions (such as employee loans), commissions, and employer expenses (such as employer-paid health insurance).
2. To add payroll items, click the **Payroll Item** drop-down menu and then click **New**.
3. For each payroll item that you need to create, select the type of payroll item you want:

Use this payroll item	To track
Wage	Enter the details of your company such as Payroll with holdings, Reference numbers and ids.
Addition	Money you pay to an employee that is not a direct result of their work, such as an automobile allowance.



Use this payroll item	To track
Deduction	Money you deduct from your employees, for example a pension or GAYE scheme.
Employer Contribution	Employer-paid benefits for your employees, such as health insurance.
Attachment of Earnings Order	Money you deduct from an employee for an Attachment of Earnings Order.

4. Click **Next** and answer the questions on each screen.

Important: If you are tracking a qualified scheme for workplace pension (automatic enrolment), on the Qualified Pension Scheme screen, click to select the **Is the pension a qualified scheme?** check box.

5. To view the Qualified Pension Scheme screen, ensure that on the Pension Contribution screen, you select the **Pension Contribution** check box.

Set up employees

Enter information for each employee. Information about employees is stored in the Employee list.

To view the employee information,

1. In the Payroll Centre, click the **Employees** tab.
2. To create a profile for an employee, click **New Employee**.

On the New Employee window, if you want to move between sections of employee information, click the tabs on the left. You can click **Help** on any tab for more information and assistance in completing the forms.

The following table lists the tabs that are available on the New Employee window.

Tab Name	Description
Personal and Address & Contact	Enter the basic information about the employee.
Additional Info	Enter any information you want to store for this employee, such as an account number to set up this employee as an online payee, or a billing rate level if you want to set up custom service rates for this employee, or custom fields that track information such as birthday or spouse name.
Payroll Info	Enter the employee's earnings, pay frequency, additions, deductions, and employer contributions, as well as his or her taxes/NI details, sick/holiday time, time tracking, student loan deductions if any, and bank details.



Tab Name	Description
Employment Info	Enter the joined date, starting declaration, previous employment details from the P45 form, and current employment details. Note: If you are changing software providers when setting up your employees you should add the Old Payroll ID on this tab.
Statutory Pay	Enter information to set up Statutory payments such as, Statutory Sick Pay (SSP)
Pension	If you have already gone through the automatic enrolment process in an earlier version of QuickBooks or other software, you must edit the employee's information in the Pension tab manually as needed. Otherwise, QuickBooks automatically updates the information when you pay the employee. However, there is a possibility that the dates may be incorrect, if QuickBooks updates the information automatically. If you have not yet gone through the automatic enrolment process, then ignore the Pension tab. QuickBooks will add information here automatically when you pay the employee.

Set up year-to-date amounts

Skip this procedure, if your company has just hired its first employee(s) or has not issued any payroll payments yet this payroll year.

If you are just beginning to use QuickBooks Payroll, you need to enter summaries of your pre-QuickBooks Payroll information. That way, your payroll payments to employees and submissions to the government will be correct.

Important: Do not use the **Year-To-Date** wizard to enter amounts from a joiner's P45 form.

To set up YTD amounts

1. In the Payroll Centre, click the **Pay Employees** tab.
2. In the **Other Activities** section, click the **Set Up YTD Amounts** icon.
3. Follow the onscreen instructions through the wizard.

Set up payroll schedules

To set up payroll schedules

1. In the Payroll Centre, click the **Pay Employees** tab.
2. Click the **Payroll Schedules** drop-down arrow and click **New**.
3. Follow the onscreen instructions.



Assign employees to payroll schedules

To assign employees to payroll schedules

1. In the Payroll Centre, click the **Employees** tab.
2. Double-click the name of the employee you want to assign to the schedule.
3. Click the **Payroll Info** tab.
4. Click the **Payroll Schedule** drop-down arrow and select the pay schedule. If you have not yet created a payroll schedule, you can do it now.
5. The **Pay Frequency** field updates accordingly.
6. Click **OK**.

(Optional) Get ready for RTI

For RTI, all of your employee and company information must be entered before you can run payroll.

To ensure that your information is complete and correct:

1. Go to the **Employees** menu, select **RTI > Get Ready for RTI**.
2. Continue clicking **Next** and follow the steps.

The **Get Ready for RTI** wizard helps you prepare your company and employee information. If you need to, you can close the RTI wizard and return to it later.

Caution: Only the valid employees are saved in the RTI wizard.
