

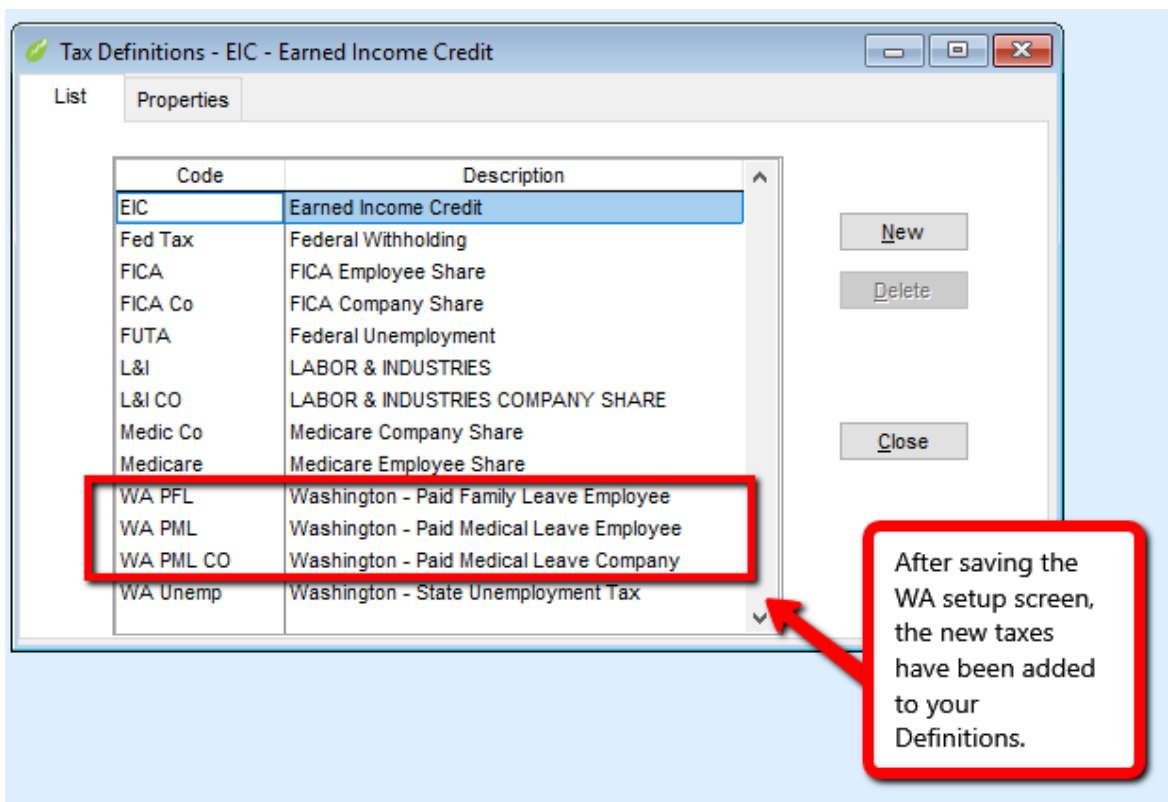
Overview: Washington state is implementing a new withholding tax on employees starting January 1, 2019. It is divided into Family Leave and Medical Leave, with the employer also contributing to the Medical portion. They have done a good job of dispersing information on how and why this is going into place, so if you are an employer in Washington, you have received information already. Their website is very informative. We have also included their Employer Tool Kit in our year end payroll update email. <https://www.paidleave.wa.gov/employers>

What to do in Growpoint

You must have a version of Growpoint newer than 18.43 to have the taxes you need. In Growpoint, we suggest you first create a new GL account in the Liabilities section to capture the withholding and one in the expense section for the employer's cost.

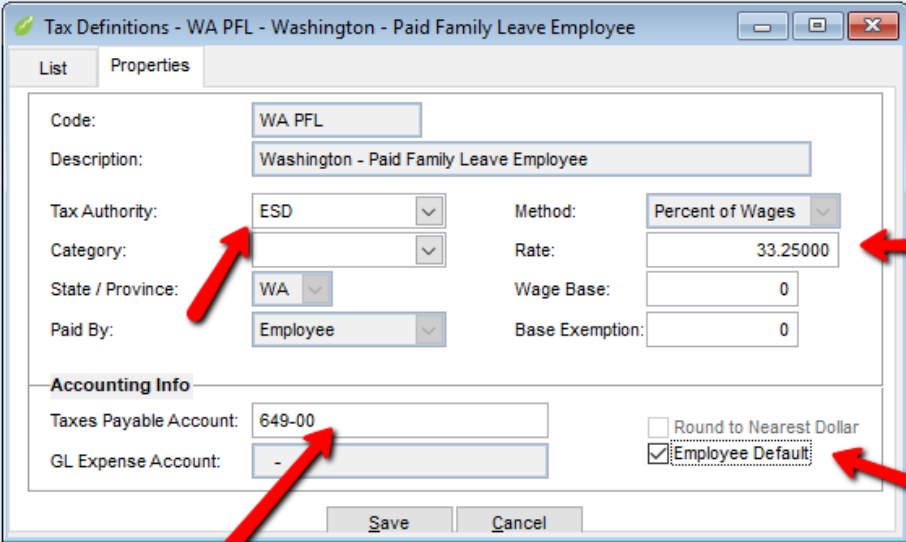
Tax Setup

Select from the menu, Payroll>Maintenance>Setup and select Washington State. Hit "Edit" on the right that brings up the State Tax information details. Simply press, "OK" at the bottom of the screen, then "Save" back on the main setup window. By re-saving the WA state setup you have now installed the taxes on the Tax Definitions screen. You will find 3 new taxes there.



Code	Description
EIC	Earned Income Credit
Fed Tax	Federal Withholding
FICA	FICA Employee Share
FICA Co	FICA Company Share
FUTA	Federal Unemployment
L&I	LABOR & INDUSTRIES
L&I CO	LABOR & INDUSTRIES COMPANY SHARE
Medic Co	Medicare Company Share
Medicare	Medicare Employee Share
WA PFL	Washington - Paid Family Leave Employee
WA PML	Washington - Paid Medical Leave Employee
WA PML CO	Washington - Paid Medical Leave Company
WA Unemp	Washington - State Unemployment Tax

Edit each, putting in the GL accounts you setup before, make the taxes a default, and assign a Taxing Authority – ESD or State. That doesn't really matter but the screen demands it.



The screenshot shows a software window titled "Tax Definitions - WA PFL - Washington - Paid Family Leave Employee". The window has two tabs: "List" and "Properties". The "Properties" tab is active, showing the following fields:

- Code: WA PFL
- Description: Washington - Paid Family Leave Employee
- Tax Authority: ESD (dropdown)
- Method: Percent of Wages (dropdown)
- Category: (empty dropdown)
- Rate: 33.25000
- State / Province: WA (dropdown)
- Wage Base: 0
- Paid By: Employee (dropdown)
- Base Exemption: 0

Below these fields is the "Accounting Info" section:

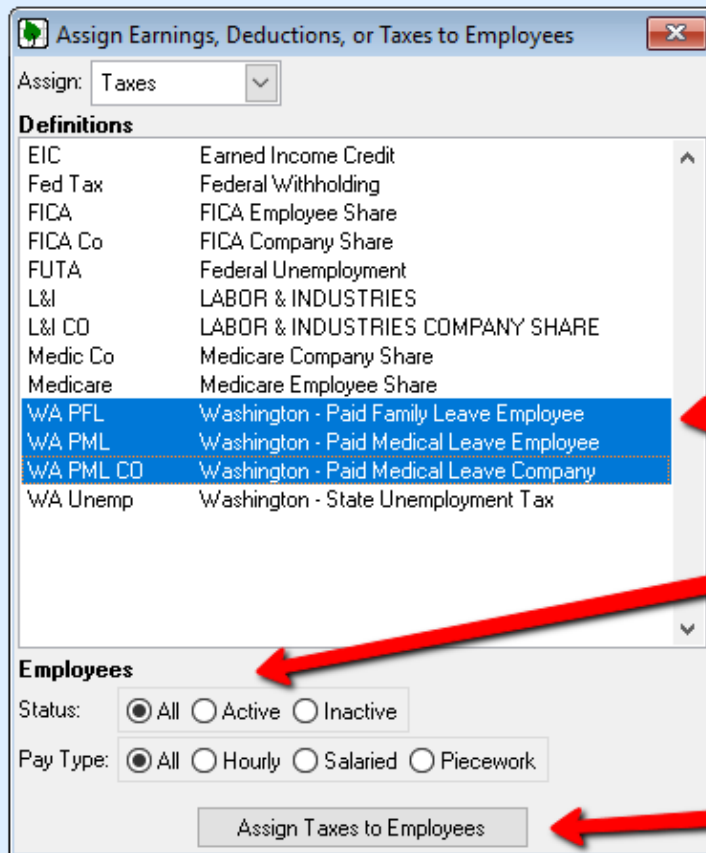
- Taxes Payable Account: 649-00
- GL Expense Account: -
- Round to Nearest Dollar
- Employee Default

At the bottom are "Save" and "Cancel" buttons. Three red callout boxes provide instructions:

- Top-left callout:** Points to the Tax Authority dropdown. Text: "Enter your new liability account to track the withholding for these taxes. Later when you make deposits, you want to debit the amounts out of the account. All should wash out. Choose a Tax Authority that you already have."
- Top-right callout:** Points to the Rate field. Text: "The rates are set and correct when you installed the taxes. These may change in future years, but these are the beginning rates. They may look high, but this is just a % of the overall tax of .4%, so doesn't come out to be as high as it looks."
- Bottom-right callout:** Points to the Employee Default checkbox. Text: "Make the tax an employee default. After you enter the GL account, save the record. Next assign it to your employees."

Next you must assign the Taxes to the employees in one of 2 ways. You can use our utility "Assign Definitions to Employees" which will assign it to all employees and then you would need to delete it from those who either may not be in WA state if you have a multi-state payroll. The other way is to manually add the taxes by going into each employee's record, the Taxes tab, and adding the taxes.

The Assign Definitions to Employees utility may already be on your Growpoint system under the Payroll utilities menu or under the Utilities in BAS. If you don't have it, email support@advgrower.com to request it be installed. When you launch it, select Taxes from the top drop-down menu, then find your 3 Family Leave taxes and Assign to All.



Assign Earnings, Deductions, or Taxes to Employees

Assign: Taxes

Definitions

EIC	Earned Income Credit
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WA Unemp	Washington - State Unemployment Tax

Employees

Status: All Active Inactive

Pay Type: All Hourly Salaried Piecework

Assign Taxes to Employees

Run the Assign Definitions to Employees utility and you see this screen. Choose "Taxes" from the drop down at the top, and all your Tax definitions are shown. Select all the new FMLA taxes at once by holding down your Ctrl key and clicking on each one to highlight it. Select the employee status - if you have some inactive employees that may come back next year, then select All to make sure you assign it to them too. Then press the Assign button at the bottom. Check on a few employees to confirm the taxes are on their records. They will see the new taxes on their check stubs.

