

Posting 3rd Party Sick Pay Payments

When posting 3rd Party Sick Pay, you first need to identify whether the amount is taxable or non-taxable. Sick Pay can be posted with a regular payroll or can be done in a separate run.

Short Term is taxable for Employee and Employer OASDI & Medicare. It is also taxable for Federal & State, but unless the employee has filled out a W4-s, then no tax is withheld. The statement from the insurance carrier will include the Federal and/or State tax amounts if applicable.

Long Term is exempt from Employee and Employer OASDI & Medicare, but the rules for Federal & State are the same as Short Term.

Non Taxable 3rd Party sick is exempt form all Federal taxes, but state taxes will vary from State to State.

1. On the batch screen, go to the check lines by using the  Check button in the bottom right hand corner of the screen, or by double clicking on an employee's name.
2. Click on the green plus key  or Alt-Insert to add a new check.

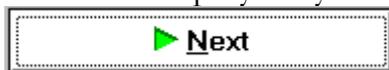


3. Select the check type of **3Rd Party**, then click





4. Select the correct employee number in the list, or change EE Code to be EE Name and select the employee by last name. Once the correct employee is selected, click



5. Enter a check number for the 3rd Party check, then click 

6. Select the 3rd Party Sick Earning code that you are posting to and add the gross in the amount field.

7. Click on the  Recalculate Check button. The button is located at the bottom of the screen.

****If the taxes in Evolution do not agree with the taxes on the statement, verify the kind of sick pay that you are posting. Some sick pay is Taxable and some is Non-Taxable. Always make sure the net check in Evolution agrees with the statement from the insurance company. Should you have any questions, please contact your Client Service Representative for assistance.**

****If you find that you incorrectly posted amounts to 3rd Party Sick Pay and you need to correct them, you will need to post a negative 3rd Party Sick Pay check. To do this, you will want to follow the steps above, except enter negative numbers instead of positive numbers.**