

## Setting up Group Term Life

There are two ways to post the taxable amount of Group Term Life (GTL) in the Evolution system.

1. Have the system calculate and tax the employee on a scheduled basis, such as with every payroll, monthly, or quarterly.
2. Do not have the system calculate the taxable amount to the employee and instead just post it at the end of the year as a one time entry within a live payroll.

*NOTE: PayData recommends posting the GTL with each payroll.*

To have the system calculate the taxable amount for Group Term Life you will need to start in **Employee – Employee**.

1. Once on the Browse Tab, select the employee with the GTL benefit.
2. Go to the EE Entry Tab and enter the employee's Date of Birth, which is located towards the bottom of the first column.

Date of Birth
10/4/1949

3. Go to the Details Tab and enter either the Group Term Policy Amount or the GTL Hours and GTL Rate.

Group Term Policy Amount	
75,000.00	
GTL Hours	GTL Rate


Group Term Policy Amount	
GTL Hours	GTL Rate
280	2.00

**\*\*If you choose Group Term Policy Amount, you will need to enter the total amount of the policy. The system will then determine the taxable amount (amount over \$50,000) to calculate the taxable benefit.**

**\*\*If you choose the GTL Hours and GTL Rate, the system will then look at the employee's salary or rate to calculate the policy amount. In the GTL Hours field, load the number of hours that the employee will work in one year. In the GTL Rate field, load the rate from the IRS published information deduction chart. For**

example, if you have an hourly person making \$15.00 per hour, the system looks at the GTL hours and multiplies this by their rate of pay. It then takes that number and multiplies it by the GTL Rate. This is now what the system uses for the Group Term Policy Amount. The system then will go through the steps of determining the taxable amount (amount over \$50,000) to calculate the taxable benefit.



Regardless of how the system gets to the taxable amount, it is necessary to tell the system how often you want to tax the employee for this benefit.

4. Go to Employee – Scheduled E/Ds.
5. Make sure you are still on the correct employee then go to the Browse Scheduled E/Ds tab.
6. Click the  key or Alt-Insert to add the new E/D Code.
7. Under E/D Code, select the code for GTL. This will always start with an E.

**\*\*If you do not see a code for GTL, please contact your Client Service Representative for assistance.**

8. Under Calculation Method, make sure it says Fixed.
9. Make sure the amount and % are left blank. Since we want the system to calculate the taxable amount, we do not want to override the amount here.
10. Choose the correct Frequency. If you want to tax the employee on their GTL benefit every payroll, select either Every Pay or Every Scheduled Pay. If you would prefer to tax this monthly, quarterly or annual, select the appropriate frequency. If you choose the option for quarterly or annual, enter the specific Month # and Payroll that you want to have the calculation included within.

Example: A frequency of quarterly, with ***month #*** set to ***3*** and ***which payrolls*** set to ***last*** will result in the calculation occurring with the last payroll of the month in the third month of each quarter. A frequency of annual with ***month #*** set to 12 and ***which payrolls*** set to ***closest to 15<sup>th</sup>*** will result in the calculation occurring in December with the payroll check date closest to the 15<sup>th</sup> of the month.

11. Once you have completed the set up, click the green check  or F10 to save and the Green stack of coins  to commit these changes.

**\*\*** For instructions on how to post GTL, please see the payroll entry section.