

Paycheck Tracking¹

Quicken Deluxe 2015

You can choose one of two different ways to track paycheck information in Quicken. You can record gross salary and all payroll taxes and deductions withheld or only the net deposit amount. Tracking all of your paycheck information allows you to take advantage of more tax planning features in Quicken. The objectives of this set of instructions are to:

- Show how to set up paycheck tracking, including alternatives to
 - A. Track all earnings and deductions
 - B. Track net deposit only
- Show how to record a paycheck

The first three paycheck setup screens are the same for tracking all earnings and deductions or tracking the net deposit only. Separate instructions are provided for each. The example for tracking all earnings and deductions is provided first; instructions for tracking the net deposit only finish on page 9. To enter the paycheck setup, go to:

Bill and Income Reminders (on the Home tab)

Add Reminder (drop down tab)

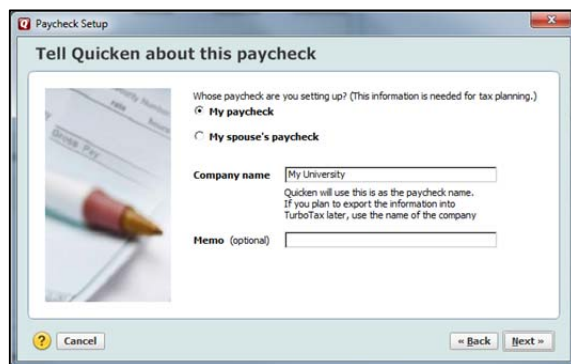
Income Reminder

Paycheck Setup wizard

The Paycheck Setup wizard screen will appear. It is at this point that you choose the amount of paycheck information to track. You may find it advantageous to read through both sections of these instructions to view more of the paycheck tracking features (or click on the Help button). To track all earnings, taxes, and deductions, select **Gross amount**. Click on **Next**.

Note: Once you have a paycheck recorded, the Manage Paycheck screen will appear. Choose New to add another paycheck to track or Edit to make corrections to a recorded paycheck.

In the screen below, you will choose to whom the paycheck belongs. **My paycheck** is assumed to be the head of household for export into a tax program. *This is my spouse's paycheck* adds categories to keep salaries and taxes separate for the spouse.



¹ Damona Doye, Extension Economist, Regents Professor and Rainbolt Chair of Agricultural Finance; Lori Shipman, Extension Paraprofessional; and Sara Siems, Extension Assistant; all are with Oklahoma State University. The authors' use of Quicken products is to encourage financial planning and management; however, these instructions should not be considered an endorsement by Oklahoma State University.

Next

Tracking all earnings, taxes, and deductions

This choice enables you to do some analysis and tax planning throughout the year. Advantages of tracking the complete paycheck information in Quicken include:

- Your paycheck is saved as a scheduled transaction (applies to recording net deposit only) with all of the associated categories.
- Use the Tax planner to evaluate current tax withholdings for the year.
- Track your retirement account information.
- Track flexible spending accounts.
- Export salary and tax information to TurboTax at the end of the tax year.

Paycheck Setup

Track Paycheck

Company name: Account:

Memo (optional):

Start on: Automatically Enter 3 days in advance

Frequency:

Repeat every two weeks on Wednesday

Track Net Only Select this option if you only want to track net deposits from this paycheck.

Earnings		
Name	Category	Amount
Salary	Salary	0.00
Total		0.00

Pre-Tax Deductions		
Name	Category/Account	Amount
Total		0.00

Choose the *Account* for the primary deposit of the paycheck. For our example, we have selected **Family Checking**.

We chose to be reminded to edit the amounts in the paycheck before entering it in the register:

Scheduling

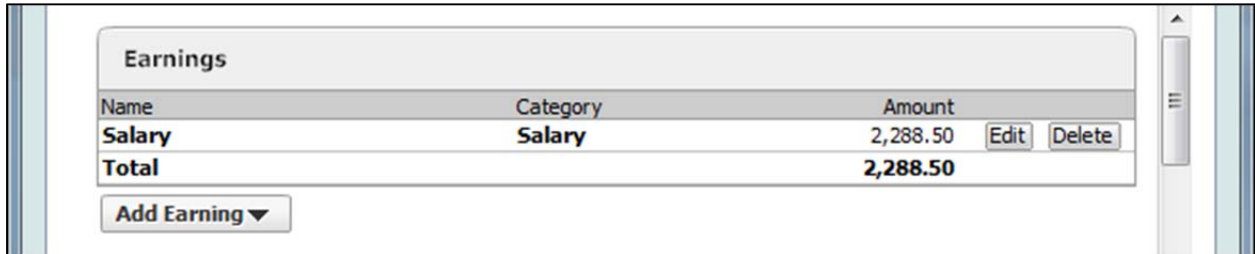
Start on: 1/21/15 **Remind Me** 3 days in advance

Default categories appear in the Earnings category (Salary) and Pre-Tax Deductions are also listed as an option. To adapt categories for your use, select *Edit* to make changes or *Delete* to eliminate those that are not needed and/or click on Add Earning or Add Pre-Tax Deduction to create new categories. Add Earnings could include bonuses, profit-sharing, commissions, holiday, sick or vacation pay, or other earnings. Pre-tax tax deductions may include retirement contributions,

PERS/SARSEP/SIMPLE, flex spending, dependent care, and insurance payments (medical, dental, vision). Enter the amount in the appropriate lines.

Earnings

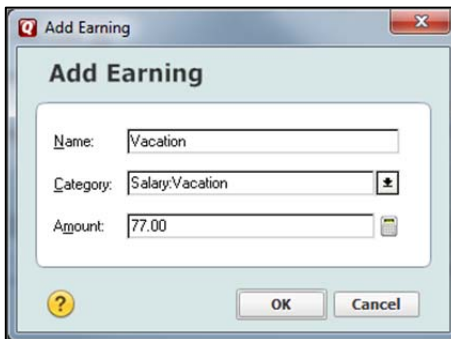
Enter the gross earnings in this section. For *Salary*, we will enter **\$2,288.50**



Name	Category	Amount		
Salary	Salary	2,288.50	Edit	Delete
Total		2,288.50		

Add Earning ▼

If you receive additional earnings other than your regular salary, click on the **Add Earning** button. Here we'll add vacation pay:



Add Earning

Name:

Category:

Amount:

OK Cancel

OK

Pre-tax Deductions

Pre-tax deductions are subtracted from your gross earnings before taxes are calculated. If you have pre-tax deductions such as retirement accounts 401(k), 403(b), SIMPLE, etc., flexible spending accounts for medical or dependent care; insurance premiums such as medical, dental, and vision, or other payroll deductions that are not subject to income taxes, enter them in this section. With each selection, you will name/create an account, record the date of the last statement and establish a balance for the account, the description and category will also be established. Employer matches can be recorded for the retirement accounts, shown below.

Click on the **Add Pre-tax Deduction** button.

Let's add our retirement account information first, selecting **401(k), 403(b), 457**.

If you don't want to go online to download information for the account, choose **Advanced Setup**

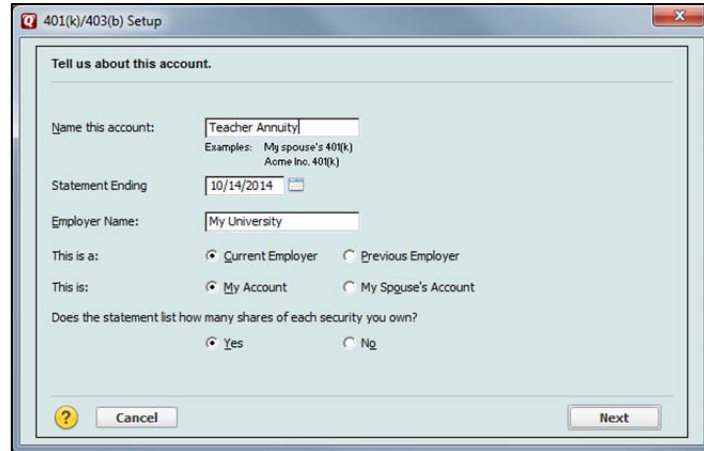
- **I want to enter my transactions manually**

Next

Name this account:

Teacher Annuity

Let's assume you are entering in the previous year's information. Use *10/14/14* as the statement ending date.



Next

Would you like to track loans against this account?

- **No**

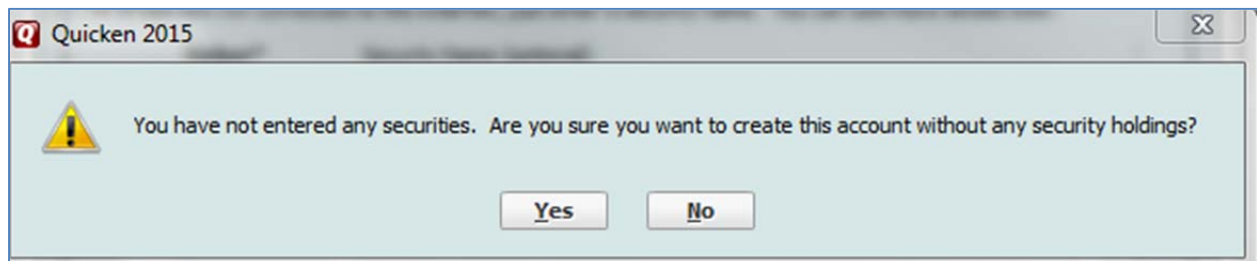
Next

Name the security **Employee Contribution Transfer**

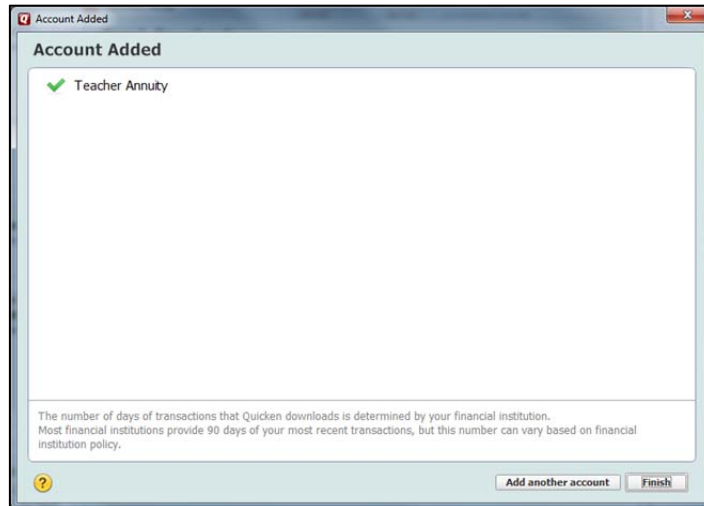
Next

The next screen prompts you to add ticker symbols for each security in your account. Add these if you want Quicken to go online to maintain current market values for your portfolio. If not, you can click:

Next

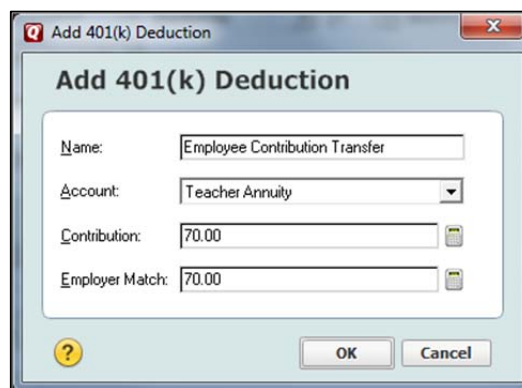


Click Yes, then Done



Finish

Enter your **Contribution** and the **Employer Match**



OK

Now let's set up a medical flexible spending.

Add Pre-tax Deduction Flex Spending

The first step is to create an account.

Quicken Account Setup

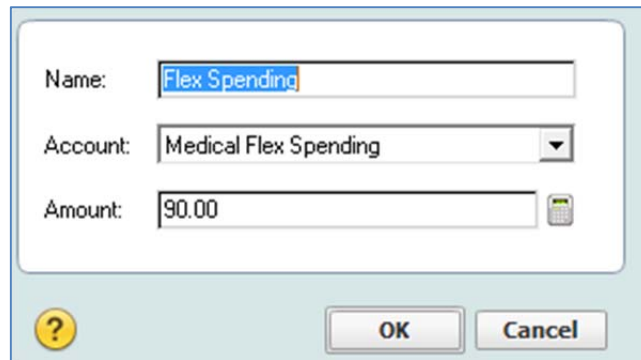
Name this account: **Medical Flex Spending**

Next

As of Date: **1/1/2014**
Value: **0.00**

Done

Now we enter the deduction amount.



Name: Flex Spending
Account: Medical Flex Spending
Amount: 90.00

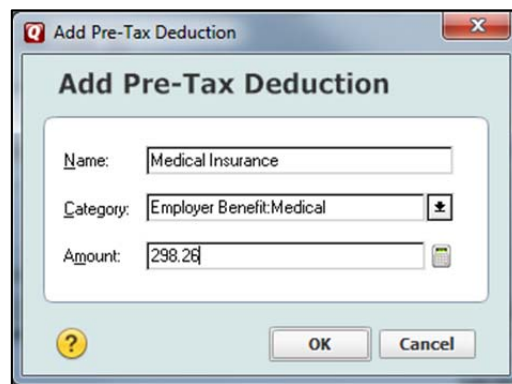
? OK Cancel

OK

To add the medical insurance account, click on:

Add Pre-tax Deduction (you may need to the scroll bar on the right side of the window to view the tab now that we've entered in a couple of new Pre-Tax Deduction accounts).

Medical Insurance



Add Pre-Tax Deduction

Name: Medical Insurance
Category: Employer Benefit:Medical
Amount: 298.26

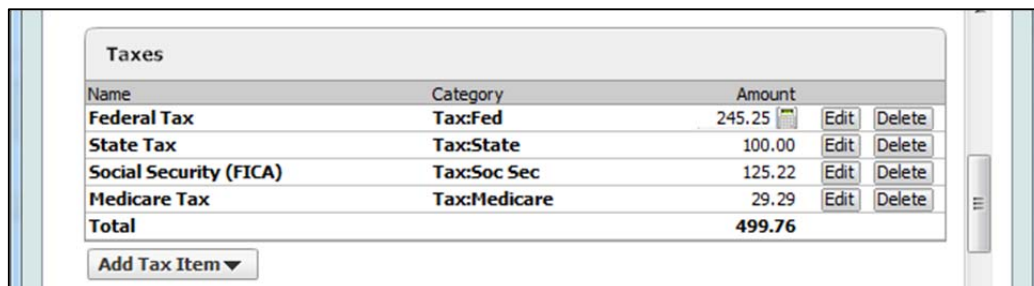
? OK Cancel

OK

You can add other pre-tax deductions as needed.

Taxes

This section includes withholdings for federal and state income taxes, Social Security (FICA), Medicare, and state disability (SDI) insurance. Enter the amounts as they appear in the following graphic and delete the **Disability (SDI)** by clicking on the **Delete** button in that line as our employer pays for SDI.



Name	Category	Amount		
Federal Tax	Tax:Fed	245.25	Edit	Delete
State Tax	Tax:State	100.00	Edit	Delete
Social Security (FICA)	Tax:Soc Sec	125.22	Edit	Delete
Medicare Tax	Tax:Medicare	29.29	Edit	Delete
Total		499.76		

Add Tax Item ▼

That completes our tax deductions. If you need to add additional tax line items, click on the **Add Tax Item** button. Choose **Other Tax** and enter the appropriate information.

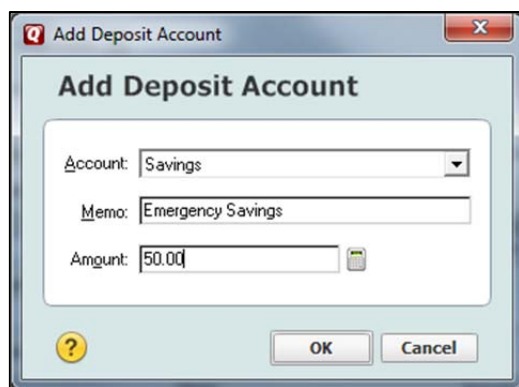
After-Tax Deductions

If you have any after-tax deductions, record them in the this section. Examples of after-tax deductions include an Employee Stock Purchase plan (ESPP), 401(k) loan, and Employer loan Repayment.

Deposit Accounts

The next step is to designate where the deposit should go. We designated the primary account to use, **Family Checking**, at the top of this window. However, if a portion of the net deposit goes to another account, such as savings, you can add it here. We are putting \$50 into our existing savings account for emergencies.

Click the **Add Deposit Account** tab (you may need to continue scrolling down at the right side of the Paycheck Setup window).

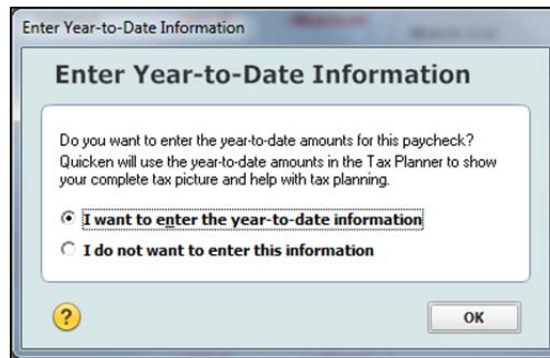


OK

Deposit Accounts		
Account	Memo	Amount
Family Checking	Primary Account	1,300.48
Savings	Emergency Savings	50.00

Quicken then calculates the amount deposited into Checking (primary account), net pay, and W-2 wages. W-2 wages are different than gross pay when you have pre-tax deductions. The total W-2 Gross should match your W-2 at the end of the tax year.

After reviewing the information for accuracy, you may click on **Done** (bottom right corner of the window) when you are satisfied with the entries. If it is later in the year and you have missed recording the information for paychecks at the first of the year, you may see the next screen.



Note: To create accurate tax reports and effectively use the tax planning features, you must either enter each of this year's paycheck deposits in the check register with the appropriate deductions or choose "I want to enter the year-to-date information."

OK

To add the paycheck for the spouse, repeat the process:

Bill and Income Reminders (on the Home tab)

Add Reminder (drop down tab)

Income Reminder

Paycheck Setup wizard

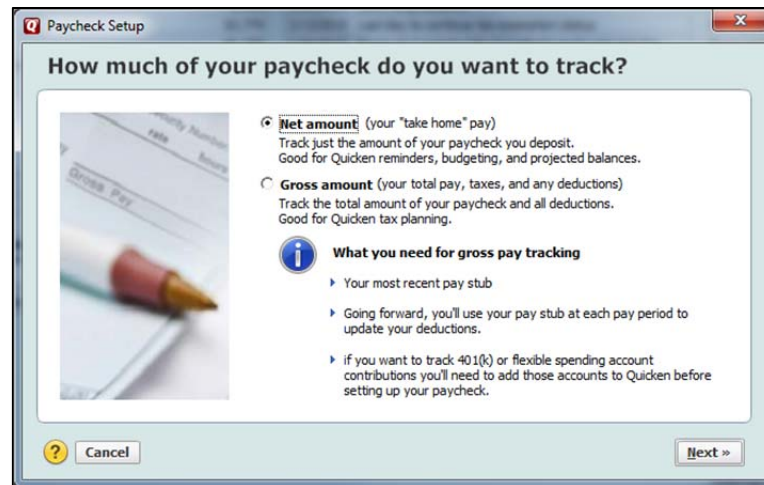
Continue entering the appropriate information as was done with the earlier paycheck.

Congratulations! You have recorded paycheck information that will allow you to use the Tax Planner feature to evaluate if you are withholding an adequate amount for taxes. Select the **Planning Tab, Tax Center**, and click the **Tax Tools** drop down tab. Choose **Tax Planner**. Follow the

instructions for adding data needed.

Track net deposit only

Only one screen must be completed if the net amount of a paycheck is being tracked after completing the paycheck setup.



Next

Add Income reminder

From: **Bill's Service Station**

To change the pay to bi-weekly, click on change:

Pay to Bill's Service Station

Due next on 11/7/2014 Every 2 weeks on Friday [\(change\)](#)

Amount due 3,000.00

To account Family Checking

Details

Category: **Salary Spouse**

Tag: no tag

Memo: no memo

▼ **Optional Settings**

Remind me 3 days in advance [\(change\)](#) Sync to Outlook

Related website [\(add\)](#)

Estimate amount for me: OFF [\(change\)](#)

Bill's Service Station

Start date: 11/7/2014

How often: Bi-weekly Every 2 weeks on Friday

End date: No end date

OK Cancel

OK

Click on Add category, tag or memo and enter:

Bill's Service Station

Category: Salary Spouse Tag:

Memo:

OK Cancel

OK

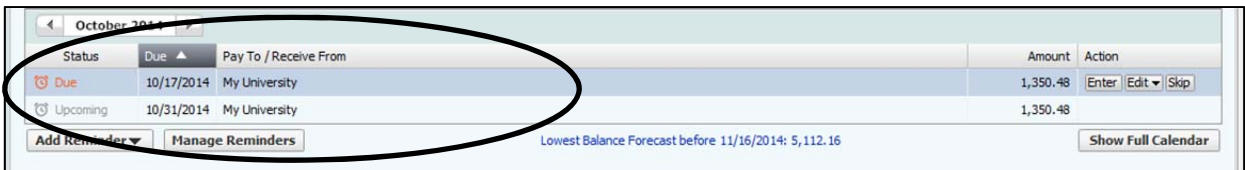
Done

If you need to edit paychecks, click on **Manage Reminders**, highlight the appropriate item and click on **Edit**.

Done

Recording paychecks

Your paycheck(s) will be saved as a scheduled transaction. If you choose to be prompted before recording, you will notice the scheduled transactions tab at the bottom of the Checking account register. As the date of the paycheck nears, you will see that the scheduled transaction due. You can *Edit* the information, if needed. To record the deposit, click on the **Enter** button. Automatically recorded paychecks will show up on the day they are due and will move to the register.



Click on **Enter** next to the scheduled transaction reminder. An Enter Current Paycheck and Enter into Register screen will appear.

Name	Category	Amount	Edit	Delete
Salary	Salary	2,288.50		
Total		2,288.50		

Name	Category/Account	Amount	Edit	Delete
Employee Contribution Transfer	[Teacher Annuity]	70.00		
Flex Spending	[Medical Flexible Spend...]	70.00		
Medical Insurance	Employer Benefit:Medical	298.26		
Total		438.26		

Name	Category	Amount	Edit	Delete
Employer Match		70.00		

Name	Category	Amount	Edit	Delete
Federal Tax	Tax:Fed	245.25		
State Tax	Tax:State	100.00		
Social Security (FICA)	Tax:Sec Sec	125.22		

Make any needed adjustments and click **Enter** to record.

Go to the **Checking** account register to see that the paycheck was recorded with the correct split items. Pointing the mouse at the category line will reveal the amounts in the split transaction:

Date	Check #	Payee	Category	Tag	Memo	Payment	Clr	Deposit	Balance
10/9/2014	898	Alan's Pharmacy	Medical	Family Living		14.89	R		3,138.77
10/10/2014	SC	Service Charge	Bank Charge	Family Living		2.00	R		3,136.77
10/10/2014	899	Eastside	Clothing	Family Living		16.75	R		3,120.02
10/13/2014	DEP	Julie London	--Split--		salary		R	739.61	3,859.63
10/17/2014	DEP	--Paycheck--	--Split--			1,306.48	R		5,160.11
10/18/2014	1		Family Living				R	3.45	5,163.56
10/18/2014	900		Employer Benef...	Family Living		69.80	R		5,093.76
10/20/2014	901		Salary	Family Living		2,288.50	R		5,077.16
10/20/2014	902		_401Employe...	Family Living		70.00	R		5,062.16
10/20/2014	902		Tax:Fed	Family Living		-245.25	R		5,062.16
10/20/2014	902		Tax:Medicare	Family Living		-29.29	R		5,062.16
10/20/2014	902		Tax:Soc Sec	Family Living		-125.22	R		5,062.16
10/27/2014	DEP		Tax:State	Family Living		-100.00	R		5,062.16
10/27/2014	DEP		[Savings]	--Split--			R	739.61	5,801.77
10/27/2014	DEP		[Medical Flexib...]	--Split--	salary		R		5,801.77
10/28/2014	903		[Teacher Annu...]	Family Living		15.68	R		5,786.09
10/28/2014	904		Utilities	Family Living		46.30	R		5,739.79
10/28/2014	905	Mytown Restaurant & Coffee Shop		Family Living		23.00	R		5,716.79

Category	Amount
Employer Benef...	-298.26
Salary	2,288.50
_401Employe...	70.00
Tax:Fed	-245.25
Tax:Medicare	-29.29
Tax:Soc Sec	-125.22
Tax:State	-100.00
[Savings]	-50.00
[Medical Flexib...	-70.00
[Teacher Annu...	-140.00
Total:	1,306.48

Your paychecks are now established as part of the expected deposits within your file.