MANUAL UPDATES FOR DECEASED EMPLOYEE REPORTING

(Deceased employees are exempt from federal, state and city taxes but are subject to social security and Medicare)

1. Enter stop dates on all VOLUNTARY deductions that should not be withheld.

2. Enter stop dates on the Ohio and OSDI Tax deductions. *(EXEMPT from state taxes)*

3. Enter a stop date for the City Tax deduction. *(EXEMPT from city taxes)*

4. Change the Federal Tax record to "P" (percentage) and enter 0% (zero) in the "Tax Percent" field. This prevents Federal Tax from being withheld. *(EXEMPT from federal taxes)*

5. *IF* retirement should not be withheld, remove the retirement code from JOBSCN.

6. Calculate amount due to employee for most recent payroll – accrued wages (amount earned but not yet paid), unused vacation, etc.

7. Change name in BIOSCN to "estate of... " or Wife. You will want to check with your Legal or Tax advisor to be sure of the proper usage of name.

8. Process payroll as normal.

9. After pay is complete, change name in BIOSCN back to the original name.

10. Using DEDSCN, reduce the total gross and taxable gross wages on the Federal Tax record by the amount of the gross paid to the estate. This amount is reportable on the 1099. (Fields to change are YTD, QTD, and FYTD).

11. In USASCN/VENSCN add a vendor payable to the estate as a MISC Income Vendor and set the 1099 flag to "Y". Enter the gross amount paid to the employee in the YTD field.

12. FYI...W2PROC will flag a warning for this employee indicating total annuities do not equal total gross less taxable gross. This warning is OKAY and can be ignored. May want to attach notes to the W2REPT at Year End to indicate why the warning is valid.

13. FYI...The total gross on QRTRPT will be short compared to the total gross from the warrant checks processed for the payrolls, by the gross paid to the estate.