



2025

Workhorse Software User Conference

PAYROLL

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REVERSING PAYROLL CHECK

There is a common misunderstanding that payroll checks can *only* be reversed **after the checks are printed and posted**. This is not true. If you've reached the point of printing a payroll check but **have not yet posted**, you have options:

1. Click **Process > Reversals > Select** on menu bar
2. Highlight desired **employee** in upper window
3. Highlight desired **check** in lower window
4. **Double-click** to place check mark in Reverse box
 - **Double-click again** to remove check from Reverse box

Last Name	First/Middle Name	SSN	Dept	Address
ALVAREZ	FRANCES T	939-78-6473	750	245 1/2 N MAIN
ARNOLD	JON C	939-29-2850	100	515 LEISGANG C
ARNOLD	SERGIO L	939-57-8467	200	1210 CHELSEA
BECK	RONALD J	939-80-2679	100	711 WOODSIDE
BLACK	CLAYTON M	952-65-7015	400	W2992 CEMETE
BOYD	WENDY	939-47-6193	500	534 ELM LANE
BROOKS	CRAIG	939-07-6919	400	W4198 HOEFS I
BURTON	JACKSON	939-38-4557	500	533 FOOTE ST

Check Date	Period Ending	Total Hours	Total Earnings	Check Nbr	Reverse
7/18/2025	7/11/2025	5.00	200.00	V1186	☒
6/20/2025	6/13/2025	4.00	160.00	V1097	☐
5/31/2025	5/16/2025	3.00	120.00	V1288	☐
4/30/2025	4/18/2025	4.00	160.00	V1233	☐
3/31/2025	3/31/2025	0.00	600.00	V1377	☐

Close

5. After selecting checks, click **Process > Reversals > Register Report**.
6. Choose **Full** or **Quick** (depending on the detail level you need).
 - All unposted reversals will be included in the register report

All unposted reversals will show on Reversal Register report.

Close Create Report:

7. Printing the **Distribution & Fringe** reports are totally optional.

8. **Process > Reversals > Post -**

- Use **Preview** first to confirm the correct number of checks/vouchers and totals.
- Then select **Post**

Important Notes:

- If the paychecks have **not** been posted in Payroll → no accounting interface is needed.
- If the paychecks **have** already been posted → run the normal **Interface Payroll Process** in Accounting so the reversal also updates the accounting module.

HANDLING A REJECTED “DIRECT DEPOSIT”

A rejected direct deposit can happen if:

- The employee changed banks and did not update their account information, or
- There was an entry error in **Maintain Employees > Direct Deposit**.

 **Important:** These instructions apply when the voucher is *rejected at the bank*.

Option 1 – Correcting in Payroll Module

1. Reverse the employee’s direct deposit in Payroll.

- (Follow the steps in “**Reversing a Payroll Check.**”)
- Update the employees’ **Direct Deposit tab** with the correct bank information.
- Redo the payroll process for this employee.
- Send a new direct deposit file to the bank containing **only** this employee’s information.

Option 2 – Correct in Accounting Module Only

(Leaves Payroll untouched – fixes the net check at the accounting level.)

1. Reverse the ACH for this employee in Accounting.

- Example: Gross = \$2,000, Net = \$1,500.

2. Do the **Check Reversal** process in Accounting:

- Enter a (-) Manual Check in Maintain Checks in Accounting.
- Reverse only the **net check amount (\$1,500)**.

- Code this reversal to the expense account the employee's payroll is normally charged to. (Example: **Public Works Expense**).
- Use the voucher number as the check number.
- On the **Split tab**, code the expense as **negative \$1,500** to Public Works (or the correct payroll expense account).
- ⚠ The **Previous button** will not work here.

3. Enter a **New Check** (not manual) for the employee:

- Code it to the same expense account as above for **+\$1,500**.

4. Process, print, and post **both** the manual check and the new check in accounting.

✅ Net effect = **\$0** (the voided direct deposit offsets the new check).

REPLACING A LOST PAYROLL "CHECK"

If an employee has lost a payroll CHECK - first and most importantly is to remember to **LEAVE PAYROLL alone!** If we mess with Payroll we risk - changing something on a W2 and other Payroll Reports. **Only place to fix is in Accounting.**

1. Reverse the Check for this employee in **Accounting**.

- Example: Gross = \$2,000, Net = \$1,500.

2. Do the **Check Reversal** process in **Accounting**:

- Enter a (-) Manual Check in Maintain Checks in Accounting.
- Reverse only the **net check amount (\$1,500)**.
- Code this reversal to the expense account the employee's payroll is normally charged to. (Example: **Public Works Expense**).
- Use the original check as the check number.
- On the **Split tab**, code the expense as **negative \$1,500** to Public Works (or the correct payroll expense account).
- ⚠ The **Previous button** will not work here.

3. Enter a **New Check** (not manual) for the employee in Accounting:

- Code it to the same expense account as above for **+\$1,500**.

4. Process, print, and post **both** the manual check and the new check in accounting.

✅ Net effect = **\$0** (the voided direct deposit offsets the new check).

ALLOCATING FTO - WHEN NO HOURS ON SPLIT TAB

We can often get a call that asks “**How do I allocate hours from the FTO Tab when their entire paycheck was from their FTO Balance (80 hours) and there are -0- dollars on the split tab?**”

Steps:

1. Enter FTO Used:

- Go to the **FTO tab** and record the hours taken as **USED**.
- Do *not* attempt to allocate from here.

2. Reset Split Tab:

- Go to the **Split tab**.
- Click **Previous** and then **Reset**.
- This clears up the allocations and sets all hours to “**0**”.

3. Manual Allocation:

- Review the employee’s typical work history to see where their hours are usually allocated (e.g., Public Works, Water & Sewer, etc.).
- On the **FTO tab**, select the proper **Pay Categories**.
- Manually enter the total FTO hours (e.g., 80) across the categories.

Notes:

- There is not always a clear “formula” for splitting these hours—especially for shared departments like Public Works or Water & Sewer.
 - Use your **best judgment** based on the employee’s normal allocations.
 - The goal is simply to ensure the full FTO hours are distributed to the correct pay categories, so the check processes correctly.
-

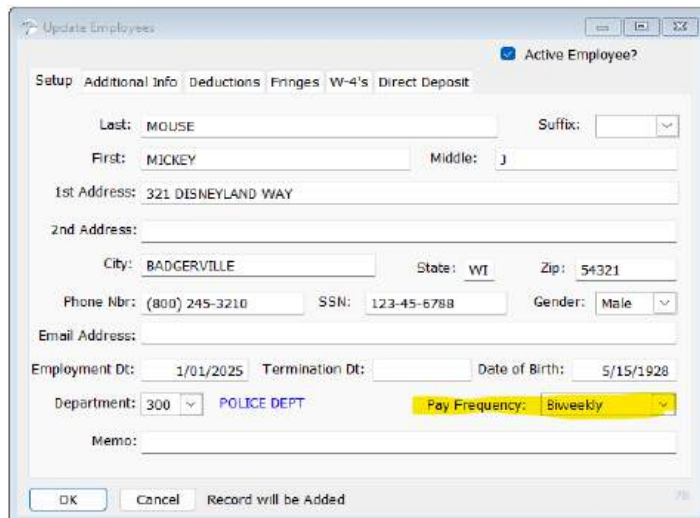
NEW EMPLOYEE SETUP REMINDERS

Whether you are a **new** or a **seasoned Workhorse User**, here are a few important reminders when setting up new employees. These are the most common areas we see when you call in for assistance.

Maintain Employee

1. Setup Tab in Maintain Employee

- **Pay Frequency** is **very important** when setting up the W4 Tab.
- This setting determines:
 - The number of pay periods used in tax calculations
 - Which state and federal tax tables apply



The screenshot shows the 'Update Employees' dialog box with the 'Setup' tab selected. The 'Active Employee?' checkbox is checked. The form contains the following fields and values:

Field	Value
Last	MOUSE
First	MICKEY
Middle	J
Suffix	
1st Address	321 DISNEYLAND WAY
2nd Address	
City	BADGERVILLE
State	WI
Zip	54321
Phone Nbr	(800) 245-3210
SSN	123-45-6788
Gender	Male
Email Address	
Employment Dt	1/01/2025
Termination Dt	
Date of Birth	5/15/1928
Department	300 POLICE DEPT
Pay Frequency	Biweekly
Memo	

Buttons: OK, Cancel, Record will be Added

Additional Info Tab

1. WRS Employer/Employee

- If employee is eligible for WRS entering the Employer Retirement (ER) % is often forgotten. The job category is important for year-end practices.
- Don't forget the WRS Deduction as a % of Gross for the Employee's (EE) Portion on the deduction tab.

2.

W4 Tab

1. Always click on the **SETUP** button first.

- This ensures the pay frequency chosen on the Setup tab carries into the W4 tab for accurate tax calculations.
- Example: Even if the **main screen shows "Annually"**, when you open the individual tax descriptions, it may correctly display **"26 Pay Periods Per Year."**

2. Common Issues

- If you skip the **SETUP** button and only enter Federal & State tax lines (leaving out Social Security and Medicare), payroll will calculate **with no SS or Medicare withholding**.
- This causes errors and incorrect calculations.
- **Exception:** For certain employees such as **Election Workers**, it may be correct to have no SS or Medicare.



Calculate Payroll Full Report - All Page: 1

From Employee: From Dept: PAYRL
 Thru Employee: Thru Dept:

MOUSE, MICKEY J Check Date: 1/21/2025
Pay Period: 1/01/2025 Thru: 1/15/2025

Earnings:

Regular Pay	1,000.00	40.00	Hours

	1,000.00		

Withholdings:

Federal	42.31
Wisconsin	30.83

	73.14

NET PAY 926.86

W2 HEALTH FRINGE

The Affordable Care Act requires employers to report the cost of coverage under an **employer-sponsored group** health plan on an employee's Form W-2, Wage and Tax Statement, in Box 12, using Code DD.

Many employers are eligible for transition relief for tax year 2012 and beyond, until the IRS issues final guidance for this reporting requirement.

More information about the reporting, **and which employers are, or are not, required** to report this on the Form W-2 can be found on the [Form W-2 reporting of employer-sponsored health coverage](#) page

To set this up in Workhorse -

1. Go to Maintain Fringes in Payroll

- Either Insert or Change your Health Ins Fringe -
- You will pick Box 12 and then the W2 Text is code DD
- At YE this will then put what the municipality paid - as set up in the Fringe section - in box 12 with a Code DD

Remember only if your municipality qualifies to do this from the link at IRS.Gov [Employer-Provided Health Coverage Informational Reporting Requirements: Questions and Answers | Internal Revenue Service](#)

PAYROLL W2 OVERTIME REPORTING

An excerpt from the IRS.gov site on ***One, Big, Beautiful Bill Act: Tax Deductions for working Americans and seniors.....***

“No Tax on Overtime”

- **New deduction:** Effective for 2025 through 2028, individuals who receive qualified overtime compensation **may deduct the pay that exceeds their regular rate of pay – such as the “half” portion of “time-and-a-half” compensation -- that is required by the Fair Labor Standards Act (FLSA) and that is reported on a Form W-2, Form 1099, or other specified statement furnished to the individual.**
 - Maximum annual deduction is \$12,500 (\$25,000 for joint filers).
 - Deduction phases out for taxpayers with modified adjusted gross income over \$150,000 (\$300,000 for joint filers).
- **Taxpayer eligibility:** Deduction is available for both itemizing and non-itemizing taxpayers.
 - Taxpayers must:
 - include their Social Security Number on the return and
 - file jointly if married, to claim the deduction.
- **Reporting:** Employers and other payors are required to file information returns with the IRS (or SSA) and furnish statements to taxpayers showing the total amount of qualified overtime compensation paid during the year.
- **Guidance:** The IRS will provide transition relief for tax year 2025 for taxpayers claiming the deduction and for employers and other payors subject to the new reporting requirements.

How to handle this in Workhorse:

This procedure will go back (retroactive) to the beginning of the year and make sure the “qualified” OT is put into box 12 or 14 with a W2 text of “QOT”.

Maintain Overtime Rates > Highlight rate> Change:

The first screenshot shows the 'Maintain Overtime Rates' window. It has a title bar with a search icon and a close button. Below the title bar is a section labeled 'Overtime Rate Description Locator:'. Inside this section is a list box with 'Overtime Rate Description' as the header. The list contains 'N/A' and 'TIME & HALF', with 'TIME & HALF' selected and highlighted in blue. At the bottom of the window are four buttons: 'Insert', 'Change' (which is highlighted with a blue border), 'Delete', and 'Close'.

The second screenshot shows the 'Update Overtime Rates' window. It has a title bar with a search icon and a close button. The window contains the following fields and controls:

- 'Overtime Rate Description:' followed by a text box containing 'TIME & HALF'.
- 'Overtime Rate:' followed by a text box containing '1.50'.
- A checkbox labeled 'Include in Box 12 or 14 on W-2's?' which is checked. This checkbox and its label are highlighted with a yellow background.
- 'W-2's Text:' followed by a text box containing 'QOT' and a dropdown menu currently showing 'Box 14'.
- At the bottom are 'OK' and 'Cancel' buttons, followed by the text 'Record will be Changed'.

- You will then check the box **“Include in Box 12 or 14 on W2’s -**
 - The W2 Text **“QOT”** and **either pick box 12 or 14**. The IRS has not made it clear which box this should show up in. Box 14 tends to be an FYI box and Box 12 is typically used for deductions that have a “taxing” affect. Example: Deferred Comp.

END OF YEAR REMINDERS

The following reminders are to be done after final YE payroll and before new Payroll in January of new year.

Update Pay Rates/Salaries

1. Update hourly pay rates for the new year:

- **Path:** *Maintain Employee* → *Additional Tab* → *Hourly Rate*
- If using the **Split tab + PREVIOUS button**, be sure to also select **Previous** → **Reset** so the new rate pulls correctly.

2. First payroll of the year may include **part old rate / part new rate**:

- Enter new year hours with the correct categories.
- For old year categories, **override** the hourly rate at the top of the pay category — the system calculates based on what you enter.

Update Time Card Split

Last: MOUSE First: MICKEY

Pay Period: Beginning: 1/01/2025 Ending: 1/15/2025

Pay Category: POL FT WAGE (Hourly)

Base Rate: 25.00

Shift Differential: N/A

Overtime Rate: N/A

Compensation Rate: 25.00

Hours: 40.00

Earnings: 1,000.00

OK Cancel Record will be Changed

3. If old year hours must be **expended in the old year**:

- Enter as **two separate pay periods** with **two separate time cards**, processing them individually.

Update Deductions, Fringes & WRS %

1. **Deductions (EE portion):**

- **Maintain Deductions** → Update for the new year.
- Remember: **WRS deduction rate** changes annually and applies with the **first check of the new year**, regardless of when wages were earned.

2. Fringes (ER portion):

- **Maintain Employee** → *Fringe Tab*
- Update employer-paid items (health, life, dental, etc.) in payroll.
- *Excludes WRS.*

3. Employer WRS %:

- **Maintain Employee** → **Additional Tab** → **Employer Retirement %** (bottom left).

The screenshot shows the 'Update Employees' window with the 'Fringes' tab selected. The window has a title bar with standard Windows controls. Below the title bar is a tabbed interface with tabs for 'Setup', 'Additional Info', 'Deductions', 'Fringes', 'W-4's', and 'Direct Deposit'. The 'Fringes' tab is active. The main area contains the following fields and controls:

- Last:** MOUSE, **First:** MICKEY
- Pay Rate:** 25.00, ☒ **Include on Unemployment Report?**
- Manager:** [Dropdown menu], [Red X icon]
- FTO Description** (Table header):

FTO Description	Accrual Method	Hours Per	Maximum
-----------------	----------------	-----------	---------
- Buttons:** Insert, Change, Delete, Balance ==>
- Employer Retirement %:** 6.95, **Employer Add'l. Retirement Amount:** 0.00
- Job Category:** 30, **General Employment**
- Footer:** OK, Cancel, Record will be Changed, 78

Update FTO Balances

1. **Adjust current balances (year-end adjustments):**
 - **Maintain** → *Flexible Time Off Activity*
 - **Process** → *Flexible Time Off Activity* → *Register Report* → *Post*
2. **Change FTO accrual methods (if needed):**
 - Example: New accrual hours per period.
 - **Maintain Employee** → **Additional Tab** → **FTO Area** → **Change**

Update Tax Tables

1. Workhorse will provide new federal/state tax tables (if rates change).
2. If you try payroll in the new year before updating, you'll get an error.
3. Update path:
 - *Process* → *Update Tax Tables* → *Preview and Post*
 - Reminder: **Do not update until all payrolls are completed through Dec 31 of the old year**

FEDERAL W2 UPLOAD BSO SITE LOGIN

The **Social Security Username sign-in option is no longer available**. You **MUST** sign in with either a [Login.gov or ID.me](#) account to gain access to **Business Service Online** to upload your W2's in January 2026. The BSO site is used to transmit W2's to the federal government. This must be done **BEFORE** January for you to have access.

Here is the complete Tutorial for the access and usage of the BSO Site. Please review and make sure you are ready for January 2026.

<http://www.ssa.gov/employer/bsotut.htm>

Every year people will say well I only have 12 - W2's and 15-1099's I can send them in paper format....

W-2s (filed with the SSA, not IRS)

- The **Social Security Administration (SSA)** requires electronic filing if you submit **10 or more W-2s** in a calendar year.
- If you have **fewer than 10**, you may file it on paper..
- Remember if you file electronically forms are not needed to be purchased.

Workhorse does NOT have the capability of filing a W2-C (Correction) and this will need to be done by you by consulting the IRS.gov website.
