

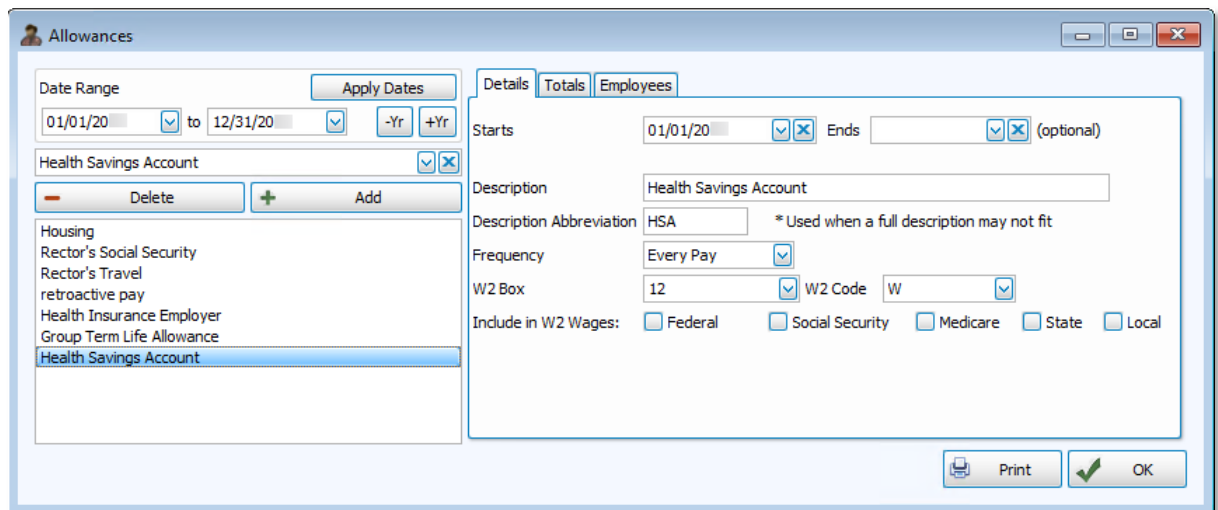
PLEASE NOTE: A HSA fully paid for by the church or conference (no employee voluntary contributions) can be handled this way. If both the church and the employees are contributing to the HSA, a different procedure will be required.

Run the W2 for the Pastor before you start this process.

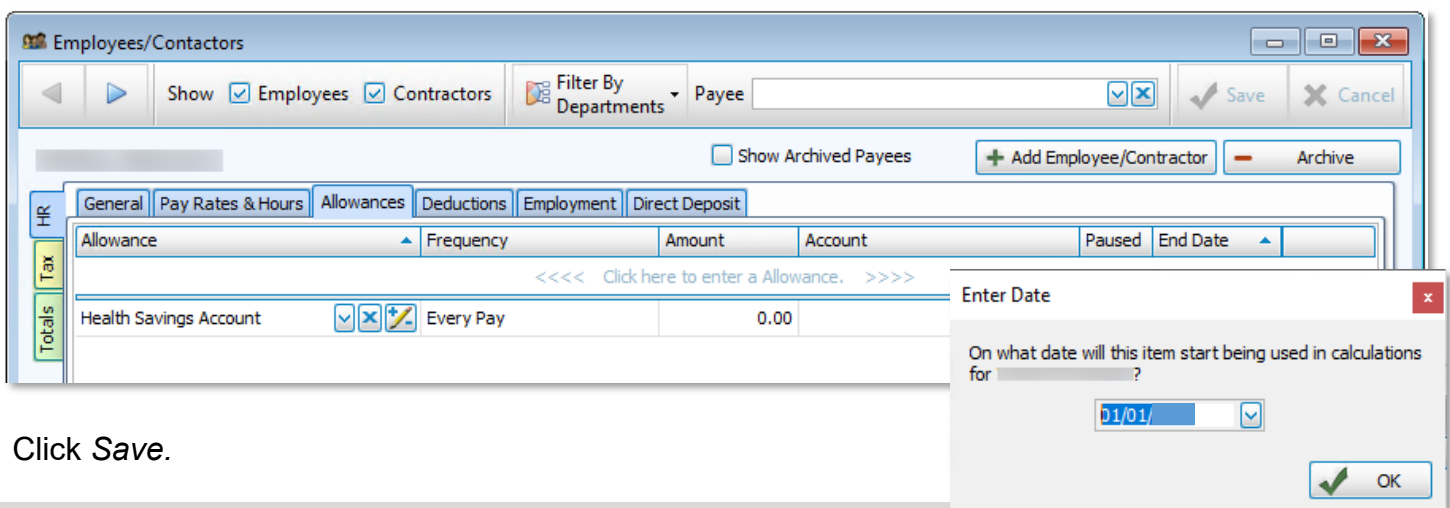
Create an Allowance for Health Savings Account and make it non-taxable and appear on the W-2 in Box 12 with Code W.

Go to *Payroll>Data Setup>Allowance>click Add*. Input a start date for the year of the W-2 you are printing. Fill in the *Description*, and *Abbreviation*. Select 12 in the W2 box and W in the W2 Code box. Uncheck *Federal, Social Security, Medicare, State, and Local*.

Click OK



Add the HSA Allowance to the employee's record. Go to *Data Setup>Employees/Contractors>choose Employee*, click on the *Allowance* tab. Click under *Allowance*, choose the *HSA* and leave the amount *blank*. Use the Start Date for the year you need the W2s.



Click Save.

A Calculate Adjustment should be done in the needed tax year to add the HSA to the W2.

In Payroll, go to up to *Payroll>Calculate Adjustment*.

1. Calculate Adjustment Wizard – choose the *Adjustment Date* (perhaps 12/31/2023). Click *Next*.

This wizard will guide you through a series of pages to help you enter data for an Adjustment.
Enter the Adjustment Date And click Next.

Adjustment Date

12/31/2023

2. Filter Payees – choose *Specific* and *Uncheck All*, then check the *Payee*. Click *Next*.

3. Review Pay and Rate - Click on *Allowances/Other* Tab. Click under *Description* to add a new row, then fill in the *amount* of the HSA.

Calculate Adjustment Wizard

Review Pay and Rate
This page allows you to review and modify pay, rate, deductions and allowances

Pay Date: /2023

Pay Hours/Rates | Deductions | Allowances/Other

Description	Amount
Health Savings Account	200.00

< Back Next > Cancel

4. Posting Selections – Click *Browse* to review payments.

Under *Post to Payroll?*
Choose *Yes*.

Uncheck *Transfer to Accounting*.
Click *Next*.

Print reports if you choose.

Click *Next* – Click *Finish*.

Calculate Adjustment Wizard

Posting Selections
Select the actions for completing the wizard

Pay or Settlement Date: 12/31/2022

Post to Payroll? Yes No

Print Reports

Transfer to Accounting

Save as Default

< Back Next > Cancel

Please run the W2 again. The HSA will appear in Box 12W.