

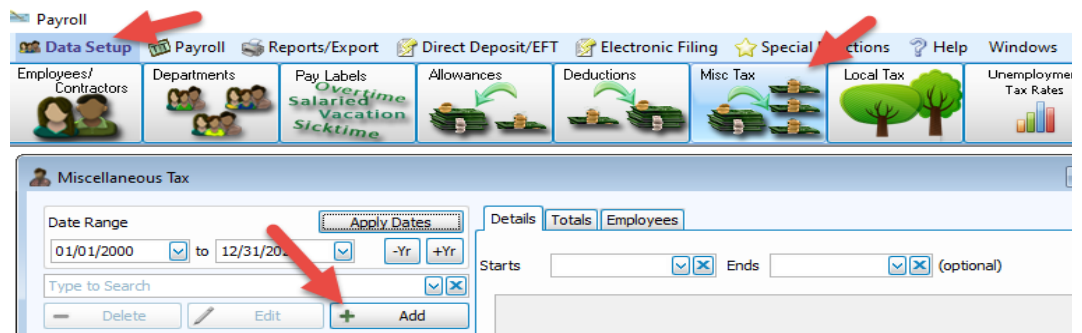
Some states are requiring employers to collect contributions for Paid Family & Medical Leave.

All eligible employees in those states must have access to Paid Family and Medical Leave Benefits through the state or an employer-funded program. Employers may apply for an exemption if they have a plan that provides greater than or equal benefits with the same rights and protections. **NOTE:** Employer-funded plan must meet or exceed the benefits of the state plan.

Please go to your state website to search for Paid Family & Medical Leave setup requirements.

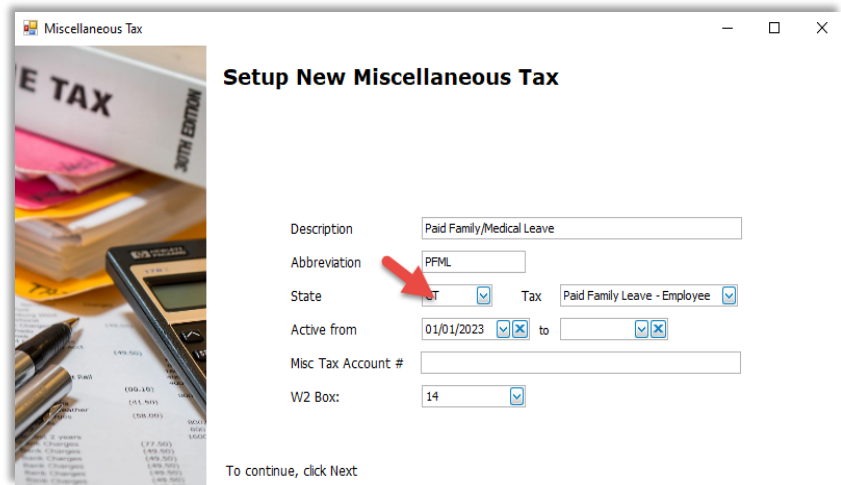
The example below shows the setup of a Miscellaneous Tax for the State of Connecticut. Be sure to use your State's Requirements.

Go to *Payroll>Data Setup> Misc Tax >Click Add*

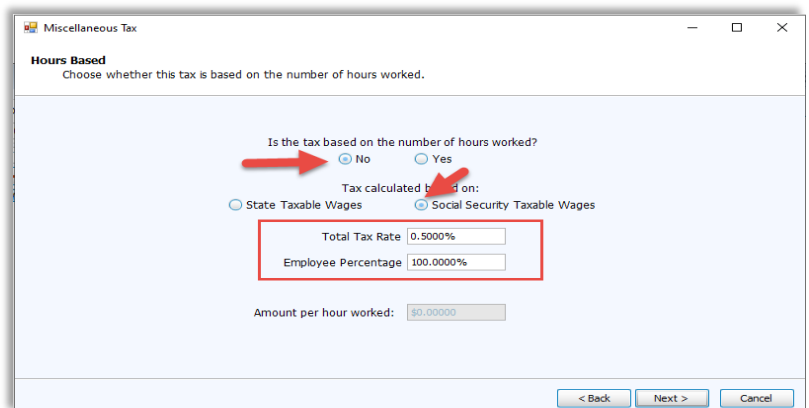


Fill the following information:

- *Description:* Paid Family/Medical Leave
- *Abbreviation:* PFML
- *State:* fill in your state
- *Tax:* Choose Paid Family Leave from the drop down list.
- Enter *Active from:* fill in start date
- *Misc Tax Account #:* Some states may have a separate PFML # or it could be your state unemployment # or leave blank
- *W2 Box:* 14
- Click: Next

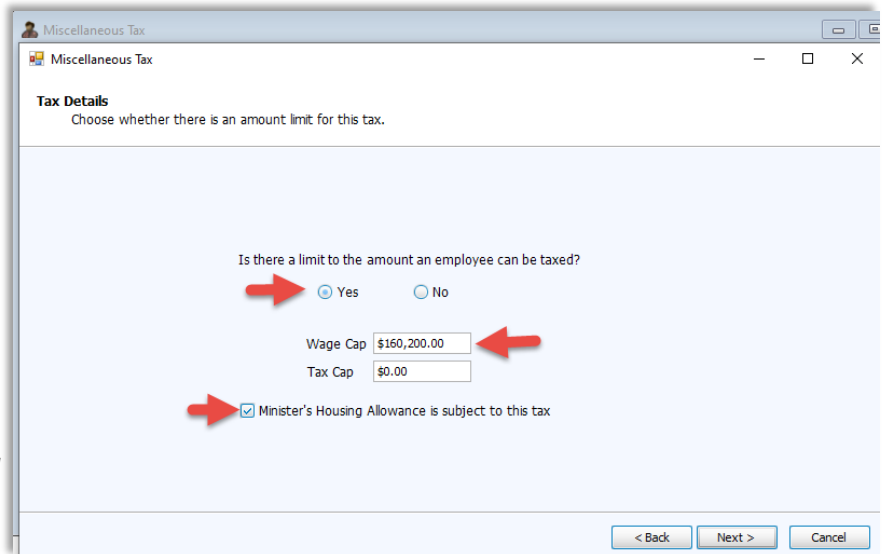


- *Is the tax based on the number of hours worked?* No
- *Tax calculated based on:* Social Security
- *Total Tax Rate:* Check your state's website
- *Employee Percentage:* Check your state's website, usually 100%.
- Click: Next



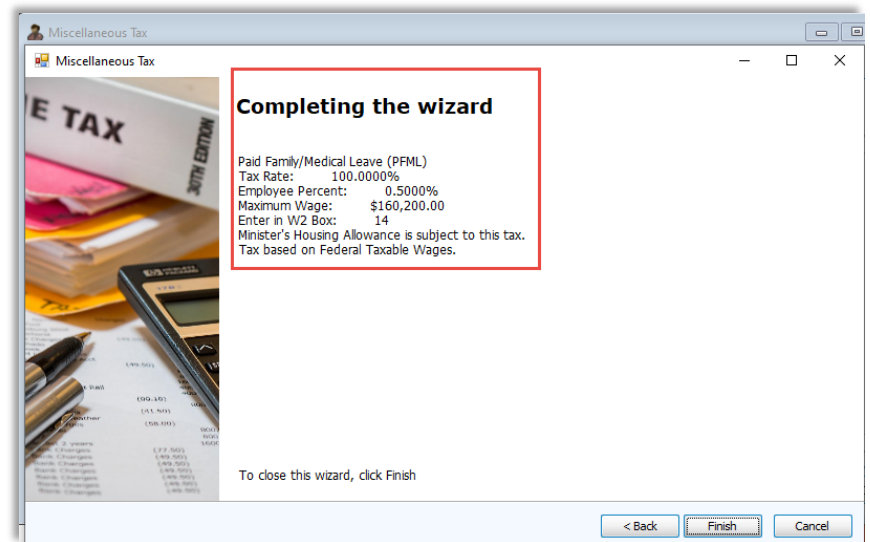
- Is there a limit to the amount an employee can be taxed? Yes
- Wage Cap: fill in the Social Security taxable maximum \$XXXXXX
- Minister's Housing Allowance is subject to this tax. Click the checkbox
- Click: Next

PLEASE NOTE: The original default Housing Allowance **MUST** be used. It is set up as taxable for Social Security and Medicare and ensures the *Paid Family/Medical Leave* is calculated correctly for Pastor.

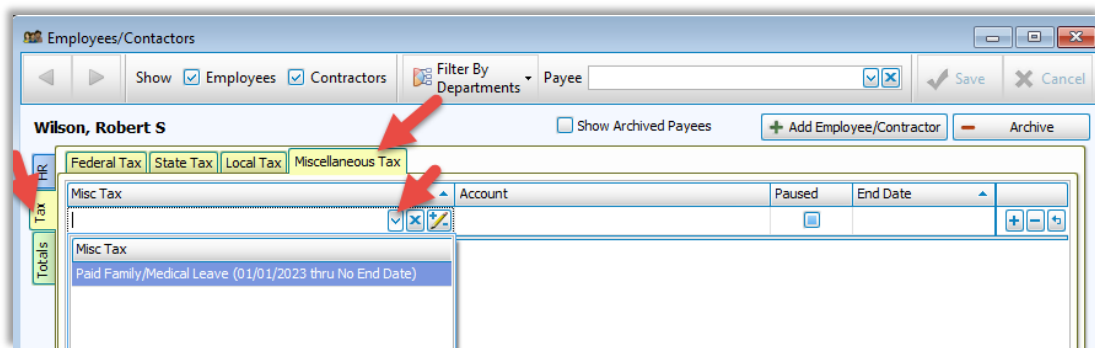


Payroll shows the setup of the Miscellaneous Tax.

- Click *Finish*.

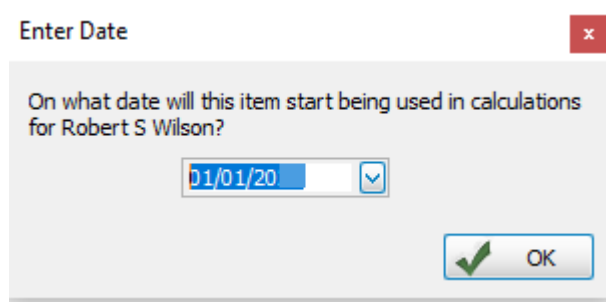


The Miscellaneous Tax for PFML will need to be added to each of the employees. Go to *Employees/Contractors*>click on the applicable employee. Click on the yellow *Tax* tab and *Miscellaneous Tax*.



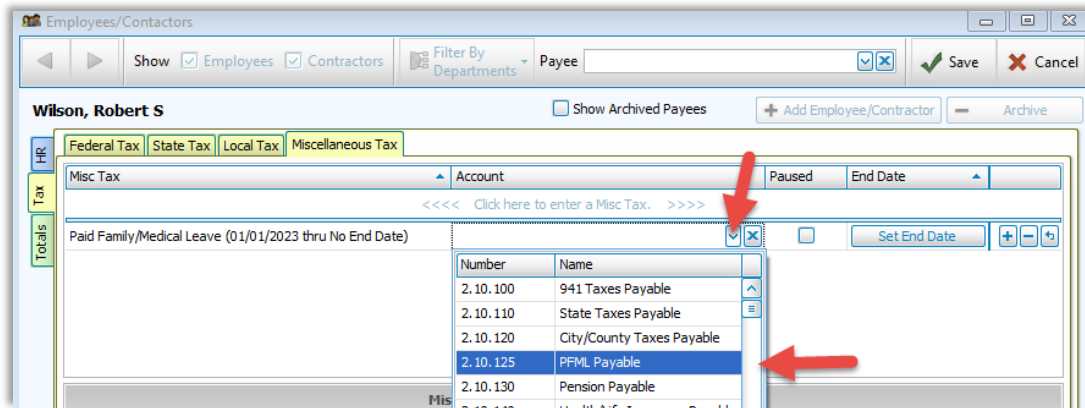
Click in the white space under Misc Tax and choose Paid Family/Medical Leave.

When you add the Paid Family/Medical leave to the employees, you will be asked to enter the start date for the Miscellaneous tax.



Click OK

If you transfer Payroll to Accounting, you will create a *Liability* account for the Paid Family/Medical Leave. Then in Payroll, you will link it to the *Miscellaneous Tax* under *Account* by clicking under *Account* and choosing PFML Payable.



- Click Save

When your next payroll is calculated, Paid Family/Medical Leave is taken.

Aatrix provides a link for FMLA.

<https://www.aatrix.com/news/2023/03/what-you-need-know-about-state-fmla-changes-2023/>