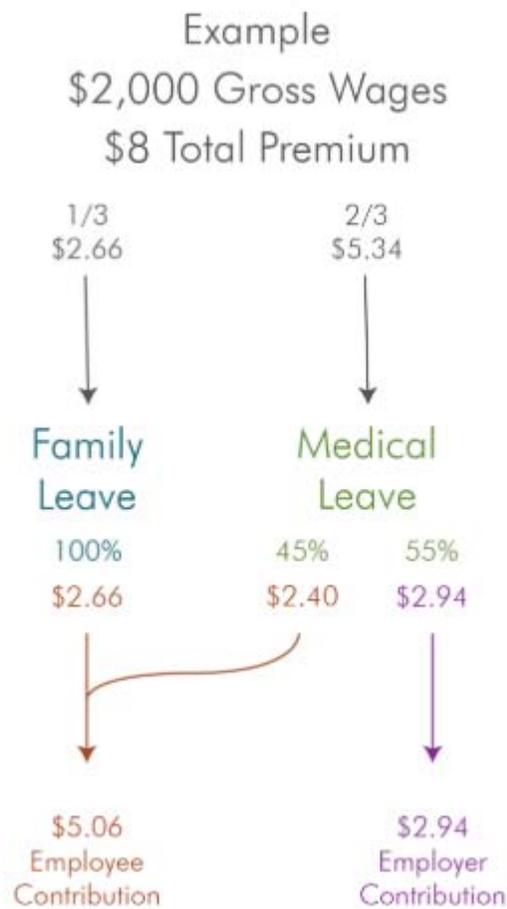


QuickBooks Setup for Washington Paid Family Medical Leave

Premiums

There will be new payroll withholding rules in 2019, and you will need to prepare your business to collect and remit Paid Family and Medical Leave premiums quarterly. The premium will be 0.4% of gross wages paid each quarter starting in 2019. The employer portion will be about 37% of the premium. Employers may withhold up to the remaining 63% of the premium from employee wages if they choose.

These premiums are split into two parts, Family Leave and Medical Leave. This distinction is important when considering Voluntary Plans. Family Leave is 1/3 of the total premium, and Medical Leave is 2/3. The Family Leave premium is paid entirely by the employee. The Medical Leave premium is split; 45% paid by employee, 55% paid by employer.



In QuickBooks Desktop

1. Employees Tab
 - a. Payroll Set up
2. Select "4" Taxes
 - a. State Taxes
3. Add New
4. Create a specific local/custom tax
5. "Who Pays This?"
 - a. If less than 50 employees, choose "Employee"
 - b. Name WA PFML
6. Tax Tracking Type- "Other"
7. Calculate Amount-using compensation
8. Default Rate - .25332%
 - a. Annual limit-Restart each year
 - b. Default Limit is the same as Social Security Limit (128,400 in 2018)
9. Liability Account
 - a. Account type- Liability
10. In employee Center/Payroll Info/Taxes
 - a. In "Other" select PFML from drop down

Repeat for the employer portion **ONLY** if you have more than 50 employees.

11. Under #5- "Who Pays This" choose "**Employer**".
12. Under #8 - "Default Rate" enter .14668%

I don't use QuickBooks Online but I found these instructions for setup. I am unable to confirm whether they work but several commenters indicated they do.

QuickBooks Online

1. Settings - Payroll Settings - Deduction/Contributions - Add a new Deduction/Contribution
2. Category > Health Insurance
3. Type > Medical Insurance
4. Description > PFML
5. OK

Then you can go into Workers - Employees and edit it in their Pay option #4:

6. From the Deduction/Contribution drop-down menu, select PFML
7. Then you can choose "% of gross pay" for both Employee deduction and Company-paid contribution or "none" depending if you or the employee is covering the full amount.

The amounts I calculated are:

.4% if employee or company is covering the full amount.

If you are dividing it up according to the set percentages, the I came up with .25332% for the employee and .14668% for the company.

To find your numbers quarterly, go to Taxes - Payroll Tax - View your Tax Liability report and input the correct date range.