

Updating Retirement Contributions - 2023

To update employee retirement contributions in payroll:

1. Login to your payroll account
2. Click the **Employees** icon from the menu on the right side of the screen 
3. Navigate to the employee you want to update (select from dropdown or use arrows to scroll through employee list)
4. Click the **Deductions** tab
5. **IMPORTANT:** You may see up to 4 different 401(k) deductions.

Make sure you are selecting the option that is applicable to the employee:

- a) **401(k) - Fixed Amt (\$)** – Use this if the employee is under 50 and/or will NOT turn 50 at any point in 2023 and if they want to contribute a fixed dollar amount from each paycheck
- b) **401(k) - % of Gross** – Use this if the employee is under 50 and/or will NOT turn 50 at any point in 2023 and if they want to have a percentage of their pay contributed from each paycheck
- c) **401(k) for EE 50+ - Fixed Amount (\$)** – Use this if the employee is over 50 and/or WILL turn 50 at any point in 2023 and if they want to contribute a fixed dollar amount from each paycheck
- d) **401(k) for EE 50+ - % of Gross** – Use this if the employee is over 50 and/or WILL turn 50 at any point in 2023 and if they want to contribute a fixed dollar amount from each paycheck

NOTE – if an employee is turning 50 this year and thus is eligible for catch-up contributions, make sure you are **UNCHECKING** the box that was previously checked for them and **CHECKING** the box for the catch-up contribution

6. Enter the *amount or percentage* that the employee wants to contribute *per pay period* in the applicable box and make sure the box next to the deduction is checked

Name	Criteria	Amount	Start Date	Stop Date	Goal	Acct#	Select
401(k) \$	Fixed Amt (\$)	0.0000			0.00		<input type="checkbox"/>
401(k) %	% of Gross	3.0000			0.00		<input checked="" type="checkbox"/>
401(k) for EE 50+ \$	Fixed Amt (\$)	0.0000			0.00		<input type="checkbox"/>
401(k) for EE 50+ %	% of Gross	0.0000			0.00		<input type="checkbox"/>

a) If the employee wants to **max out** their contributions for the year (confirm this with the employee), update the contribution amounts as follows:

- **Determine the amount:**

- Take the contribution limit and divide it by the number of pay periods in the year

Contribution Limits for 2023 are:

401(k) or 403(b) Regular: \$22,500

401(k) or 403(b) Catch-Up (employees who are 50 years old or older): \$30,000

SIMPLE IRA Regular: \$15,500

SIMPLE IRA Catch-Up (employees who are 50 years old or older): \$19,000

Number of Pay Periods in a year:

Weekly pay schedule: 52

Every other week (bi-weekly) pay schedule: 26

Twice a month (semi-monthly) pay schedule: 24

Monthly pay schedule: 12

Example: If you contribute to a 401(k), are under 50 years old, and have a monthly pay schedule:
 $\$22,500/12=\1875 per pay period

- Enter the amount you calculated in the box for the applicable 401(k) deduction

Continue to do this for each employee who needs their retirement contributions updated.

IMPORTANT NOTES

1. The EMPLOYER contribution to retirement accounts is set up on the back-end by Easytrack. If you have questions on this, please contact us so that we can advise and update as needed.
2. The payroll system is automatically set up to stop deducting retirement benefits once an employee reaches the limit set by the IRS for the year.
 - a) If an employee contributes to *only one type of retirement plan*, there is *no special action* you need to take to ensure their contribution doesn't exceed the limit – the payroll system will take care of this for you.
 - b) If an employee contributes to *more than one type of retirement plan* (e.g 401k and Roth 401k), it is your responsibility to ensure the amounts they contribute will NOT bring them over the TOTAL contribution limit for the year.

**If you need assistance setting up a retirement plan for the first time,
or you have any questions on your existing plan's setup, please contact Easytrack.**