

Updating Retirement Contributions - 2023

To update employee retirement contributions in payroll:

1. Login to your payroll account
2. Click **Workers** from the menu on the left side of the screen to go to your list of Employees
3. Click the *name of the employee*
4. Click **Job** in the blue menu at the top of the screen
5. Click **Deductions** from the sub-menu



6. Next to the respective retirement benefit, enter the updated amount of the *employee's* contribution *per pay period*
 - a) If the employee contributes a *percentage*, enter the number and *THEN* make sure to toggle that option **ON**



- b) 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 401(k) deduction
- c) If an employee will turn 50 years old AT ANY TIME in the year, they are eligible for additional (Catch-Up) contributions. To set an employee up for this:
 - At the top of the screen, under Preference, toggle the **Use 401(k) Catchup Limit to On**

Preferences

Use 401(k) Catchup Limit

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.**