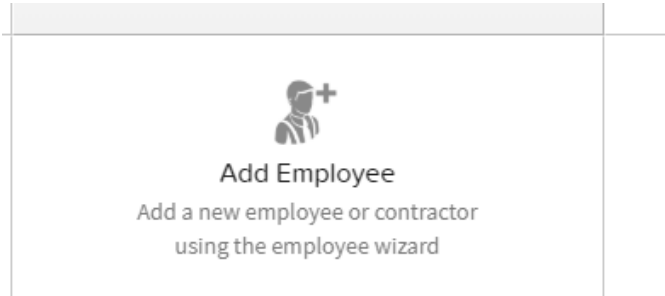


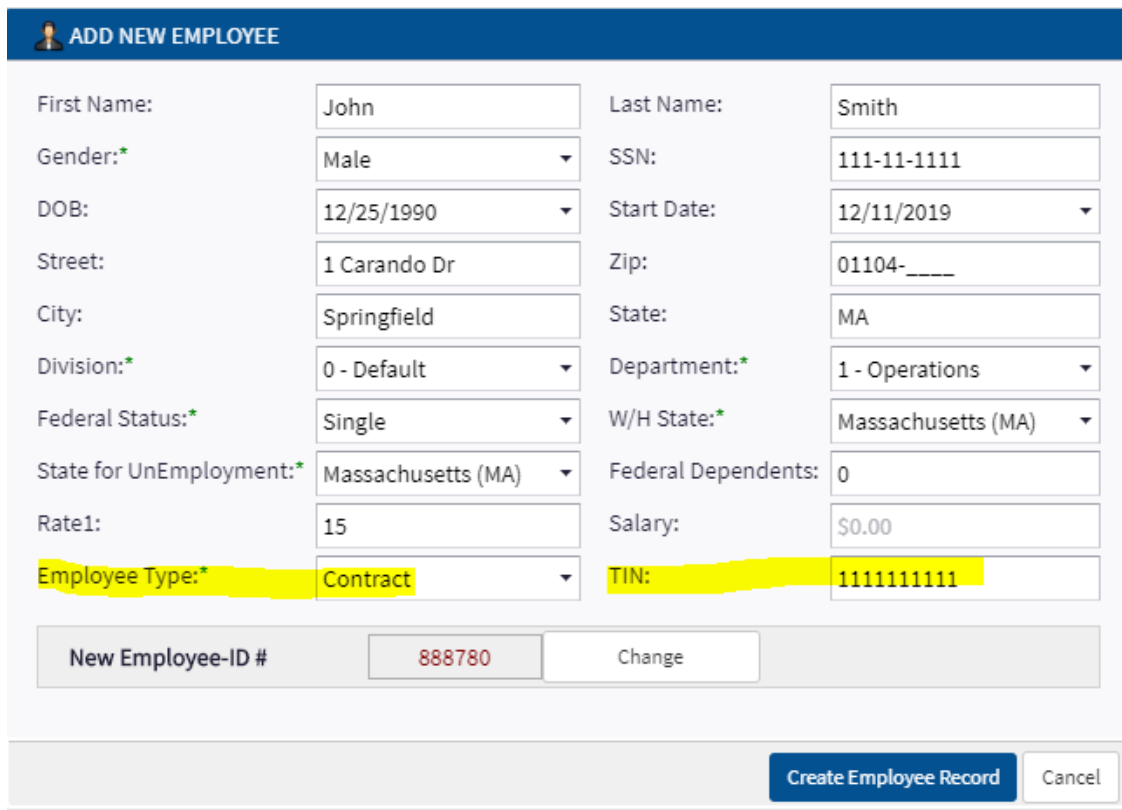
Adding a 1099 Employee - PPX

To add a 1099 employee to your payroll, you would start by clicking Add Employees in PPX.



Once that opens, you would fill in the fields with the employee's credentials. The SSN needs to be entered in, so if they have a TIN instead you would enter that there. You would then select Contract as the Employee Type, which will allow you to enter the TIN.

The Federal Status should be Single 0 since you will be changing the employee to tax exempt in the next step.



ADD NEW EMPLOYEE			
First Name:	John	Last Name:	Smith
Gender:*	Male	SSN:	111-11-1111
DOB:	12/25/1990	Start Date:	12/11/2019
Street:	1 Carando Dr	Zip:	01104-_____
City:	Springfield	State:	MA
Division:*	0 - Default	Department:*	1 - Operations
Federal Status:*	Single	W/H State:*	Massachusetts (MA)
State for Unemployment:*	Massachusetts (MA)	Federal Dependents:	0
Rate1:	15	Salary:	\$0.00
Employee Type:*	Contract	TIN:	1111111111
New Employee-ID #		888780	Change
Create Employee Record			Cancel

Once you have created the employee record, you can go to the Tax Info tab on the employee and set them to exempt from federal and state taxes. To do so, click the pencil icon in each box and then check off Federal W/H Exempt and then click the check mark to save the changes. You can do the same for state taxes in the other box as well.

The image shows two side-by-side screenshots of tax configuration forms. The left form is titled "FEDERAL TAXES" and contains the following fields: Federal Status: Single, Federal Allowances: 99, Extra Federal W/H: 0.0000, Fixed Federal W/H: 0.0000, and AEIC Status: None. At the bottom right of this form, there is a checked checkbox labeled "Federal W/H Exempt". The right form is titled "STATE TAX" and contains the following fields: Primary Work State: Massachusetts (MA), Primary Residence State: Massachusetts (MA), and State for Unemployment Taxes: Massachusetts (MA). At the bottom right of this form, there is an unchecked checkbox labeled "State Unemployment Exempt".

Now that they are set up correctly as a 1099, you can continue to add any deductions, memos, direct deposit information, etc, the same as you would with a W2 employee. The last step would be to let your client relations specialist know that they have been added so that they can switch them over to Independent Contractor.

When paying the employee in payroll, please make sure to pay them in the 1099 column so that their wages are recorded correctly.