

GrandMaster II

2003 YEAR-END PROCEDURES

1. Complete Your Last Payroll:

Once you have followed the normal steps to complete your payroll cycle for 2003, you must give special consideration to year-end requirements (e.g. WCB Reports). Many payroll users choose this time of the year to print a Profile Report for each employee that can be placed in their employee file. Year-end is a good time to review the reports you have set up under the Report Generator -- you may have some year-end reports that have to be processed.

Ensure that you make a reliable backup before finalizing your year-end procedures

When you are sure you have completed all of the necessary steps, select the *Process* menu and *Clear* the payroll.

2. Install the Updated Software:

This step will update GrandMaster II with the changes that we have made for 2003 T4s. It also updates the tax tables to 2004 and offers the latest product enhancements.

Place the CD-ROM in your CD drive and wait for the AutoPlay window to appear (if it does not, please refer to the instruction on the face of the CD-ROM. Choose the Install *GrandMaster II for Windows* option and follow the instructions shown on the screen.

GrandMaster II for DOS - Many of our GrandMaster II (DOS) users have now switched over to the Windows version. If you would like to upgrade to GrandMaster II for Windows, you may do so at any time at no additional cost. The Windows version can be run along side your existing DOS version with no data conversion or additional training required!

3. Create the T4/T4As:

- a) Select the **Year End** menu and choose the *Create T4/T4As* command.
- b) Press <F4> to assign the earnings that you used during the year to the appropriate T4/T4a box. When completed, press the <Esc> key to close the Earnings window. By default, all taxable earnings are set to box (14).
- c) Press <F5> to assign the Benefits that the employee received to the proper benefit box on the T4.
- d) Press <F6> to assign the required Deduction on the T4 to the appropriate box. At this time you should also enter Registered Pension, Union and Charity numbers. You can check the employee's T4 slip from the previous year for this information.

All Registered Pension deductions must have a Pension Adjustment amount. Contact the company that administers your pension fund or your actuaries for the required calculation method. GrandMaster II will calculate Defined benefit - Fixed Monthly, Defined-benefit - Fixed Percentage, Defined-benefit - Integrated with CPP and Money Purchase plans. If you have a Pension Adjustment, change the T4 box number 20 to 52. This will display a Pension Adjustment window where you must choose the method of determining the employee's annual salary (if they have not worked a full year). Option "M" (monthly) will use the employee's start and termination dates to determine months of employment. The pensionable income is then divided by employment months and multiplied by 12. Option "H" (hourly) will take the pensionable earnings divided by pensionable hours and multiply the result by a factor equivalent to full time employment (normal hours per week times 52. Example $40 \times 52 = 2080$, for Teachers, it may be Days Taught, e.g. 197). Option "N" (not) will not annualize the earnings (usually for money purchase plans).

Choose the Pension Adjustment type and enter the appropriate percentages or rates that you have received from your pension administrator. The Integrated plan will have two percentages, one below YMPE (e.g. 1.2%) and one above YMPE (e.g. 2.0%). The Money Purchase option has no factors -- the Pension Adjustment is equal to pension deduction plus company contribution.

When you have completed these steps, press the <F7> key to create the 2003 T4/T4A file. This file differs from that of your payroll master and will remain on your computer until the following year's T4s are created.

4. Balance the Results:

From the **Year-End** menu, choose the *Print T4 Summary* command, then press <F7> to print a T4 Summary Report. Balance the report to your last payroll register and confirm that all of the information required for the T4s appears in the correct boxes.

If you are not satisfied with the results, go back to step 3 and recreate your T4 file again. If any T4As were created, print the T4A Summary.

When you are satisfied that everything is in order and it balances to your last payroll, retain a copy of this report for your files. Though changes may occur before the T4s can be printed, this report will provide a record of the starting point.

5. Year End WCB:

Print a trial copy of the Year-End WCB Report to balance your WCB figures to the payroll. Once the year has been cleared, you must use this function to print the WCB Report (because it uses the year end 2003 figures).

6. Back Up Your Year-end Files:

Use *Backup/Restore File* command under the **Year-End** menu to create a diskette copy of your 2003 T4/T4A data. Place this diskette in a secure location.

Whenever changes are made to the T4/T4A information using the *Edit T4* or *Edit T4A* commands, you should create another backup copy for your records.

7. Clear Year-to-dates:

Once the T4 files have been created to your satisfaction, you can now *Clear* the payroll Year-to-Dates (*Clear YTDs*) in preparation for your first payroll of the new year.

At this time, special consideration should be given for terminated employees as well as any earnings, deductions and accumulators that you are no longer using. Also YTD, deduction and accumulator balances that are to be carried over into the new year must be indicated. For example, a Bond deduction that runs to end of October or employee vacation pay.

Use the <F4> and <F5> keys to select the deduction and accumulator amounts that are to be carried forward. All amounts that you *check* will be carried forward to the new year. The <F6> key will open another window that allows you to delete unused earnings, deductions and accumulators as well as drop terminated employees. When you have completed the deletions, press the <Esc> key to return to the original *Clear Year-to-Dates* window and then press <F7> to proceed with the Clear procedure.

During the Clear procedure, the original payroll information is copied into two files called OLD-MAST.DAT and OLD-MAST.IDX. A new 2004 payroll master is then created. Some users copy these OLD-MAST files (both .dat and .idx) to a new payroll directory called PAY2003 so that they will have 2003 information at their fingertips. We have created a batch file that will perform this action for you:

If you have not yet cleared your YTDs:

1. Choose the Windows *Start* button and select **Programs - Command Prompt** to open a DOS prompt.
2. Type **c:** then press <Enter>. This changes to your C drive. If GrandMaster II is installed on another drive, please substitute the appropriate drive letter.
3. Type **cd \grndmast** and press <Enter> to change to your GrandMaster directory. If GrandMaster II is installed in a different directory, please substitute that location in place of \grndmast.
4. Enter the following text: **create curpay(Sales) oldpay(Sales02)** (where *curpay* refers to the name of your 2003 payroll - e.g. Sales and *oldpay* refers to the backup copy of payroll e.g. Sales02) – Press <Enter>.
5. You can now go into your payroll (Sales) and clear the YTD to proceed with your 2004 payroll.

If you have already cleared your YTDs:

1. Choose the Windows *Start* button and select the **Programs - Command Prompt** to open a DOS prompt.
2. Type **c:** then press <Enter>. This changes to your C drive. If GrandMaster II is installed on another drive, please substitute the appropriate drive letter.
3. Type **cd \grndmast** and press <Enter> to change to your GrandMaster directory. If GrandMaster II is installed in a different directory, please substitute that location in place of \grndmast.
4. Enter the following text: **create2 curpay(Sales) oldpay(Sales02)** (where *curpay* refers to the name of your 2003 payroll, which became 2004 payroll after you cleared the YTD's - e.g. Sales) – Press <Enter>
5. Your payroll is ready for 2004 pay data and your former payroll is archived.

8. Finished Year-End:

You are now finished with the year-end requirements and can now process payrolls for the new year. The remaining procedure can be completed between now and February 28th.

To confirm that everything is completed properly, check that your run number is now set to number one. Also, when you calculate your first payroll for the new year, check the *Payroll Calculation* screen to ensure that it displays the January 2004 tax tables.

9. Edit T4/T4As:

It is quite common to make adjustments to your payroll information prior to actually printing the T4/T4As. You may wish to add special items (e.g. auto allowances for executives not set up in payroll, special bonuses paid, etc.).

Use the **Edit T4** or **Edit T4A** commands to make these required changes. All fields on the T4/T4A forms can be changed at this time.

On your original printed T4/T4A summary reports, you should note any error messages that appear below some employee names. These messages will read similar to the following: *CPP S/B, EI S/B*. This indicates that there is a discrepancy (mismatch) between the Year-to-Date CPP and/or EI totals as compared to the employee's Gross Income. This may be caused when the payroll was calculated as an *Extra* run instead of an *Additional* or vice versa. It may also occur when a bonus is paid with no deductions taken or when taxable benefits are entered at end of year. If you overlook these messages, you will receive a Pier report from the CCRA, indicating the mismatched amounts and asking you to remit the difference. Many companies choose to adjust these mismatched totals by altering the employee's tax amount to recover any differences. The CCRA has indicated that this is not an acceptable solution and suggests that you pay or recover any differences directly with the employee. Keep in mind that any amount less than \$1.00 will not appear on the Pier report.

Employees that have turned age 18 or age 70 during the year or have started receiving CPP benefits will need to have a pensionable earning amount entered. This figure is not maintained by GrandMaster II and will need to be entered manually. Pensionable earnings are monies earned between the ages of 18 and 70 and only need to be entered if not equal to gross income.

10. Print T4/T4A Summaries:

When you feel you have made all the necessary changes, print another copy of the T4 and T4A Summaries. These altered copies will be the ones used to balance your remittances. Use the figures from the end of this report to fill out your CCRA T4 and T4A Summary reports.

If you require any further changes to the T4 or T4As, go back to **Step 9** (Edit T4s).

11. Print the T4s:

From the *Year-End* menu, choose the *Print All T4s* command. Choose either:

- **Continuous Feed T4** - Multi-part or mailer forms with carbons.
 - **Laser Printer T4** - Single copy Laser forms.
 - **Relève 1** (Quebec) - Choose this option if you are required to print Relève 1 forms for the Province of Quebec, as well as Federal T4 forms.
 - **Laser Relève 1** (Quebec) - Laser version of the above form.
- a) **CONTINUOUS FEED T4** – Multi-part continuous Feed T4s can also be self sealed mailer forms (address printed on outside). If you need to change the printer settings or printer port, press <F5> to view to the printer settings. Use the <F6> key to test your alignment on the form. The first T4 should always start just after a perforation. To send copy 1 to the CCRA on diskette, insert a new diskette (one file per diskette), then choose "Y" for magnetic media filing. Remember to press <F3> afterwards to change the settings and parameters for this file and print the remaining copies as normal.
- b) **LASER PRINTER T4** - Use the same procedures as Continuous T4s ensuring that your alignment is correct. Change the top of form and left margin offsets to move the printing lower or farther right on the page.
- c) **RELEVÉ 1**- Relevé 1 forms are required for employees in the province of Quebec. Relevé 1s are available in multi-part continuous feed format or single-sheet laser format. Press <F6> to print a test page and check your alignment. Press <F7> to print your Relevé 1 forms. For continuous feed forms, the first form should always start just after the perforation.

12. Print the T4As:

From the *Year-End* menu, choose *Print All T4As* command. Choose either:

- **Continuous Feed T4A** - Multi-part forms with carbons.
 - **Laser Printer T4A** - Single copy Laser forms.
- a) **CONTINUOUS FEED T4A** - Continuous Feed T4As can also be self-sealed mailer forms (address printed on outside). If you need to change the printer settings or printer port, press <F5> to view to the printer settings. Use the <F6> key to test your alignment on the form. The first T4A should always start just after a perforation.
- To send copy 1 to the CCRA on diskette, insert a new diskette (one file per diskette), then choose "Y" for magnetic media filing. Remember to press <F3> afterwards to change the settings and parameters for this file and print the remaining copies as normal.
- b) **LASER PRINTER T4A** - Use the same procedures as continuous T4As ensuring that your alignment is correct. Change the top of form and left margin offsets to move the printing lower or farther right on the page.

13. WCB Report:

After changes have been made to your T4 file you may want to reprint your Workers' Compensation Report using the corrected data. Choose the *Year-End WCB* command and use <F7> to print.