

Intuit QuickBooks Payroll Glossary

Below is a list of common payroll terms and their explanation.

Term	Explanation
After-Tax Deduction	A deduction from an employees' pay that does not reduce the employees' taxable income. It is taken off only after all applicable taxes and other deductions have been withheld (e.g., union dues, garnishments, charitable contributions).
C.P.P.	Canada Pension Plan
Credit	An accounting entry that increases liabilities and revenues and decreases assets and expenses.
C.R.A.	Canada Revenue Agency
Debit	An accounting entry that increases assets and expenses and decreases liabilities and revenues.
Deduction	An amount subtracted from an employees' gross pay to reach net pay, or an amount allowed to taxpayers as an offset against income.
D.O.B.	Date of Birth
Direct Deposit	The electronic transfer of an employees net pay directly into financial institution accounts designated by the employee, thus avoiding the need to receive a "live" paycheque
Earnings/Compensation	All cash and non-cash remuneration given to an employee for services performed for the employer. The different types of compensation (earnings) your company offers, such as salary and hourly wages. Other examples include commission or taxable fringe benefits, such as the use of a company car.
E.I.	Employment Insurance
Electronic Funds Transfer (EFT)	The transfer of money electronically from an account in one financial institution to an account in another financial institution.
Electronic Filing	The process of filing tax and information returns directly from one computer to another.

Employee	An individual who performs services for another individual or an organization in return for compensation.
Employee Defaults	The employee defaults are where you enter payroll information that most employees have in common, such as deductions for pensions, health insurance, or union dues. The default setup saves you time, because you enter this information only once. When you are setting up the payroll record for a new employee, QuickBooks automatically fills in the information you entered into the default setup. If you need to, you can customize any of the prefilled information for each employee.
Employer	An individual or organization that hires individuals to perform services in return for compensation, and that has the authority to control and direct the work of those individuals as part of the employer-employee relationship.
Federal Income Tax	A withholding tax levied against employees. The amount of withholding varies with the amount of earnings, frequency of pay, number of claimed exemptions, and TD1 values entered in the employee profile.
Independent Contractor	A non-employee contracted by a business to perform services. Although the business specifies the result of the work to be performed, it has no right to control the details of when, how or who will ultimately perform the work.
Liability Balance Adjustments	Liability balance adjustments change the amounts that QuickBooks shows in your payroll reports.
M.R.Q	Ministère du Revenu du Québec
Net Pay	That part of an employees wages that remains after all deductions have been subtracted (taxes, health insurance, benefits, etc.)
Overtime	Hours worked in excess of maximum set by federal or provincial law that must be compensated.
Payroll Expenses	An expense account that QuickBooks automatically adds to your chart of accounts the first time you turn on payroll. The Payroll Expenses account tracks payroll items that are an expense to your company. These include salaries, wages, bonuses, commissions, company contributions such as a company-paid health plan, and

	the company-paid portion of taxes.
Payroll Liabilities	Payroll-related liabilities include amounts owed for any payroll taxes withheld from the gross earnings of each employee and the payroll taxes owed by the employer. Examples of withholdings from gross earnings include federal income taxes and also federal requirements for contributions to CPP and EI. Furthermore, withholdings paid to third parties such as, investments in retirement accounts (RRSP, RPP), medical insurance premiums, union dues, uniforms, Child Support, child care, loan payments, stock purchase plans offered by employer, and charitable contributions.
Payroll Period	The period of service for which an employer pays wages to its employees.
P.P.I.P	Provincial Parental Insurance Plan
Relevé 1	The Relevé 1 slip is used to report all income you paid to your employee over the previous calendar year to Revenu Québec , including salaries, wages, taxable benefits (company contributions), commissions, and any other remuneration you give to your employees (such as tips). The Relevé 1 slip also includes the amounts you withheld from the employee for income tax source deductions, compensation tax, and contributions to the Québec Pension Plan and the Québec Parental Insurance Plan.
PD7A Report	A Payroll form which details your monthly remittance of withholdings to the Canada Revenue Agency (CRA). QuickBooks creates a PD7A Report that gives you some of the information required to complete the monthly PD7A payroll form.
Payroll Items	QuickBooks uses payroll items to track individual amounts on a pay cheque and to accumulate year-to-date wage and tax amounts for each employee. There are payroll items for compensation, taxes, other additions and deductions, and company-paid expenses. You can assign these payroll items to different accounts as needed. QuickBooks automatically provides some payroll items for you such as Salary, CPP/QPP, EI, Federal/Quebec Income Tax, QPIP, QHSF, CNT, and advances. To fully track your payroll, you may need to add more payroll items to the list.

Payroll Items List	The Payroll Item list holds the payroll items that are currently set up in QuickBooks. The list is initially grouped by item type, but you can resort by item name.
Payroll Schedule	<p>Payroll schedules allow you to group employees who have the same pay frequency in whichever way that helps make your payroll runs convenient and hassle-free.</p> <p>A payroll schedule defines when you should run your payroll so that you can pay your employees on their pay day. You define how often you pay your employees (weekly, biweekly, semi-monthly, and so on), which date their pay cheque is due, and which day you run payroll, and QuickBooks calculates your upcoming payroll schedule so that you can pay your employees on time.</p>
Payroll Tax	Any tax levied by a government agency on employees' wages, tips and other compensation.
Pre-tax Deduction	Deductions taken from gross pay that reduces taxable wages.
Q.P.I.P.	Québec Parental Insurance Plan
Release Date	A release date is the last day that an employee worked or will work and the last day for any deduction of taxes from the employee's pay cheque.
R.O.E.	Record of Employment. The information on the ROE is used to determine whether a person qualifies for EI benefits, the benefit rate and the duration of his/her claim.
Social Insurance Number (S.I.N)	An individual taxpayer identification number, consisting of nine (9) digits (xxx-xxx-xxx).
T4	Statement of Remuneration Paid slips are end-of-year payroll forms that show an employee's wages and payroll deductions for the past year.
T4A	Statement of Pension, Retirement, Annuity and Other Income, generally used to report income paid to subcontractors.
T-5018	Statement of Contract Payments - This form is used by a construction business to report construction subcontractor payments.

<p>TD1 and TP-1015.3 Forms</p>	<p>The Canada Revenue Agency (CRA) requires you to keep a current federal and provincial TD1 form on file for each of your employees. For Québec employees, you must keep a federal TD1 form and a provincial form on file. These forms tell you how much income tax to deduct from your employees' pay cheques.</p> <p>For this reason, it is very important that you keep your employees' forms current. Each of your employees should fill in two forms:</p> <ul style="list-style-type: none"> • A Federal Form TD1 (Personal Tax Credits Return) • A Form TD1 for the province the employee works in (In Québec, the provincial form is called the TP-1015.3.)
<p>Unscheduled Payroll</p>	<p>Unscheduled Payrolls are used to pay employees off-cycle. For example, to pay an employee a yearly bonus or an advance. Note: Unscheduled Payrolls can be used to pay employees if you do not wish to use payroll schedules.</p>
<p>Y.T.D</p>	<p>Year to Date</p>
<p>Year-to-Date Adjustments</p>	<p>Summarized payroll amounts that users need to enter if they are just beginning to use QuickBooks payroll but have already written pay cheques earlier in the calendar year. The summarized amounts ensure correct year-to-date totals on the pay cheques written for the remainder of the calendar year.</p>