You can choose one of two different ways to track paycheck information in Quicken. You can record gross salary and all payroll taxes and deductions withheld or only the net deposit amount. Tracking all of your paycheck information allows you to take advantage of more tax planning features in Quicken. The objectives of this set of instructions are to:

- Show how to set up paycheck tracking, including alternatives to
  A. Track all earnings and deductions
  B. Track net deposit only
- Show how to record a paycheck

The first three paycheck setup screens are the same for tracking all earnings and deductions or tracking the net deposit only. Separate instructions are provided for each. The example for tracking all earnings and deductions is provided first; instructions for tracking the net deposit only finish on page 9. To enter the paycheck setup, go to:

**Bill and Income Reminders** (on the Home tab)
**Add Reminder** (drop down tab)
**Income Reminder**
**Paycheck Setup wizard**

The **Paycheck Setup wizard** screen will appear. It is at this point that you choose the amount of paycheck information to track. You may find it advantageous to read through both sections of these instructions to view more of the paycheck tracking features (or click on the Help button). To track all earnings, taxes, and deductions, select **Gross amount**. Click on **Next**.

*Note: Once you have a paycheck recorded, the Manage Paycheck screen will appear. Choose New to add another paycheck to track or Edit to make corrections to a recorded paycheck.*

In the screen below, you will choose to whom the paycheck belongs. **My paycheck** is assumed to be the head of household for export into a tax program. **This is my spouse’s paycheck** adds categories to keep salaries and taxes separate for the spouse.

---

1 Damona Doye, Extension Economist, Regents Professor and Rainbolt Chair of Agricultural Finance; Lori Shipman, Extension Paraprofessional; and Sara Siems, Extension Assistant; all are with Oklahoma State University. The authors’ use of Quicken products is to encourage financial planning and management; however, these instructions should not be considered an endorsement by Oklahoma State University.
Tracking all earnings, taxes, and deductions

This choice enables you to do some analysis and tax planning throughout the year. Advantages of tracking the complete paycheck information in Quicken include:

- Your paycheck is saved as a scheduled transaction (applies to recording net deposit only) with all of the associated categories.
- Use the Tax planner to evaluate current tax withholdings for the year.
- Track your retirement account information.
- Track flexible spending accounts.
- Export salary and tax information to TurboTax at the end of the tax year.

Choose the Account for the primary deposit of the paycheck. For our example, we have selected Family Checking.

We chose to be reminded to edit the amounts in the paycheck before entering it in the register:

Scheduling
Start on: 1/21/15  Remind Me  3 days in advance

Default categories appear in the Earnings category (Salary) and Pre-Tax Deductions are also listed as an option. To adapt categories for your use, select Edit to make changes or Delete to eliminate those that are not needed and/or click on Add Earning or Add Pre-Tax Deduction to create new categories. Add Earnings could include bonuses, profit-sharing, commissions, holiday, sick or vacation pay, or other earnings. Pre-tax tax deductions may include retirement contributions,
PERS/SARSEP/SIMPLE, flex spending, dependent care, and insurance payments (medical, dental, vision). Enter the amount in the appropriate lines.

**Earnings**
Enter the gross earnings in this section. For *Salary*, we will enter **$2,288.50**

[Image of earnings section with salary entered]

If you receive additional earnings other than your regular salary, click on the **Add Earning** button. Here we’ll add vacation pay:

[Image of add earning window with vacation pay entered]

**OK**

**Pre-tax Deductions**

Pre-tax deductions are subtracted from your gross earnings before taxes are calculated. If you have pre-tax deductions such as retirement accounts 401(k), 403(b), SIMPLE, etc., flexible spending accounts for medical or dependent care; insurance premiums such as medical, dental, and vision, or other payroll deductions that are not subject to income taxes, enter them in this section. With each selection, you will name/create an account, record the date of the last statement and establish a balance for the account, the description and category will also be established. Employer matches can be recorded for the retirement accounts, shown below.

Click on the **Add Pre-tax Deduction** button.

Let’s add our retirement account information first, selecting **401(k), 403(b), 457**.

If you don’t want to go online to download information for the account, choose **Advanced Setup**
- **I want to enter my transactions manually**

**Next**

**Name this account:**
*Teacher Annuity*
Let’s assume you are entering in the previous year’s information. Use 10/14/14 as the statement ending date.

Next

Would you like to track loans against this account?
- No

Next

Name the security **Employee Contribution Transfer**

Next

The next screen prompts you to add ticker symbols for each security in your account. Add these if you want Quicken to go online to maintain current market values for your portfolio. If not, you can click:

Next

Click Yes, then Done
Finish

Enter your Contribution and the Employer Match

OK

Now let’s set up a medical flexible spending.

Add Pre-tax Deduction
Flex Spending

The first step is to create an account.

Quicken Account Setup
Name this account: Medical Flex Spending

Next

As of Date: 1/1/2014
Value: 0.00

Done
Now we enter the deduction amount.

![Add Pre-tax Deduction dialog box](image)

**OK**

To add the medical insurance account, click on:

**Add Pre-tax Deduction** (you may need to the scroll bar on the right side of the window to view the tab now that we’ve entered in a couple of new Pre-Tax Deduction accounts).

**Medical Insurance**

![Medical Insurance dialog box](image)

**OK**

You can add other pre-tax deductions as needed.

**Taxes**

This section includes withholdings for federal and state income taxes, Social Security (FICA), Medicare, and state disability (SDI) insurance. Enter the amounts as they appear in the following graphic and delete the **Disability (SDI)** by clicking on the **Delete** button in that line as our employer pays for SDI.

![Taxes table](image)
That completes our tax deductions. If you need to add additional tax line items, click on the **Add Tax Item** button. Choose **Other Tax** and enter the appropriate information.

**After-Tax Deductions**
If you have any after-tax deductions, record them in this section. Examples of after-tax deductions include an Employee Stock Purchase plan (ESPP), 401(k) loan, and Employer loan Repayment.

**Deposit Accounts**
The next step is to designate where the deposit should go. We designated the primary account to use, **Family Checking**, at the top of this window. However, if a portion of the net deposit goes to another account, such as savings, you can add it here. We are putting $50 into our existing savings account for emergencies.

Click the **Add Deposit Account** tab (you may need to continue scrolling down at the right side of the Paycheck Setup window).

![Add Deposit Account](image)

**OK**

![Deposit Accounts](image)

Quicken then calculates the amount deposited into Checking (primary account), net pay, and W-2 wages. W-2 wages are different than gross pay when you have pre-tax deductions. The total W-2 Gross should match your W-2 at the end of the tax year.

After reviewing the information for accuracy, you may click on **Done** (bottom right corner of the window) when you are satisfied with the entries. If it is later in the year and you have missed recording the information for paychecks at the first of the year, you may see the next screen.
Note: To create accurate tax reports and effectively use the tax planning features, you must either enter each of this year’s paycheck deposits in the check register with the appropriate deductions or choose “I want to enter the year-to-date information.”

OK

To add the paycheck for the spouse, repeat the process:

**Bill and Income Reminders** (on the Home tab)
  - **Add Reminder** (drop down tab)
  - **Income Reminder**
    - **Paycheck Setup wizard**

Continue entering the appropriate information as was done with the earlier paycheck.

Congratulations! You have recorded paycheck information that will allow you to use the Tax Planner feature to evaluate if you are withholding an adequate amount for taxes. Select the **Planning Tab**, **Tax Center**, and click the **Tax Tools** drop down tab. Choose **Tax Planner**. Follow the
instructions for adding data needed.

**Track net deposit only**

Only one screen must be completed if the net amount of a paycheck is being tracked after completing the paycheck setup.
Next

Add Income reminder
  From: **Bill’s Service Station**

To change the pay to bi-weekly, click on change:

Click on Add category, tag or memo and enter:

OK
If you need to edit paychecks, click on Manage Reminders, highlight the appropriate item and click on Edit.

Recording paychecks

Your paycheck(s) will be saved as a scheduled transaction. If you choose to be prompted before recording, you will notice the scheduled transactions tab at the bottom of the Checking account register. As the date of the paycheck nears, you will see that the scheduled transaction due. You can Edit the information, if needed. To record the deposit, click on the Enter button. Automatically recorded paychecks will show up on the day they are due and will move to the register.

Click on Enter next to the scheduled transaction reminder. An Enter Current Paycheck and Enter into Register screen will appear.

Make any needed adjustments and click Enter to record.
Go to the **Checking** account register to see that the paycheck was recorded with the correct split items. Pointing the mouse at the category line will reveal the amounts in the split transaction:

![Check Register Screenshot]

Your paychecks are now established as part of the expected deposits within your file.