

Colorado Paid Family and Medical Leave Insurance Program (FAMLI) Setup Inside Payroll Mate Payroll Software

Information in this tutorial is based on the CO FAMLI Employer Page located here: <https://famli.colorado.gov/employers>

How to setup Colorado employee FAMLI payroll tax (Paid by the employee):

This tutorial assumes the rate paid by the employee is **0.45%**, you need to check with the state for the most recent rate.

This tutorial also assumes premiums are paid on wages up to the Federal Social Security Wage Cap (**\$160,200 for earnings in 2023**). You need to check the latest wage cap with the state (do NOT rely on this tutorial for the correct rate or cap of this custom tax).

Please follow the steps below to create the new tax:

1. **STEP 1:** Navigate to the “Tax Categories” section under the “Company” screen and click the “Add” button.

The screenshot shows the Payroll Mate software interface. On the left is a vertical navigation menu with the following items: File, Edit, Tools, Help, Order Checks and Supplies, Company, Checks, Employees, Forms, Reports, Company (highlighted with a green box and labeled '1'), 1099 & Vendor, and Tutorials. The main area is titled 'Company' and contains three tabs: General Information, Tax Categories (highlighted with a green box and labeled '2'), and State Tax Information. Under the 'Tax Categories' tab, there is a table with the following data:

Title	Calculation
Federal Income Tax	
Social Security (Employee)	
Social Security (Employer)	
Medicare (Employee)	
Medicare (Employer)	
Fed Unemployment (Employer)	
State Income Tax	

At the bottom of the main area, there are three buttons: Add (highlighted with a green box and labeled '3'), Edit, and Delete.

2. **STEP 2:** Populate the values on the Tax Details screen as shown in the figure below. Notice how the tax is “Paid by” the **employee**, the rate is .45% (make sure to do check the latest rate from the state) and the Calculation is “**Percentage**”. Please note how we entered 160200.00 under the “Wagebase” field, this is the cap for social security tax and you need to change this value based on the latest rates from the SSA (or you can check with the state). Please also check with the state to see if this tax affects boxes 12 or 14 on the W2 form.

The screenshot shows a 'Tax Details' dialog box with the following fields and values:

- Title: CO FAMLI EE
- Abbreviation: CO FAMLI EE
- Calculation: Percentage (selected from a dropdown)
- Quarterly Rates: Four input boxes, each containing 0.450000
- Wagebase: 160200.00 (with a note: 'Leave Blank for No Wage Base')
- Max Amount per Check: (empty input box, with a note: 'Leave Blank if No Max')
- Paid by: Employee (selected from a dropdown)
- W-2 Options section (enclosed in a box):
 - W-2 Box 12 Code: (empty input box)
 - W-2 Box 14 Abbreviation: (empty input box)
 - ☐ Use on Box 19 (Local income tax)
- ☐ Inactive
- Buttons: OK and Cancel

3. STEP 3: Now you need to apply the new custom tax to your employees. For more information on this step, please refer to pages **8 and 9** from the tutorial below:

<http://www.payrolltutorials.com/wp-content/uploads/2014/05/How-To-Create-A-Tax-Category.pdf>

Important Note: If you add the new tax and then you can't apply to your employee(s) then the employees to whom you can't apply the new tax to are getting paid from custom added incomes (not the built-in incomes inside Payroll Mate) and in the setup for these custom incomes you do not have new tax applied. Please go back to the company setup, under the Incomes tab and review the custom added incomes to make the desired tax apply to them.

How to setup Colorado employer FAMLI payroll tax tax (Paid by the employeeR):

You need to follow the same steps for the employeeE tutorial, but under "STEP 2" make sure the tax is setup to be paid by the employeeR, see screenshot below:

Tax Details [X]

Title:

Abbreviation:

Calculation:

Quarterly Rates:

Wagebase: Leave Blank for No Wage Base

Max Amount per Check: Leave Blank if No Max

Paid by:

W-2 Options

W-2 Box 12 Code:

W-2 Box 14 Abbreviation:

☐ Use on Box 19 (Local income tax)

☐ Inactive

Noticed how employeR is selected under "Paid by"