Adding New Pay Definitions

Payments and Deductions · https://paiyroll.com/kb/adding-new-pay-definitions/

Before you can add any new pay items to an employee, you must first create the pay definition in **Setup** > **Pay Definitions** > **Add..**.

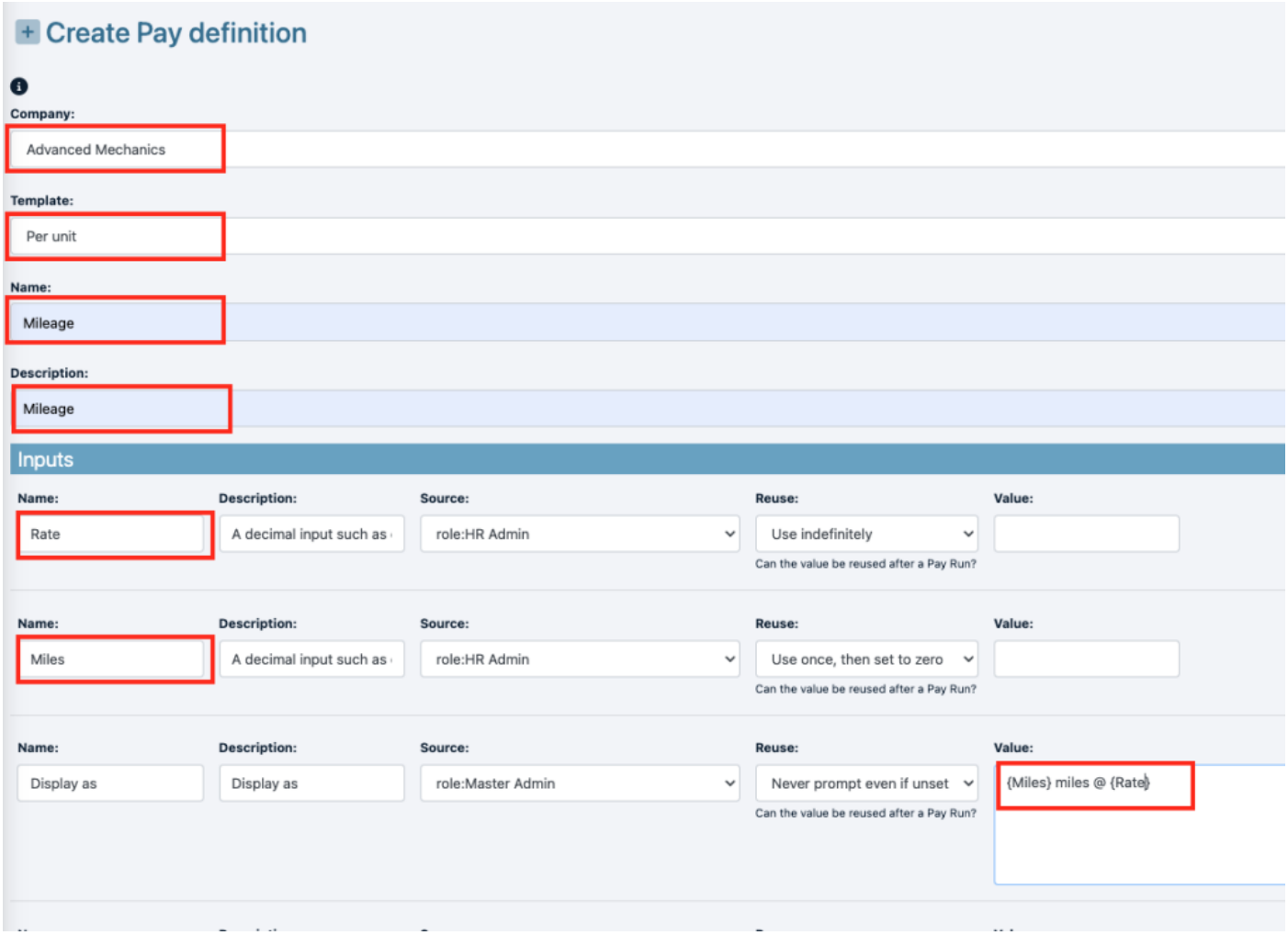
Select the **Company**, **Group** and **Template**. There is an extensive list of templates, but usually, you will be selecting one of these 3 Templates:

- Group: **Payment >** Template: **Payment** (below Universal - Payment); this is Gross pay by default
- Group: **Deduction** > Template: **Deduction** (below Universal - Deduction); this is Net deduction by default
- Group: **Shift** > Template: **Per unit**; This is Gross pay by multiplying any two values, e.g. Hourly pay, Daily pay, Mileage, etc.)

All you need to do is change the template's name and Description, noting that the description appears on the payslip.

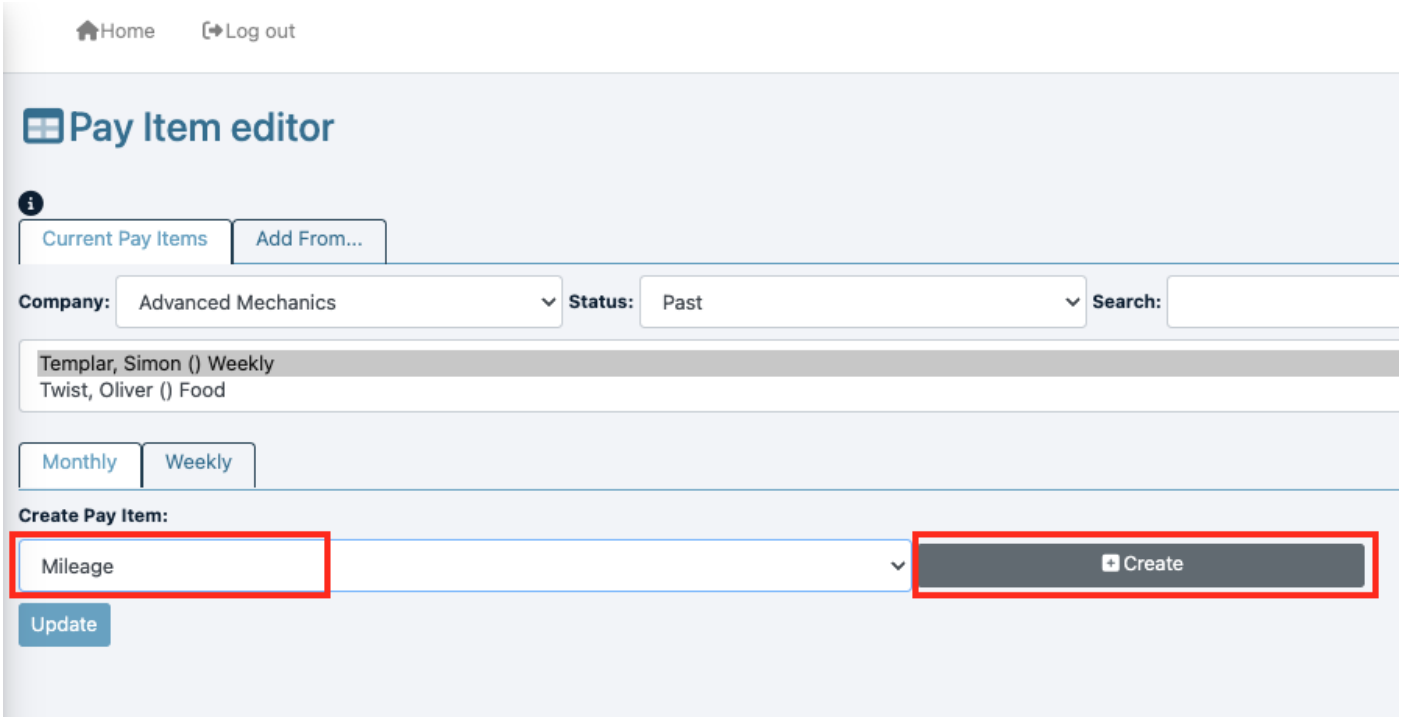
Optionally, you may wish to change the input names as shown below (this is not necessary in many cases).

You can also use our special formatting in the **display as** to nicely control, what appears on the payslip:

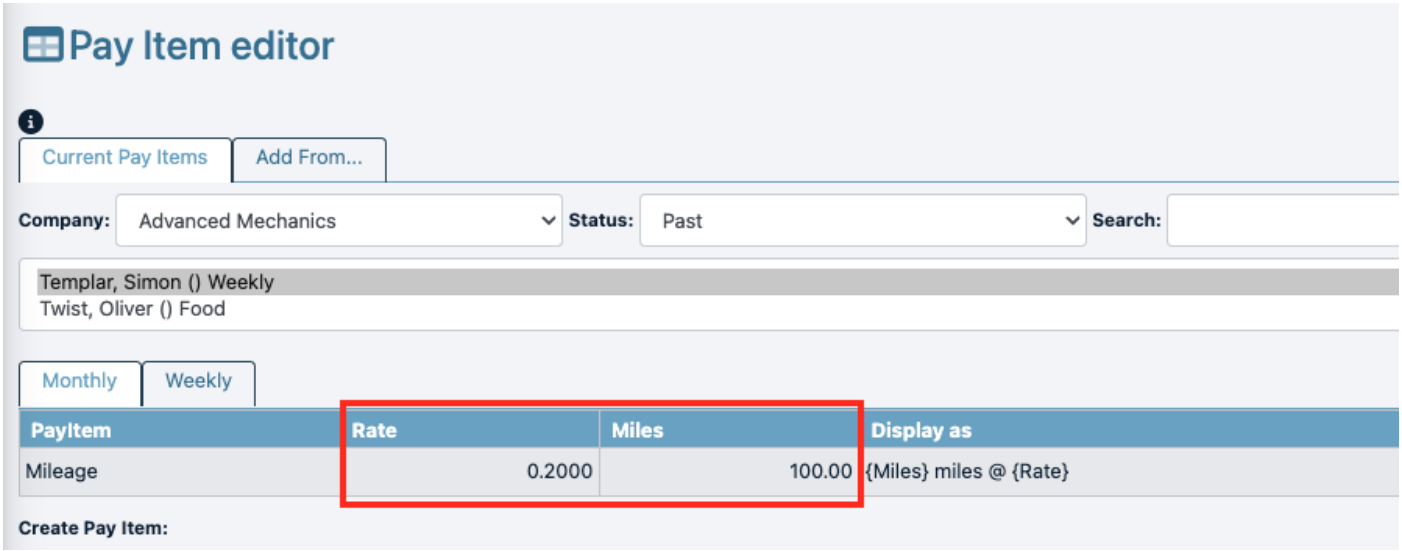


Click **Add**

Next, go to the **Pay Item editor**, search/select the **employee**, then select the required Pay Definition in the **Create Pay Item** selector to create the pay item on the employee:



When the pay item has been added to the employee, you can further add or change any values and click **update** to see the payslip:

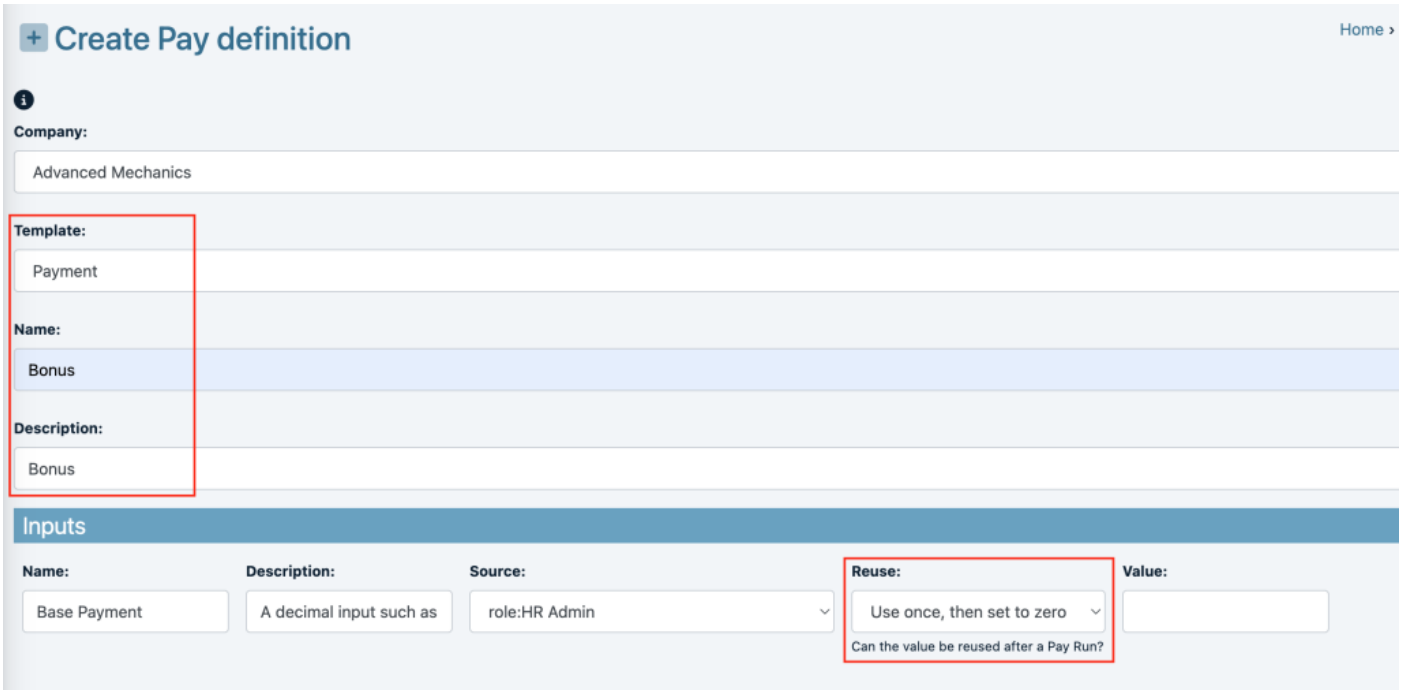


Bonus, Commission

To add a **Bonus** or **Commission** Pay Definition that may be changed *manually* between Pay runs:

- **Add** a new Pay Definition
- Select the **Payment** Template
- Change the **Name** and **Description** to **Bonus** [or **Commission**]

- Note: by default, **Reuse** is set to **Use once, then set to zero** which means it will be set to zero after each pay run thereby allowing you to enter a new value if required.
- Click **Add**



Go to the **Pay Item Editor**:

- Select the Employee
- Select **Bonus** Pay Definition
- Click **Create** the Bonus Pay Item
- Enter a bonus amount
- Click **Update** to check the mini-payslip

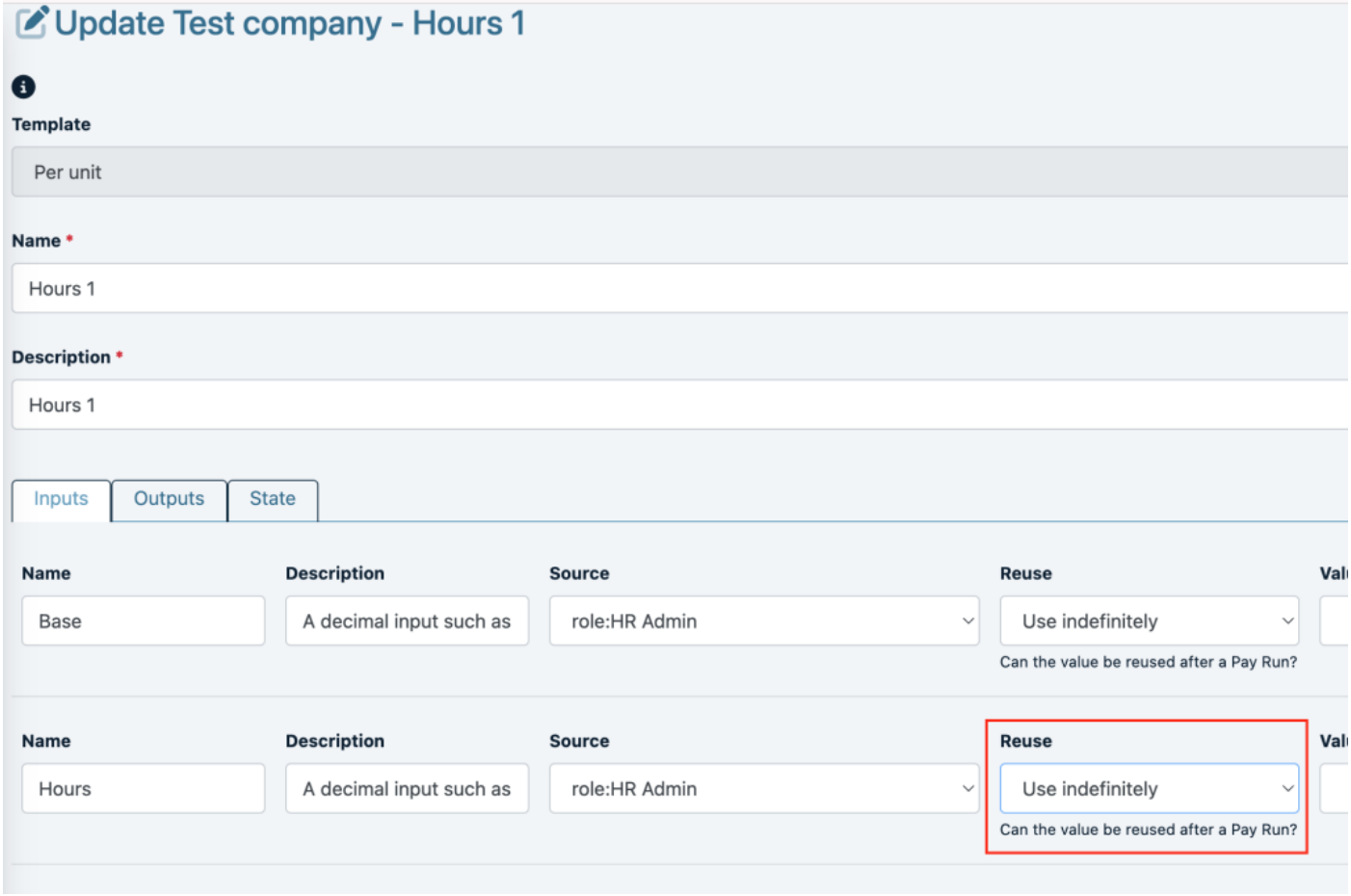
Car Allowance

This would be set up precisely as the Bonus example above, except that the **Reuse** would be set to **Use indefinitely**, as this would be a repeating payment.

Set, Regular Hours

For an employee who needs to get the same fixed hours, use the **Hours 1** Pay Item and enter the rate and hours. Generally, we reset the hours to zero upon pay run approval. If you want to keep that fixed for the company, then change the pay definition as follows:

Setup > Pay Definitions> Hours 1 > Update and change the **Reuse** for the Hours input to **Use indefinitely**:



Then click **Update**.

Net to Gross

This is a special pay definition that will automatically work out Gross pay for a given **Net** pay.

After you've added the Pay Definition and then added a Pay Item to an employee, you can enter the target **Net** pay and select from one of two Scheme settings:

- Tax and NI
- Tax, NI and Pension