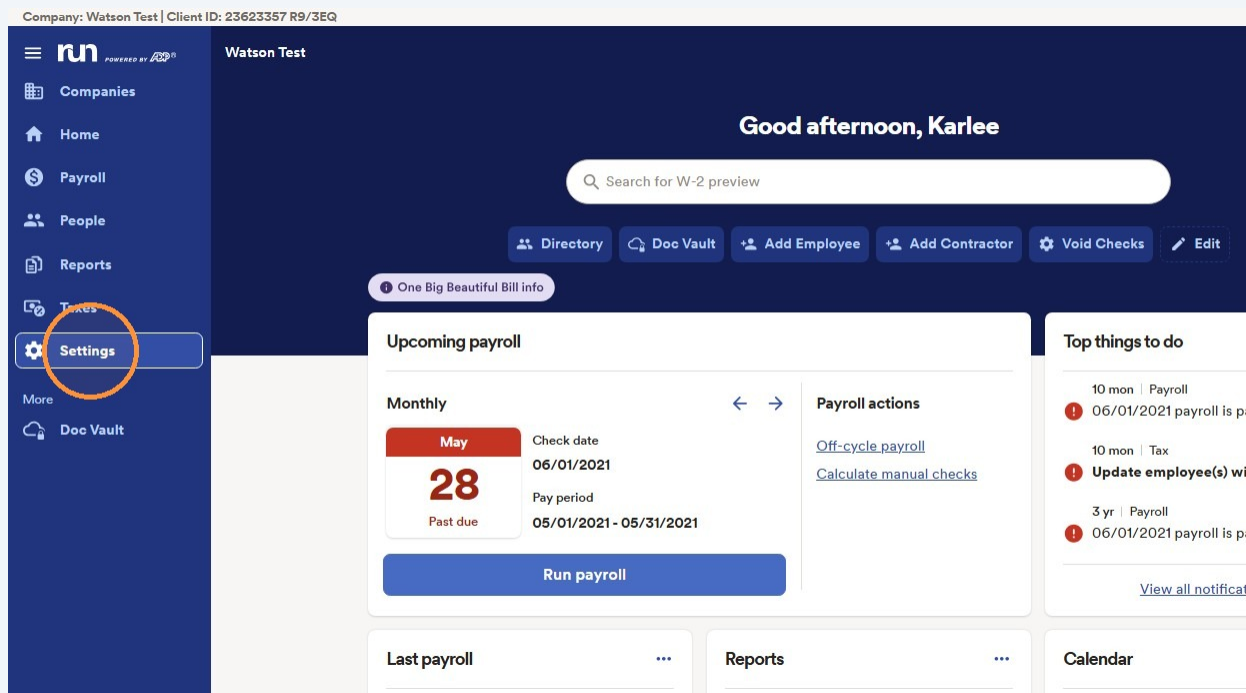


Setting Up S-Corp 2% Medical Shareholder Earnings

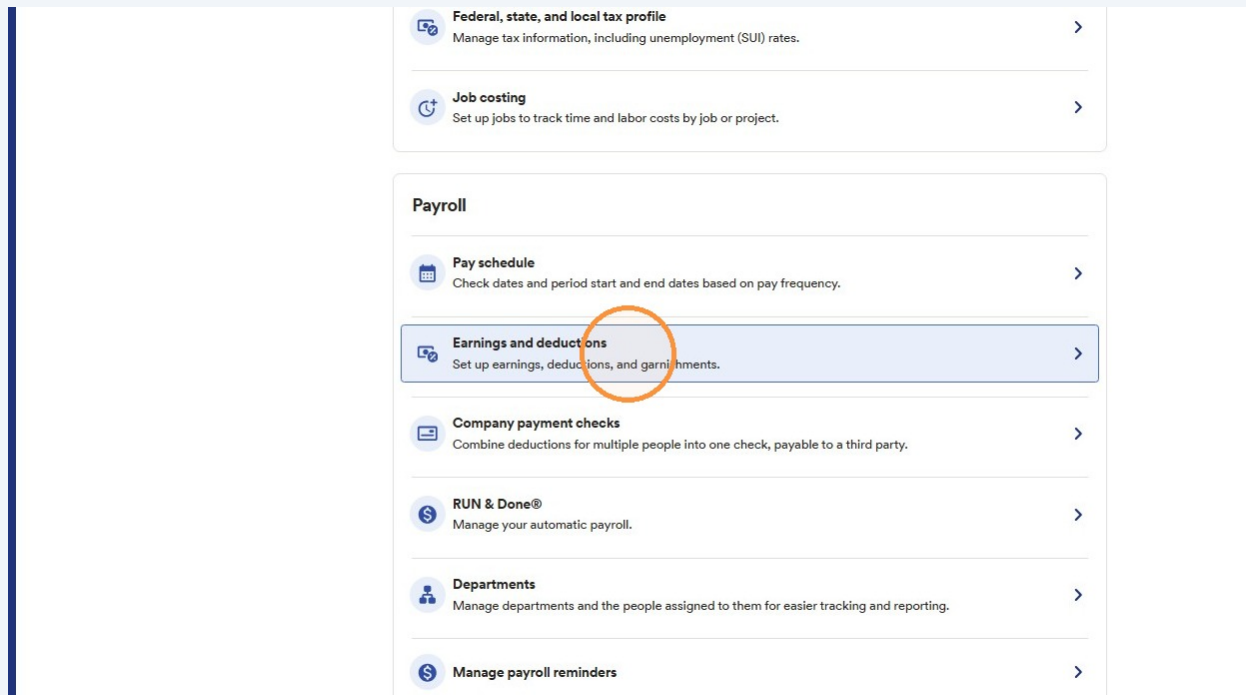
Learn how to properly configure medical coverage reporting for S-Corporation 2% shareholder employees in ADP RUN. This guide walks you through the setup process and assigning specific earning values to ensure accurate payroll compliance.

Open Payroll Settings

1 Click "Settings"

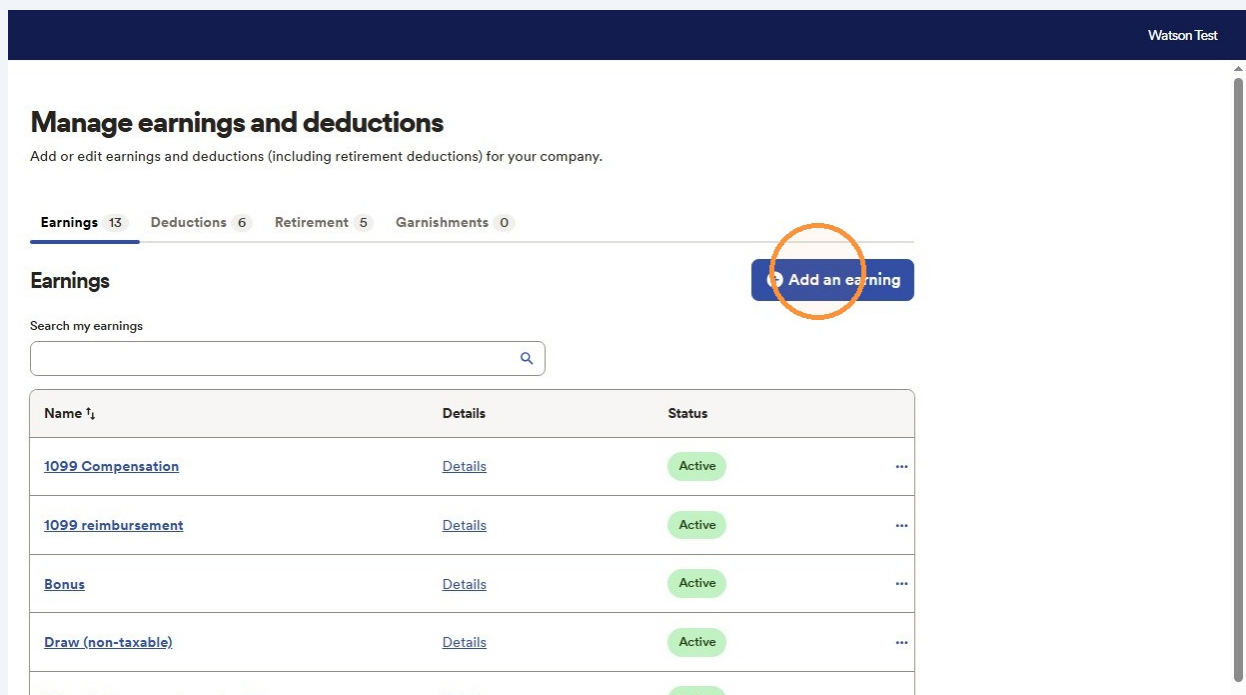


2 Click "Set up earnings, deductions, and garnishments."



Add Company Earning

3 Click "Add an earning"



4 Search for an earning by typing "2%"



First, find the earning you want

Search for an earning with a keyword or phrase. Or view a list of earnings and select the one you want.

Search for an earning

🔍 Type keywords or phrases to find the earning you're looking for

View all earnings



View a list of all earnings

View all available earnings. Then select the one you want and add it.

5 Click "S-corp 2% medical plan"



First, find the earning you want

Search for an earning with a keyword or phrase. Or view a list of earnings and select the one you want.

Search for an earning

🔍 2% ✕

	S-corp 2% medical plan Not set up
Use to report the value of medical coverage provided by an S-Corporation to its 2% shareholder employees. The cost of the premium must be reported on the W-2 for FIT (but not FICA). Included in Box 14. State taxability varies.	
Set up in Earnings and deductions settings	
	S-corp 2% HSA Active
Use to report the value of HSA contributions provided by an S-Corporation to its 2% shareholder employees. The value of the contributions must be reported on the W-2 for FIT (but not FICA). Included in Box 14. State taxability varies.	
Edit in Earnings and deductions settings	
	S-CORP 2% HSA Catchup Not set up
Use to report the value of HSA catchup contributions provided by an S-Corporation to its 2% shareholder employees who are 55 or older in the current year. The value of the contributions must be reported on the W-2 for FIT (but not FICA). Included in Box 14. State taxability varies.	
Set up in Earnings and deductions settings	

6 Click "Let's go"



Let's add your earning

We'll guide you through each step.

S-corp 2% medical plan

Use to report the value of medical coverage provided by an S-Corporation to its 2% shareholder employees. The cost of the premium must be reported on the W-2 for FIT (but not FICA). Included in Box 14. State taxability varies.

Cancel

Let's go

7 Click the "Enter a unique name to use on your payroll worksheet and for prior payroll amounts*" field and change to something shorter like "SEHI"

Use to report the value of medical coverage provided by an S-Corporation to its 2% shareholder employees. The cost of the premium must be reported on the W-2 for FIT (but not FICA). Included in Box 14. State taxability varies.

Do you want to rename this earning? (optional)

Rename this earning

☐ No

☒ Yes

Enter a unique name to use on reports and pay stubs*

S-corp 2% medical plan

Enter a unique name to use on your payroll worksheet and for prior payroll amounts*

SEHI/HSA

i Why this is important

You might find it helpful to rename an earning so it's easy to recognize on reports, pay stubs, and your payroll worksheet. When you rename an earning, enter a unique name (a name not already in use).

Cancel

Next →

8 Click Next

Use to report the value of medical coverage provided by an S-Corporation to its 2% shareholder employees. The cost of the premium must be reported on the W-2 for FIT (but not FICA). Included in Box 14. State taxability varies.

Do you want to rename this earning? (optional)

Rename this earning

- ☐ No
☒ Yes

Enter a unique name to use on reports and pay stubs*

S-corp 2% medical plan

Enter a unique name to use on your payroll worksheet and for prior payroll amounts*

SEHI

Why this is important

You might find it helpful to rename an earning so it's easy to recognize on reports, pay stubs, and your payroll worksheet. When you rename an earning, enter a unique name (a name not already in use).

Cancel

Next →

9 Click "Save and add this earning"

employees. The cost of the premium must be reported on the W-2 for FIT (but not FICA). Included in Box 14. State taxability varies.

Earning name

 Edit

Earning name
S-corp 2% medical plan

Worksheet name ⓘ
SEHI

Earning calculation method

How to calculate this earning ⓘ
As a dollar amount

Save and add this earning

10 Click "OK, got it"

× Add an earning



Your earning S-corp 2% medical plan is set up and ready to go

You can view it on the [Manage earnings and deductions](#) page.

OK, got it

11 Click the close icon to return to Earnings and deductions settings

× Earnings and deductions

Manage earnings and deductions

Add or edit earnings and deductions (including retirement deductions) for your company.

Earnings 14 Deductions 6 Retirement 5 Garnishments 0

Earnings

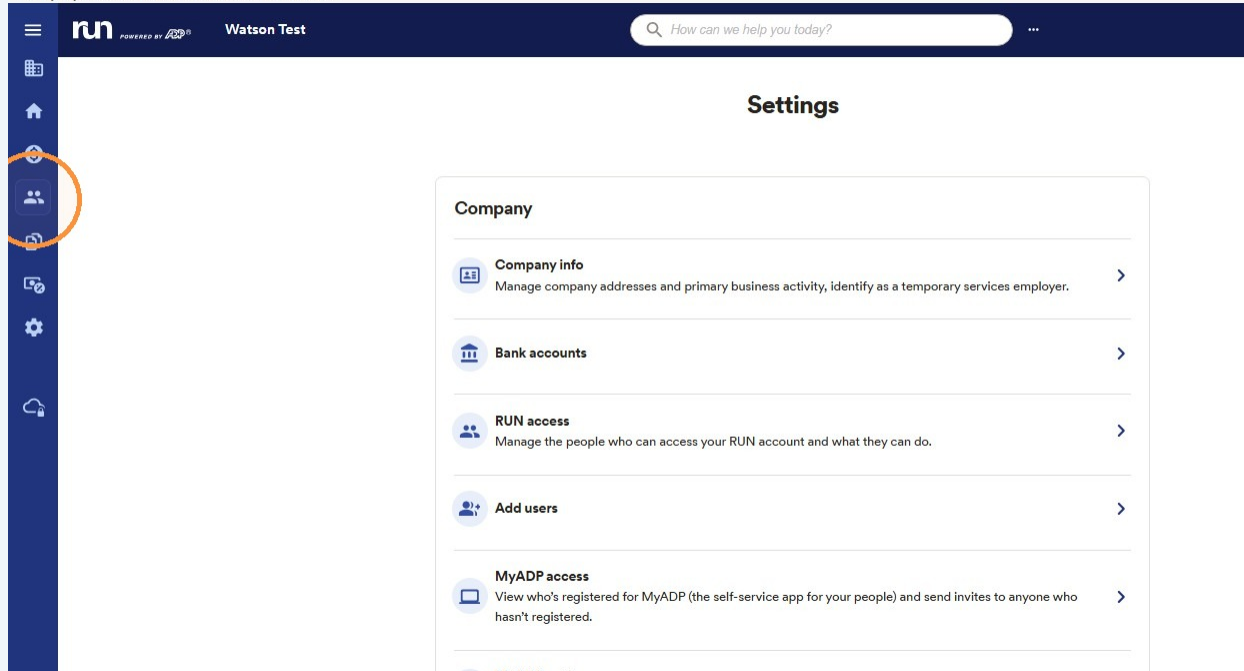
+ Add an earning

Search my earnings

Name ¹	Details	Status	
1099 Compensation	Details	Active	...
1099 reimbursement	Details	Active	...
Bonus	Details	Active	...
Draw (non-taxable)	Details	Active	...
Misc reimbursement (non-taxable)	Details	Active	...

12 Click People

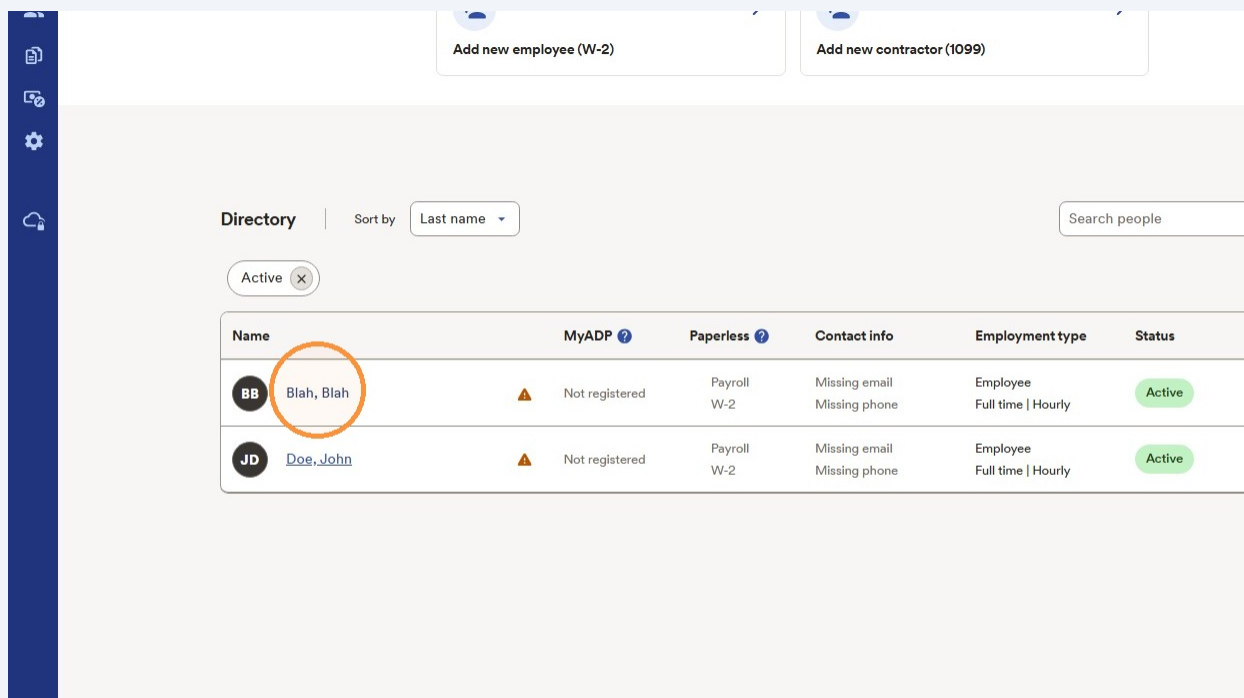
Company: Watson Test | Client ID: 23623357 R9/3EQ



The screenshot shows the RUN settings page. The sidebar on the left contains several icons, with the 'People' icon (represented by two stylized figures) circled in orange. The main content area is titled 'Settings' and features a 'Company' section with the following options:

- Company info**: Manage company addresses and primary business activity, identify as a temporary services employer.
- Bank accounts**
- RUN access**: Manage the people who can access your RUN account and what they can do.
- Add users**
- MyADP access**: View who's registered for MyADP (the self-service app for your people) and send invites to anyone who hasn't registered.

13 Click the employee name you wish to add it to.



The screenshot shows the RUN directory page. At the top, there are two buttons: 'Add new employee (W-2)' and 'Add new contractor (1099)'. Below these, the 'Directory' section is visible, with a 'Sort by' dropdown set to 'Last name' and a 'Search people' input field. A filter 'Active' is applied. The directory table lists two employees:

Name	MyADP	Paperless	Contact info	Employment type	Status
BB <u>Blah, Blah</u>	Not registered	Payroll W-2	Missing email Missing phone	Employee Full time Hourly	Active
JD <u>Doe, John</u>	Not registered	Payroll W-2	Missing email Missing phone	Employee Full time Hourly	Active

The first employee's name, 'Blah, Blah', is circled in orange.

Assign Earning to Employee

14 Click Earnings & deductions

×

Employee profile

Personal information

Employee info

Employment info

Employee status

Payroll

Tax info

Payroll info

Earnings & deductions

Paid time off

Pay stubs

Employee access

Switch people

Next >

BB

Blah Blah

Employee | Full-time | Hourly

Active

Employee info

Legal identity

First name*

?

Middle initial

Blah

Last name*

Blah

Gender for insurance/compliance*

?

Select one...

Social security number *

.....

Date of birth*

/ /

Made with Scribe - <https://scribe.com>

8

15 Click Add earning

Personal information

Employee info

Employment info

Employee status

Role

Work schedule info

Payroll info

Earnings & deductions

Time off

Pay stubs

Employee access

Switch people

Next >

BB

Blah Blah

Employee | Full-time | Hourly

Active

Earnings and deductions

Don't see what you are looking for? You can [add new earnings and deductions](#) for your company.

Earnings

+ Add earning

Retirement deductions

+ Add retirement deduction

Other deductions

+ Add deduction

16 Click the drop-down

Personal information

Employee info

Employment info

Employee status

Role

Work schedule info

Payroll info

Earnings & deductions

Time off

Pay stubs

Employee access

Switch people

Next >

BB

Blah Blah

Employee | Full-time | Hourly

Active

Earnings and deductions

Don't see what you are looking for? You can [add new earnings and deductions](#) for your company.

Earnings

Earning 1

Overtime

Type

Hours

Hours*

+ Add earning

Retirement deductions

+ Add retirement deduction

17 Select "S-corp 2% medical plan"

Earnings and deductions

Don't see what you are looking for? You can [add new earnings and deductions](#) for your company.

Earnings

Earning 1

S-corp 2% medical plan

Type

Amount

Amount*

\$

+ Add earning

Retirement deductions

+ Add retirement deduction

Other deductions

+ Add deduction

18 Enter the appropriate amount PER PAYCHECK in the Amount field.

BB Blah Blah Employee | Full-time | Hourly Active

Earnings and deductions

Don't see what you are looking for? You can [add new earnings and deductions](#) for your company.

Earnings

Earning 1

S-corp 2% medical plan

Type

Amount

Amount*

\$

+ Add earning

Retirement deductions

+ Add retirement deduction

Other deductions

19 Click Save

Earnings

Earning 1

S-corp 2% medical plan

Type Amount*

Amount \$1,500.00

+ Add earning

Retirement deductions

+ Add retirement deduction

Other deductions

+ Add deduction

Cancel Save

20 Click OK

Don't see what you are looking for? You can [add new earnings and deductions](#) for your company.

Earnings

Earning 1

S-corp 2% medical plan

Type Amount*

Retirement deductions

+ Add retirement deduction

Other deductions

+ Add deduction

Cancel Save

✓ We saved your changes

OK