

How To: Set Up 401K Limits

There are two deduction codes available for 401K.

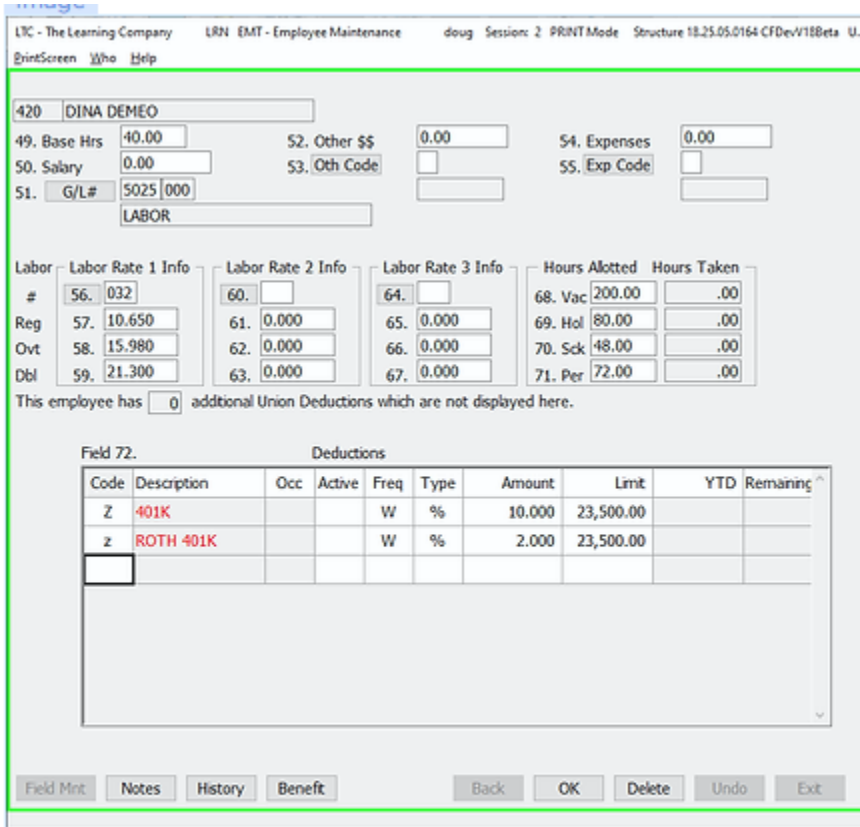
These exact codes must be used for the system to recognize the 401K deductions:

- Use an upper-case Z for a traditional 401K.
- Use a lower-case z for Roth.

NOTE: To start a Roth plan, you must call C/F Data Systems Support first to change a hidden Control File Question.

On the second screen of EMT (Employee Maintenance), in the deduction grid enter the Z or z code, frequency, type (flat or %), the amount, and the limit.

If an employee has both a Traditional and a Roth 401K, enter the same limit on both the Z and z lines. The system will know that this is the combined limit for both.



The screenshot shows the EMT (Employee Maintenance) screen for employee DINA DEMEO. The interface includes fields for employee information, labor rates, and a deductions table. The deductions table is titled 'Field 72. Deductions' and contains the following data:

Code	Description	Occ	Active	Freq	Type	Amount	Limit	YTD	Remaining
Z	401K			W	%	10.000	23,500.00		
z	ROTH 401K			W	%	2.000	23,500.00		

If the employee has both Z and z, then the full 401k limit must be on both lines.

How To: Set 401K Limits for the New Year

Important Note: Wait until after all Payroll Year End steps

have been completed and EYU has been run.

From the Year End and W2's menu, select ES4 - Set 401K Limits for New Year.

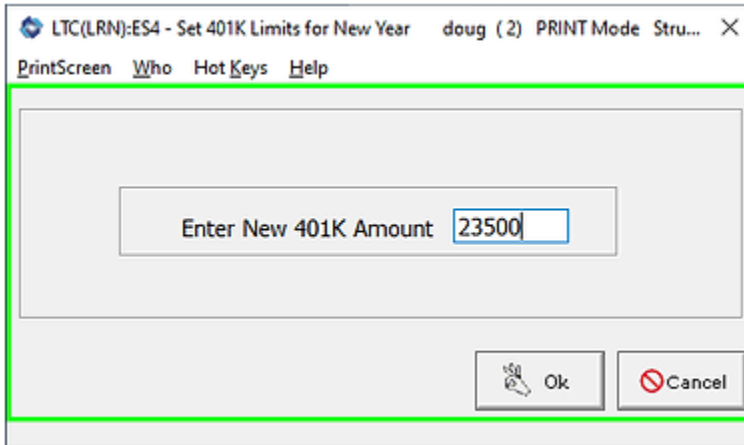
The ES4 screen will appear.

Enter the 401K limit for the new year. The 2025 limit is \$23,500.

The limit will update on both the Z and z (Roth) deduction codes in EMT.

After the ES4 is done, change the limit for employees over age 50 in EMT to \$31,000 for the catch-up contribution.

Under a change made in Secure 2.0, employees aged 60, 61, 62 and 63 have a higher catch-up contribution limit of \$34,750.



LTC(LRN):ES4 - Set 401K Limits for New Year doug (2) PRINT Mode Stru... X

PrintScreen Who Hot Keys Help

Enter New 401K Amount 23500

Ok Cancel