Banyon Data is sending this notice to help our customers get the new Minnesota Paid Leave that goes into effect on January 1, 2026 setup in Payroll. We have included a summary and detailed set-up, hopefully this helps ease the process of what needs to be done for the accounting and the payroll functions.

FYI:
There are 2-rates proposed by the State of Minnesota (.88% and .66%). Banyon cannot determine or tell you which rate your City (Employer) qualifies for. Go to https://mn.gov/deed/paidleave/ for more details or reach out to your auditor.

It is up to the City (employer) to determine if they will pay the full % as a benefit or if they are sharing the responsibility of this tax with the employee as a deduction.

Listed below is the summary of the complete setup for Banyon Fund Accounting and Payroll, also attached is the detailed screen by screen instructions:

1. Setup Fund Accounting code in Chart of Accounts
    a. Create new BalSht code (for Liability)
    b. Create new Object code (for the Expense)
    c. Add/Build GL code for Liability (to your Payroll/General Fund)
    d. Add/Build Expense code to all Fund/Dept that apply to all employees
2. Bring in FA codes to Payroll
    a. Codes and Descriptions #5 Account Reference – load in GL and Exp codes
3. Create Deduction (*if employer is having the employee pay a portion of tax)*
    a. Codes and Description #6 Deduction/Benefit – do insert wizard to create the deduction
4. Create Benefit
    a. Codes and Description #6 Deduction/Benefit – do insert wizard to create the benefit

Once the adding of the deduction/benefit wizard is completed, it will have added information to each employee selected.

If you are wanting to get it added now – they probably shouldn't schedule it during the 'wizard' setup. This will still add it to the employees but will not calculate until it is scheduled. Once you are ready to start you will go back to Codes and Descriptions #7 and check the boxes to schedule this new deduction/benefit.

MINNESOTA PAID LEAVE

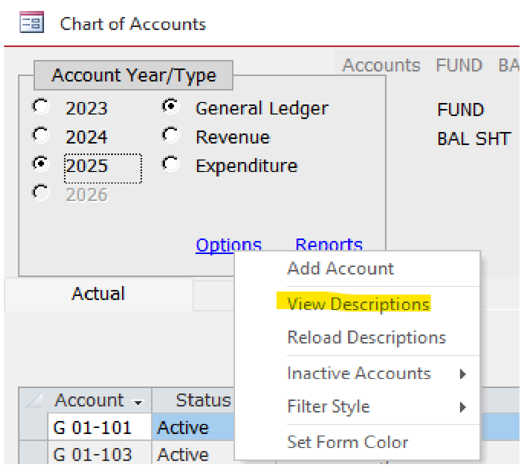
You will need to create in **Fund Accounting** the account codes for the expense and liability to go to:

Go to Chart of Accounts (top ribbon)

Click on Options (top left box)

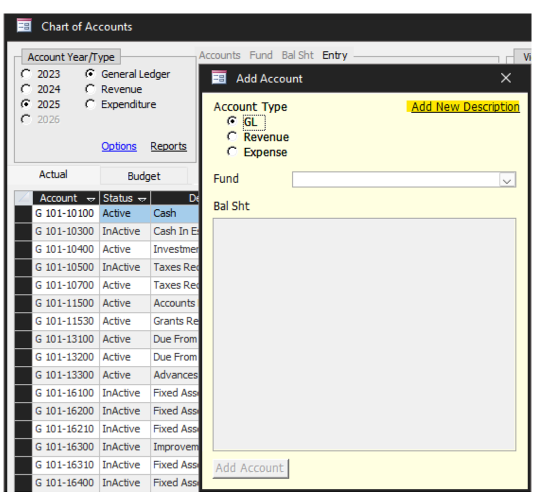
FOR USERS WITH VERSION 13.07:

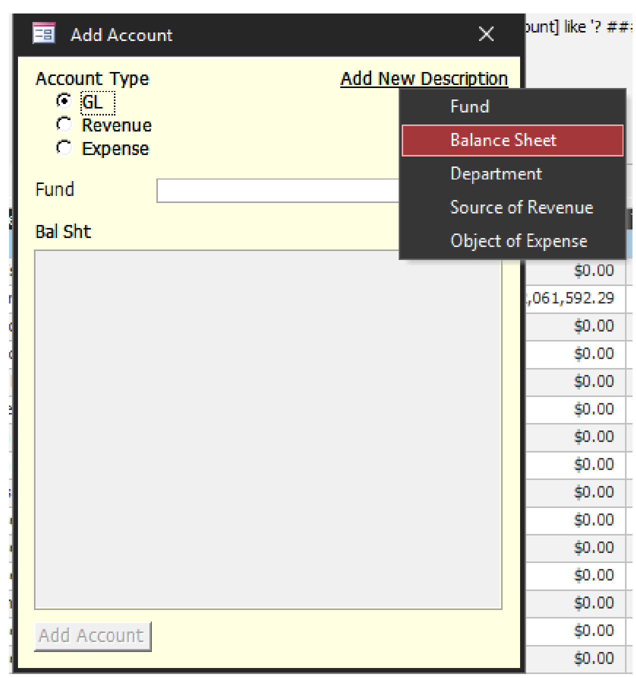
Select 'View Descriptions':



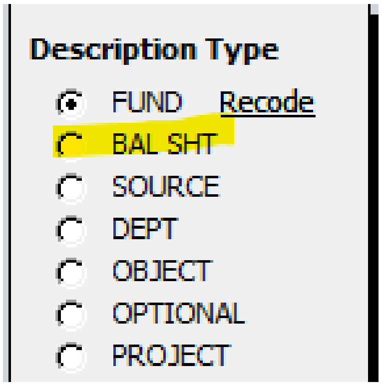
VERSION 13.09 OR HIGHER:

Select 'Add Account' and then 'Add New Description':





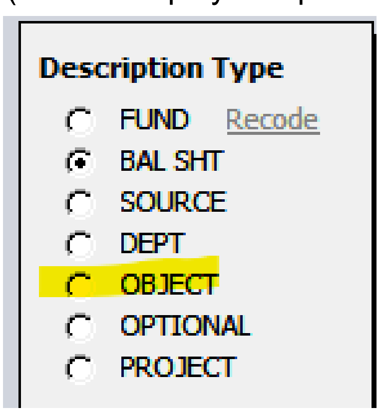
Select Balance Sheet or BalSht (liability)



Scroll down to the * line to add the new Balance Sheet:fill in your # and description, Bal Type=liability

*	239	MN Paid Leave	MNPDLVE		Liability

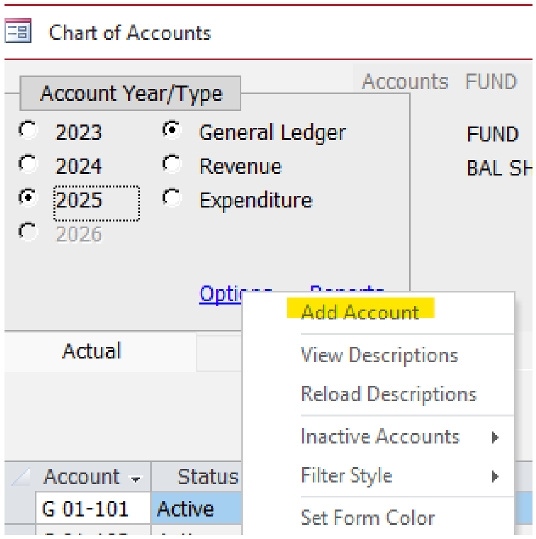
Select Object (benefit-employer expense)



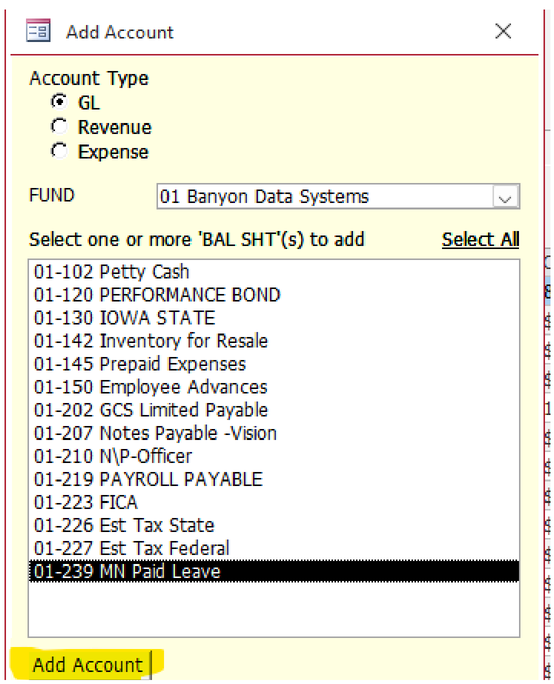
Scroll down to the * line to add the new Object: fill in your # and description, fill in ALT code if you use it.

*	135	MN Paid Leave Insurance	MNPDLEAVE	PAYROLL

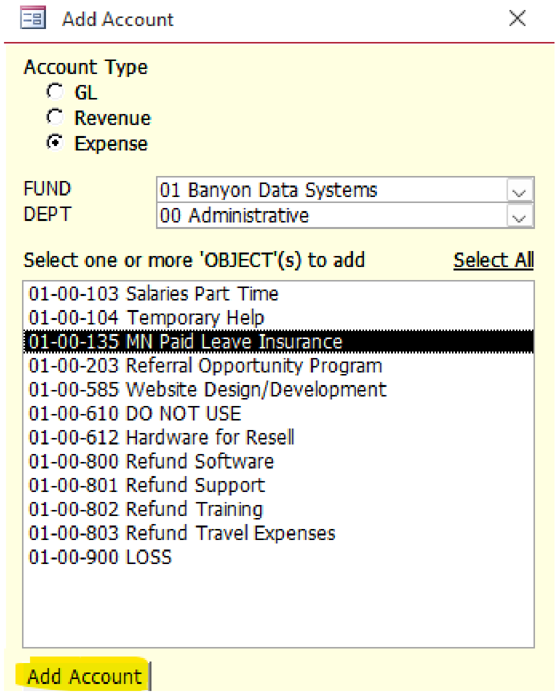
Once the description types are entered. You will need to attach the expense to all appropriate Funds and Dept you use in Payroll and add the BalSht type to the Payroll Fund (most likely General Fund)   Go to options again and select ‘Add Account’:



(LIABILITY) GL, Fill in Fund, Select new type, Add



(BENEFIT) Expense, Fill in Fund, Dept, Select Type, Click on the new object, Add



In Payroll:

You will need to bring into Payroll the Fund Accounting codes you created:

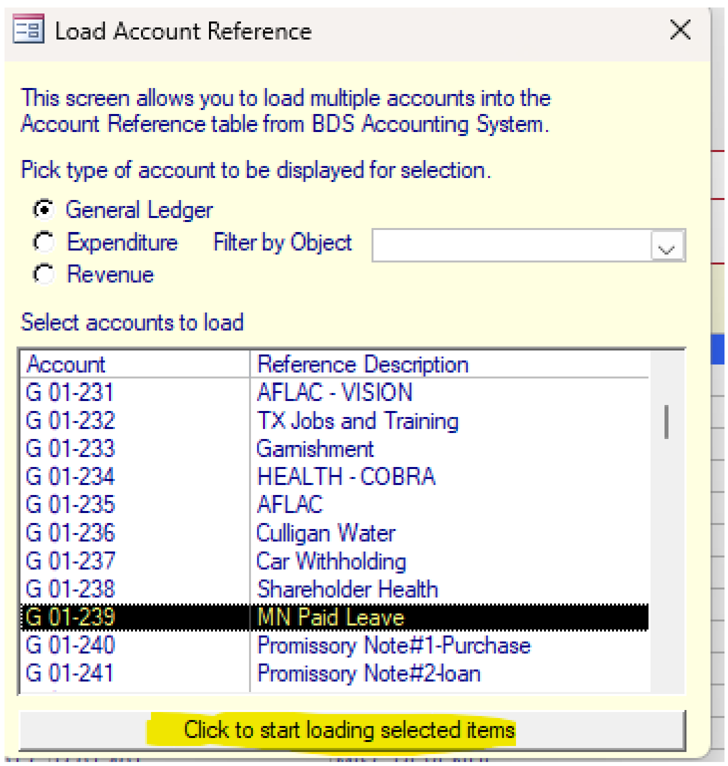
Go To CODES AND DESCRIPTIONS:

Select #5 Account Reference

Select Load from BDS Accounting (top middle)

Select General Ledger: Click the GL you created and click to load

Select Expenditure: Click all the fund/dept/obj codes you created and click load

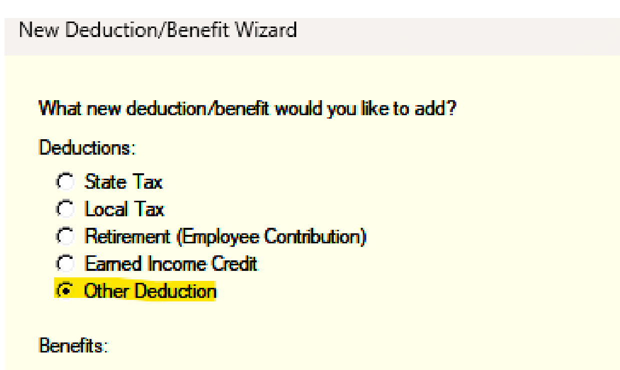


Select #6 Deduction/Benefit

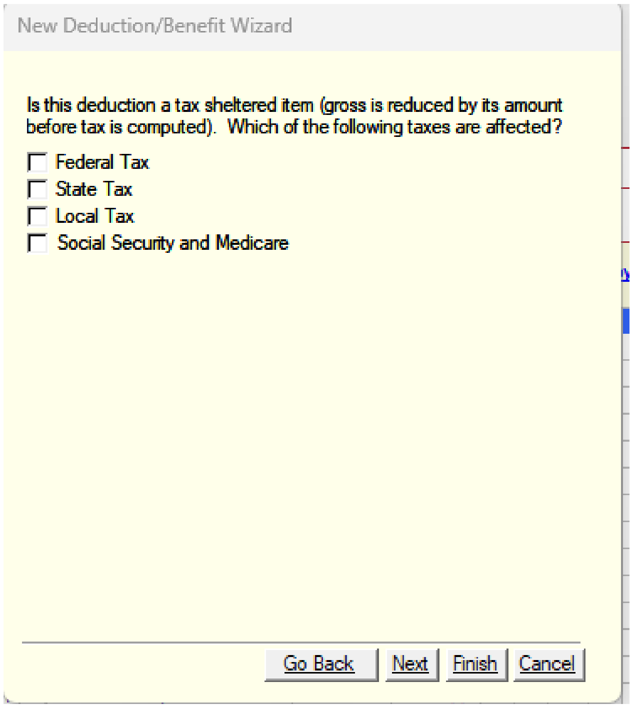
Click New Deduction/Benefit (bottom) -follow the steps:

To create Deduction: (*if employee will share the MN Paid Leave Tax-if not only create the Benefit code*) Click Deduction for Employee rate - follow steps:

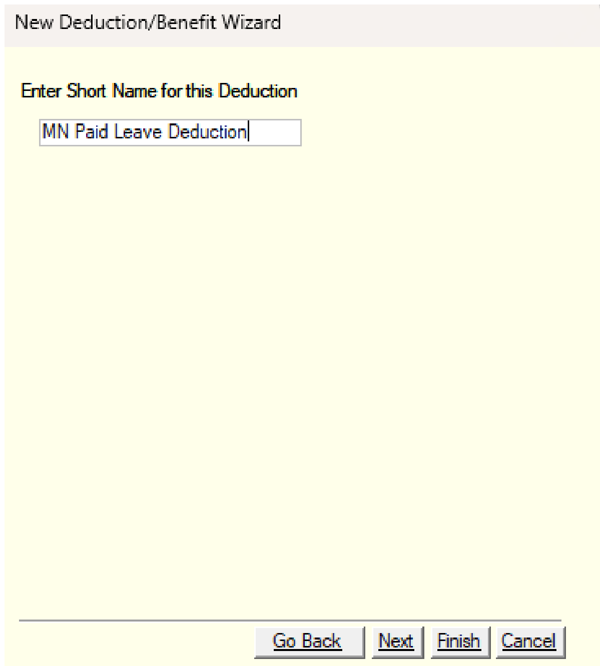
To create Benefit: Click Benefit-regular for Employer rate



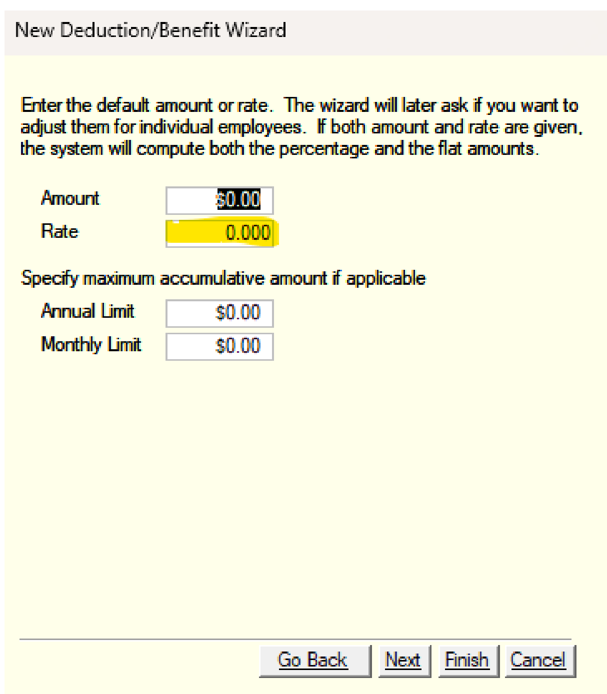
Deduction: if pre-taxed check the boxes that apply as pre-taxed deduction
Benefit: DO NOT check the boxes as it would tax the benefit to the employee



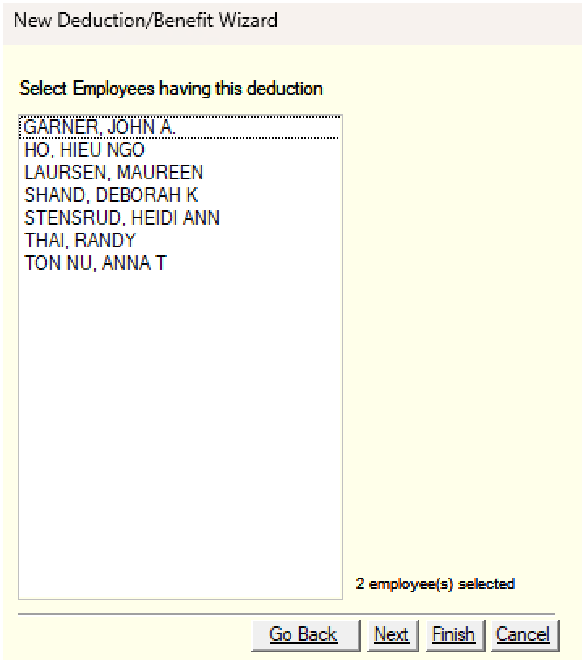
Label the Deduction (and Benefit when you are doing)



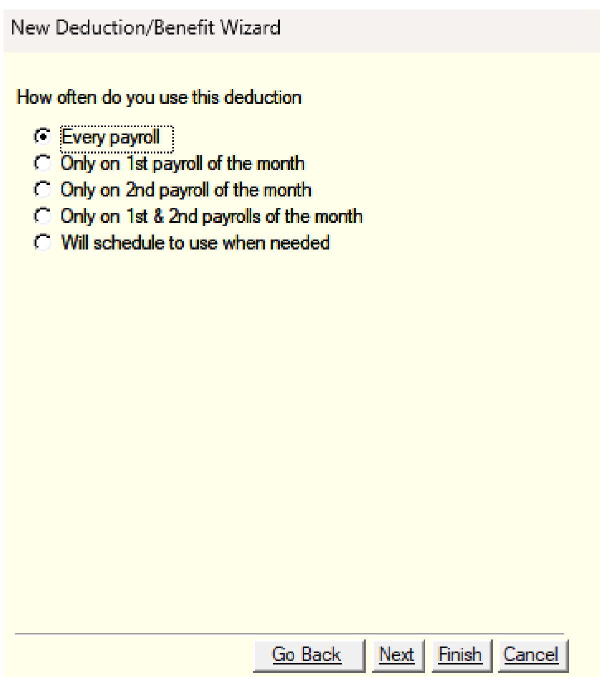
Fill in the rate when doing the deduction and also the benefit



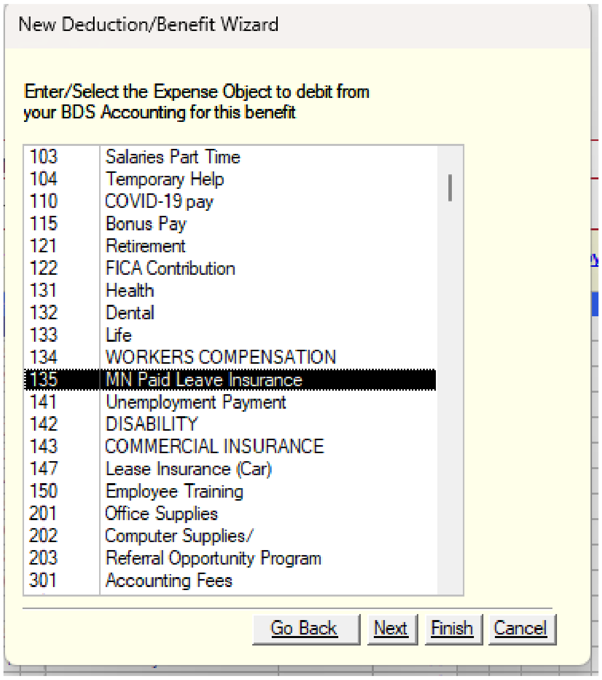
Click on all employees – this will auto fill the deduction and benefit when the wizard is finished to the employees



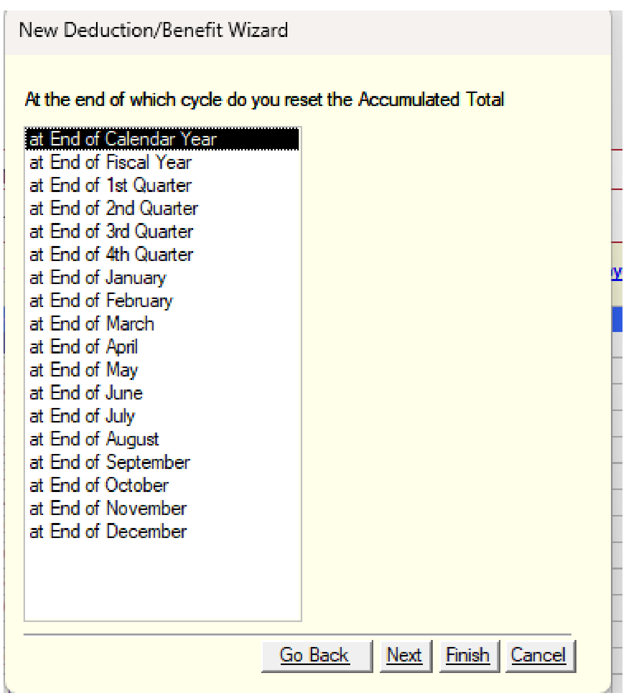
Select how often the deduction and benefit with calculate



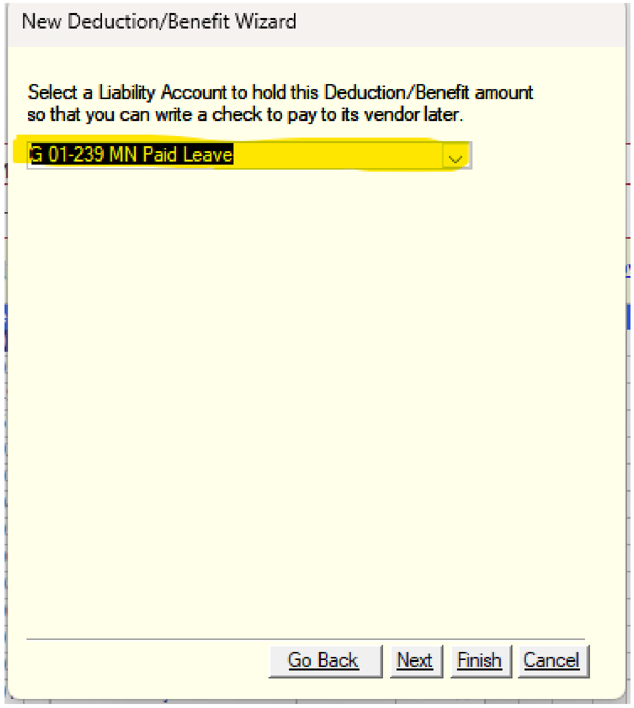
BENEFIT ONLY SCREEN – select the object code. This will calculate to the Fund and Dept the employee gets paid from



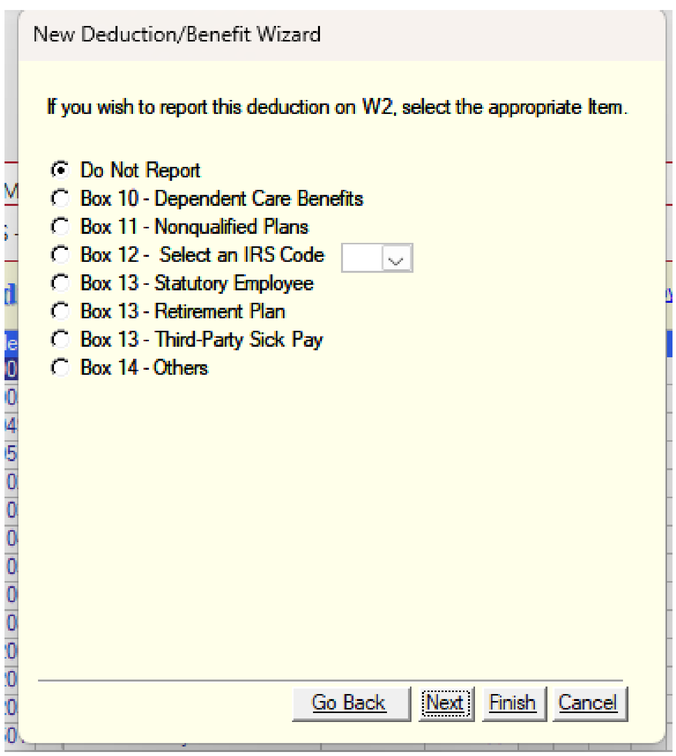
Select End of Calendar year as a reset accumulation



Add the Fund Accounting Liability code from the drop down list



If the Deduction is reported on the W2 – you can select where from the screen



FINISH