

Entering U.S. Employee Tax Data

Purpose: To enter and maintain the tax information that the system uses to calculate taxes for employees using ctcLink.

Audience: Payroll Administrators.

! You must have at least one of these local college managed security roles:

- ZC Payroll Data Maintenance
- ZZ Payroll Data Maintenance
- ZZ Payroll Processing

If you need assistance with the above security roles, please contact your local college supervisor or IT Admin to request role access.

Important: Two Form W-4 versions are supported:

- **2020 or Later:** For employees who are either hired, or wish to make withholding adjustments on or after January 1, 2020. This option supports a Legislative change in which allowances are no longer used to calculate federal income tax withholding.
- **2019 or Earlier:** For employees who completed Form W-4 before year 2020 and do not wish to make changes.

When adding or updating tax data for an employee, it is very important to select the right Form W-4 version and fill out the rest of the W-4 tax information on the **Federal Tax Data Page** based on the Form W-4 that the employee filed or has on file, so the federal income tax withholding will be withheld correctly.

! **NOTE:** The Automatic Employee Tax Data functionality has been updated to set **Arizona Withholding Percentage to 2.0.** as the default value after January 1, 2023, when the tax location code in Job Data, Payroll is changed to **AZST00-Arizona Districts.** (Previous percentage was 2.7)

Enter U.S. Employee Tax Data

Navigation: Payroll for North America > Employee Pay Data USA > Tax Information > Update Employee Tax Data

1. The **Update Employee Tax Data** search page displays.
2. Enter a valid value in the **Search** fields.
3. Select the **Search** button.
4. The **Update Employee Tax Data** page displays.
5. Use the **Federal Tax Data** tab to enter and maintain federal tax information.
6. Select the **Add a New Row [+]** button. **Notice the Effective Date has changed to the current system date. You can change this field to reflect when this new record will go into effect.**
7. When updating Federal, State and Local Tax Data effective 01/01/2020 or later, select **2020 or Later** Federal Form W-4 Version. For existing records, **2019 or Earlier** will be selected.
8. Enter Federal Withholding Elements.
9. **Special Withholding Tax Status**
 - a. **Maintain taxable gross:** Select this option to maintain taxable gross data without withholding any federal tax. Use this option for employees who claim exemption from withholding on their Form W-4.
 - b. **Note:** (For 2019 or Earlier) An additional amount or percentage should not be entered when the Special Withholding Tax Status is **Maintain taxable gross**. The system issues a warning if you enter an additional amount or percentage, but does not prevent you from saving the data.
 - c. (For 2020 or Later) The same behavior results when you enter an extra withholding amount for the **Maintain taxable gross** special withholding tax status. The system takes a flat dollar amount for federal tax withholding on the employee's paycheck.
 - **No taxable gross; no tax taken:** With this option, the system does not track federal taxable gross balance at all.
 - **None:** Select this option if no special tax status exists.
 - **Nonresident alien:** Select this option if the employee is a non-resident alien as indicated on the Form W-4.
10. ***Tax Status** Select the appropriate tax status for federal withholding taxes as indicated on the employee's completed Form W-4 in line 1(c). Values are:
 - a. **Head of Household.** This value appears when the 2020 or Later option is selected.
 - b. **Married**
 - c. **Single**
11. **2020 or Later** - These fields appear when the **2020 or Later** option is selected.
 - a. **Multiple Jobs or Spouse Works** - Select if the check box in line 2 (c) of the employee's Form W-4 is selected. This field becomes editable when the Special Withholding Tax Status field is set to **None**.
 - b. **Dependent Amount** - Enter the dependent amount in line 3 of the employee's Form W-4. The line 3 amount may include other tax credits indicated by the employee. This field

becomes editable when the Special Withholding Tax Status field is set to **None** or **Nonresident alien**.

- c. **Other Income** - Enter the other income amount in line 4(a) of the employee's Form W-4. This field becomes editable when the Special Withholding Tax Status field is set to **None**.
 - d. **Deductions** - Enter the deduction amount in line 4(b) of the employee's Form W-4.
 - e. **Extra Withholding** - Enter the extra withholding amount in line 4(c) of the employee's Form W-4. This field becomes editable when the Special Withholding Tax Status field is not set to No taxable gross; no tax taken.
12. **2019 or Earlier** - These fields appear when the **2019 or Earlier** option is selected.
- a. **Check here and select Single status if married but withholding at single rate** - Select the appropriate tax status for federal withholding taxes as indicated on the employee's completed Form W-4. If the employee has selected "Married, but withhold at higher Single rate" on Form W-4, you must select **Single** as the tax status and this check box. This setting results in the employee being reported with tax status **W**.
 - b. **Withholding Allowances** - Enter the number of allowances that the employee claims for federal withholding tax purposes. This number should match the number on the employee's Form W-4.
 - c. **Additional Amount** and **Additional Percentage** - Use these fields to indicate that additional federal withholding taxes are to be taken. You can specify both an amount and a percentage, if appropriate. When you enter an additional percentage, the additional withholding is calculated by taking a percentage of the taxable wages. The effect of the field depends on the option that you select in the Special Withholding Tax Status field.
13. Use the **State Tax Data** tab to enter and maintain state tax information. You can make changes on the State Tax Data page as needed without making any changes on the Federal Tax Data page.
- a. Select the **Add a New Row [+]** button, if the employee requested an update of the state tax allowances without requesting any changes on the Federal Tax Data page.
 - b. State Information:
 - c. **State** - Select the state. Certain state-specific page elements are shown or hidden depending on the state that you select.
 - d. **Resident** - Select this check box if the state selected in the State field is the state of residence.
 - e. **UI Jurisdiction** (unemployment insurance jurisdiction) - Select this check box if the state selected in the State field is Washington (WA) state.
 - f. **Exempt from SUT** (exempt from state unemployment taxes) - Select this check box. This field reflects the value entered in the Company Exempt from SUT (company exempt from state unemployment taxes) field on the Company table.
 - g. **FLI Status** (family leave insurance status) - Select **Not Applicable**.
 - h. **MLI Status** (medical leave insurance status) - Select **Not Applicable**.
 - i. **LTC Status** (only applicable to WA state) - Select **Not Applicable** or **Exempt**, if applicable.
 - j. **State Withholding Elements** - Use these fields to enter state-specific withholding information.
14. When applicable, use the **Local Tax Data** tab to enter employee tax data for each locality in which an employee lives or works.

End of procedure.

Video Tutorial

The video below demonstrates the process actions described in steps listed above. There is no audio included with this video. Select the play button to start the video.

Video Tutorial via Panopto

View the link to [Entering U.S. Employee Tax Data](#). This link will open in a new tab/window.