

# 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.