Sonoma County Office of Education

Escape Employee Management Taxes Tab

August 2022

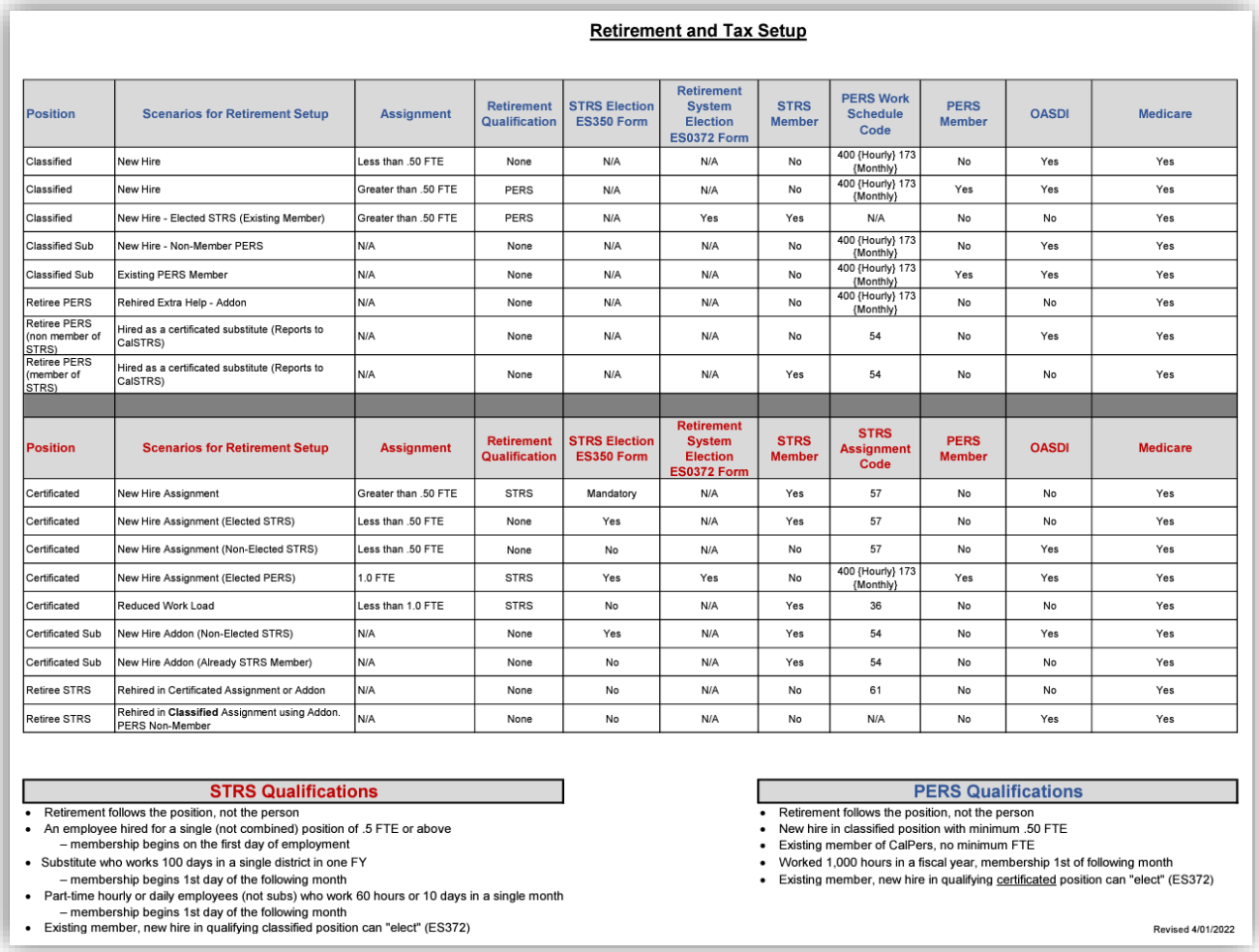
Employee Management Taxes Tab

The Taxes Tab is used to set up employee information for Federal and State Taxes, as well as OASDI, Medicare, SDI, SUI, and Workers Compensation. The software uses this information to calculate taxes and other deductions. Each employee is required to have a Tax Record set up.

The tax setup affects retirement earnings. If an addon is set up with a STRS contribution code of zero, then the software looks to the earnings table and the employee's tax setup to determine whether or not the earnings are subject to OASDI. If the earnings are subject to OASDI, then STRS contributions will not be calculated. STRS and OASDI cannot be applied to the same earnings.

There are various retirement scenarios to consider when entering the General Tax Setup. Below is a snapshot of the *Retirement and Tax Setup* document that can be accessed on the SCOE Website under forms. For quick access go to the Activity Tree in Escape – SCOE Resources – Forms https://www.scoe.org/files/Retirement_and_Tax_Setup_Revised_04.06.22.pdf

Certificated vs Classified DOES NOT determine tax set up, STRS Member vs STRS Non-Member or PERS Member are the determining factors



Retirement and Tax Setup

Position	Scenarios for Retirement Setup	Assignment	Retirement Qualification	STRS Election ES350 Form	Retirement System Election ES0372 Form	STRS Member	PERS Work Schedule Code	PERS Member	OASDI	Medicare
Classified	New Hire	Less than .50 FTE	None	N/A	N/A	No	400 {Hourly} 173 {Monthly}	No	Yes	Yes
Classified	New Hire	Greater than .50 FTE	PERS	N/A	N/A	No	400 {Hourly} 173 {Monthly}	Yes	Yes	Yes
Classified	New Hire - Elected STRS (Existing Member)	Greater than .50 FTE	PERS	N/A	Yes	Yes	N/A	No	No	Yes
Classified Sub	New Hire - Non-Member PERS	N/A	None	N/A	N/A	No	400 {Hourly} 173 {Monthly}	No	Yes	Yes
Classified Sub	Existing PERS Member	N/A	None	N/A	N/A	No	400 {Hourly} 173 {Monthly}	Yes	Yes	Yes
Retiree PERS	Rehired Extra Help - Addon	N/A	None	N/A	N/A	No	400 {Hourly} 173 {Monthly}	No	No	Yes
Retiree PERS (non member of STRS)	Hired as a certificated substitute (Reports to CalSTRS)	N/A	None	N/A	N/A	No	54	No	Yes	Yes
Retiree PERS (member of STRS)	Hired as a certificated substitute (Reports to CalSTRS)	N/A	None	N/A	N/A	Yes	54	No	No	Yes

Position	Scenarios for Retirement Setup	Assignment	Retirement Qualification	STRS Election ES350 Form	Retirement System Election ES0372 Form	STRS Member	STRS Assignment Code	PERS Member	OASDI	Medicare
Certificated	New Hire Assignment	Greater than .50 FTE	STRS	Mandatory	N/A	Yes	57	No	No	Yes
Certificated	New Hire Assignment (Elected STRS)	Less than .50 FTE	None	Yes	N/A	Yes	57	No	No	Yes
Certificated	New Hire Assignment (Non-Elected STRS)	Less than .50 FTE	None	No	N/A	No	57	No	Yes	Yes
Certificated	New Hire Assignment (Elected PERS)	1.0 FTE	STRS	Yes	Yes	No	400 {Hourly} 173 {Monthly}	Yes	Yes	Yes
Certificated	Reduced Work Load	Less than 1.0 FTE	STRS	No	N/A	Yes	36	No	No	Yes
Certificated Sub	New Hire Addon (Non-Elected STRS)	N/A	None	Yes	N/A	Yes	54	No	Yes	Yes
Certificated Sub	New Hire Addon (Already STRS Member)	N/A	None	No	N/A	Yes	54	No	No	Yes
Retiree STRS	Rehired in Certificated Assignment or Addon	N/A	None	No	N/A	No	61	No	No	Yes
Retiree STRS	Rehired in **Classified** Assignment using Addon. PERS Non-Member	N/A	None	No	N/A	No	N/A	No	Yes	Yes

STRS Qualifications

- Retirement follows the position, not the person
- An employee hired for a single (not combined) position of .5 FTE or above
  – membership begins on the first day of employment
- Substitute who works 100 days in a single district in one FY
  – membership begins 1st day of the following month
- Part-time hourly or daily employees (not subs) who work 60 hours or 10 days in a single month
  – membership begins 1st day of the following month
- Existing member, new hire in qualifying classified position can "elect" (ES372)

PERS Qualifications

- Retirement follows the position, not the person
- New hire in classified position with minimum .50 FTE
- Existing member of CalPers, no minimum FTE
- Worked 1,000 hours in a fiscal year, membership 1st of following month
- Existing member, new hire in qualifying certificated position can "elect" (ES372)

Revised 4/01/2022

Enter Tax Data

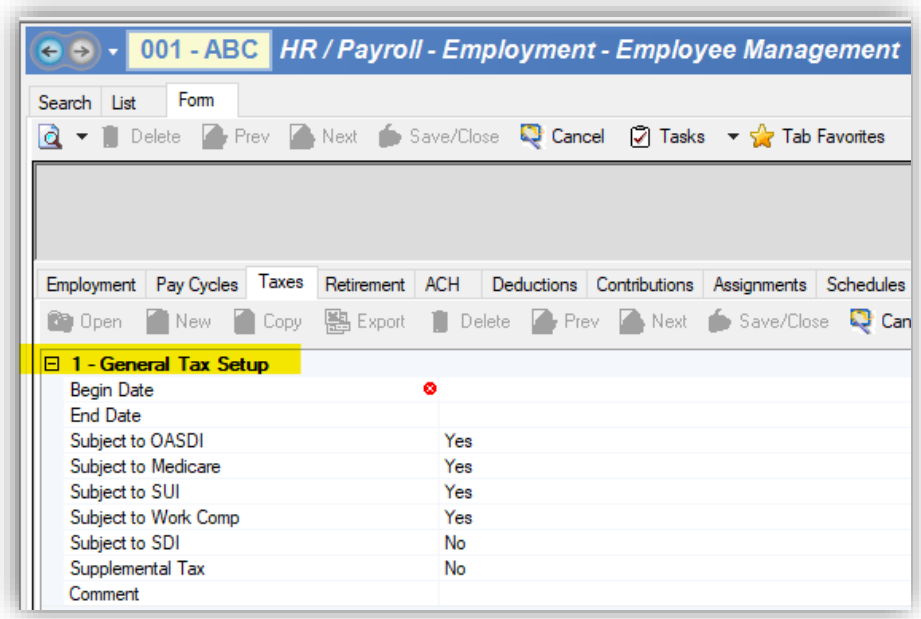
Go to HR/Payroll – Employment – Employee Management

- Search for Employee Record
- Open Tax Tab
- Click New to create a new record OR end the current record and copy to a new record to edit

When an employee moves from one retirement system to another (changes positions, etc) be sure to update the taxes tab accordingly.

Section 1 – General Tax Setup

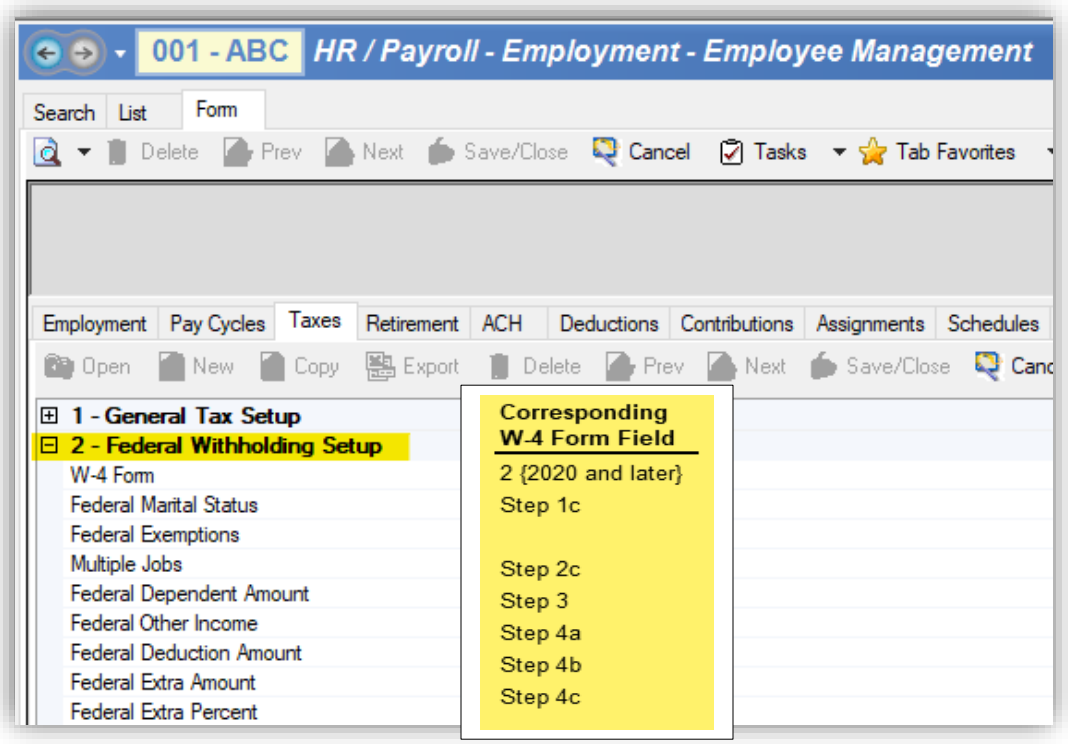
- **Begin Date –** Enter 1st day of the month
- **Subject to OASDI (Social Security) -** Employer and Employee Paid**.** PERS Members, PERS Non-Members, and STRS Non-Members are subject to OASDI.
- **Subject to Medicare -** Employer and Employee Paid. All employees are subject to Medicare
- **Subject to SUI (State Unemployment Insurance) -** Employer Paid**.** Elected Officials and Students that meet the qualifications are NOT subject to SUI. See EDD SUI Exemptions https://edd.ca.gov/siteassets/files/pdf_pub_ctr/de231ee.pdf
- **Subject to Work Comp (Workers Compensation) -** Employer Paid. All employees are subject to Workers Comp
- **Subject to SDI (State Disability Insurance) –** Employer and/or Employee Paid. SDI is not a required tax. If the district offers SDI, enrollment it is determined by the District Bargaining Unit agreement and is set up as such with the Employee Development Department (EDD)
- **Supplemental Tax –** Employee Paid. Escape addons in Sonoma County School Districts are not set up to tax at the supplemental tax rate. Entering Yes in this field will change the withholdings to 98 exemptions and use the supplemental tax rate for Federal Income Tax (FIT) 22% in 2022, and State Income Tax (SIT) 6.6% on non-primary pay cycle earnings.



Student Workers enrolled in the District and attending classes regularly are ***exempt*** from OASDI, Medicare and SUI.

Be mindful when students work during summer break and not attending class, they are subject to OASDI, Medicare and SUI.

Section 2 – Federal Withholding Setup



- W4 Form: Defaults to 2020 (all employees hired after 1/1/2020 should be using the 2020 format
- Federal Exemptions: Only complete this field if Employee is eligible to claim Exempt, if so enter '99'
- Federal Extra Percent: There is no field for this on the new W4 form

Important: Refer employees to their tax advisor or the Tax Estimator at www.irs.gov/W4App if they have questions.

Be sure to use the most current form https://www.irs.gov/pub/irs-pdf/fw4.pdf

Form W-4 (2022)

Form **W-4**

Department of the Treasury
Internal Revenue Service

Employee's Withholding Certificate

► **Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.**
► **Give Form W-4 to your employer.**
► **Your withholding is subject to review by the IRS.**

OMB No. 1545-0074

2022

Step 1: Enter Personal Information

(a) First name and middle initial	Last name	(b) Social security number
Address		► **Does your name match the name on your social security card?** If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to *www.ssa.gov*.
City or town, state, and ZIP code		

(c) ☐ **Single** or **Married filing separately**
☐ **Married filing jointly** or **Qualifying widow(er)**
☐ **Head of household** (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)

Complete Steps 2–4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the estimator at *www.irs.gov/W4App*, and privacy.

Step 2: Multiple Jobs or Spouse Works

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Do **only one** of the following.

(a) Use the estimator at *www.irs.gov/W4App* for most accurate withholding for this step (and Steps 3–4); **or**

(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; **or**

(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld . . ► ☐

TIP: To be accurate, submit a 2022 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

Complete Steps 3–4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)

Step 3: Claim Dependents

If your total income will be $200,000 or less ($400,000 or less if married filing jointly):

Multiply the number of qualifying children under age 17 by $2,000 ► $

Multiply the number of other dependents by $500 . . . . ► $

Add the amounts above and enter the total here . . . . . **3** $

Step 4 (optional): Other Adjustments

(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income . . . . . **4(a)** $

(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here . . . . . **4(b)** $

(c) Extra withholding. Enter any additional tax you want withheld each **pay period** . . **4(c)** $

Step 5: Sign Here

Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.

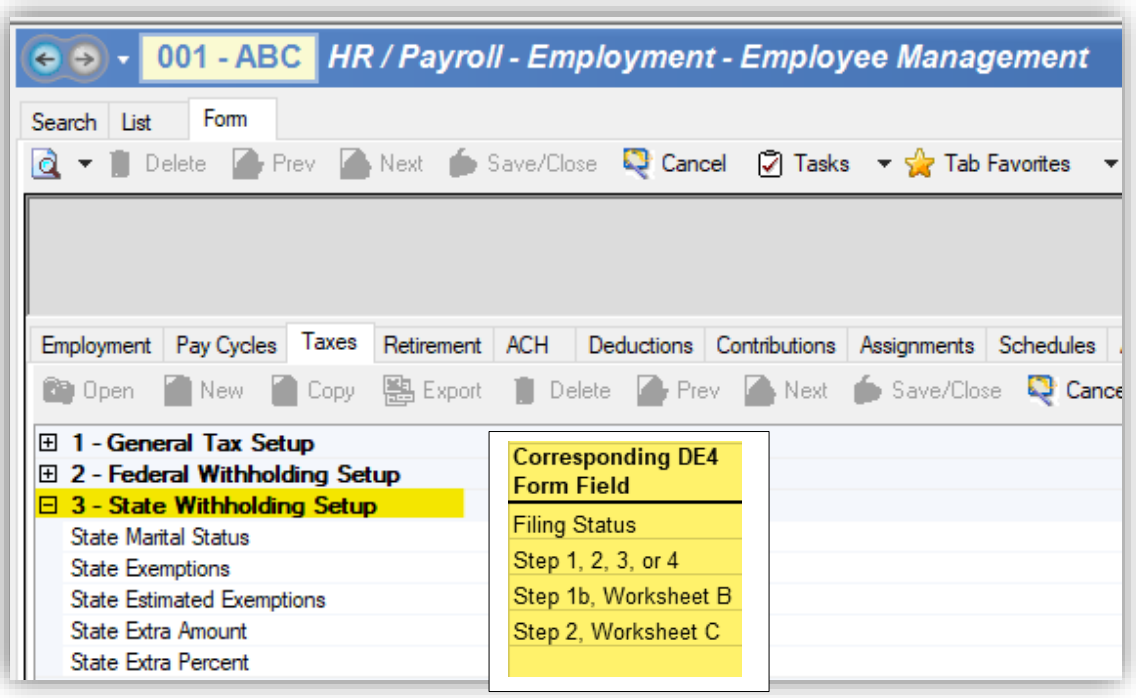
► **Employee's signature** (This form is not valid unless you sign it.) ► **Date**

Employers Only

Employer's name and address	First date of employment	Employer identification number (EIN)

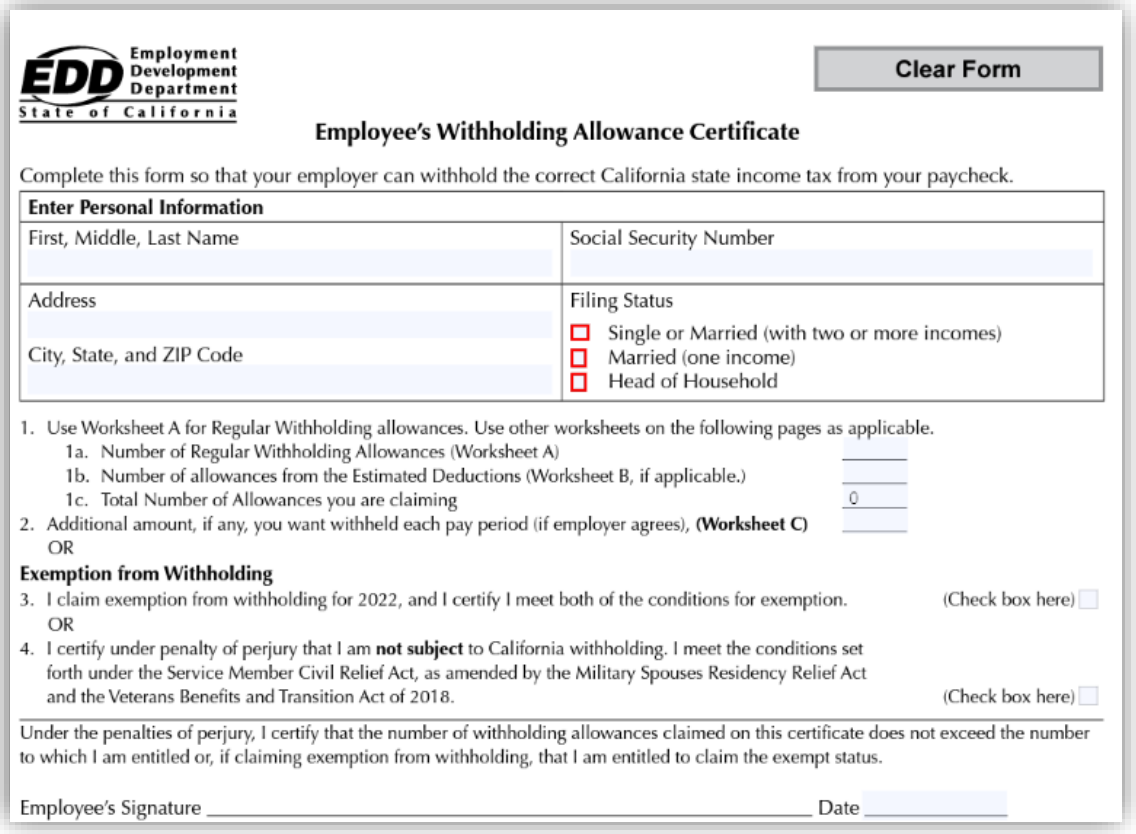
For Privacy Act and Paperwork Reduction Act Notice, see page 3. Cat. No. 10220Q Form **W-4** (2022)

Section 3 – State Withholding Setup



https://edd.ca.gov/siteassets/files/pdf_pub_ctr/de4.pdf

DE 4 Rev. 51 (12-21) Internet



Employment Development Department
State of California

Clear Form

Employee's Withholding Allowance Certificate

Complete this form so that your employer can withhold the correct California state income tax from your paycheck.

Enter Personal Information	
First, Middle, Last Name	Social Security Number
Address City, State, and ZIP Code	Filing Status ☐ Single or Married (with two or more incomes) ☐ Married (one income) ☐ Head of Household

1. Use Worksheet A for Regular Withholding allowances. Use other worksheets on the following pages as applicable.
   - 1a. Number of Regular Withholding Allowances (Worksheet A)
   - 1b. Number of allowances from the Estimated Deductions (Worksheet B, if applicable.)
   - 1c. Total Number of Allowances you are claiming 0
2. Additional amount, if any, you want withheld each pay period (if employer agrees), **(Worksheet C)**

OR

Exemption from Withholding

3. I claim exemption from withholding for 2022, and I certify I meet both of the conditions for exemption. (Check box here) ☐

OR

4. I certify under penalty of perjury that I am **not subject** to California withholding. I meet the conditions set forth under the Service Member Civil Relief Act, as amended by the Military Spouses Residency Relief Act and the Veterans Benefits and Transition Act of 2018. (Check box here) ☐

Under the penalties of perjury, I certify that the number of withholding allowances claimed on this certificate does not exceed the number to which I am entitled or, if claiming exemption from withholding, that I am entitled to claim the exempt status.

Employee's Signature _____ Date _____

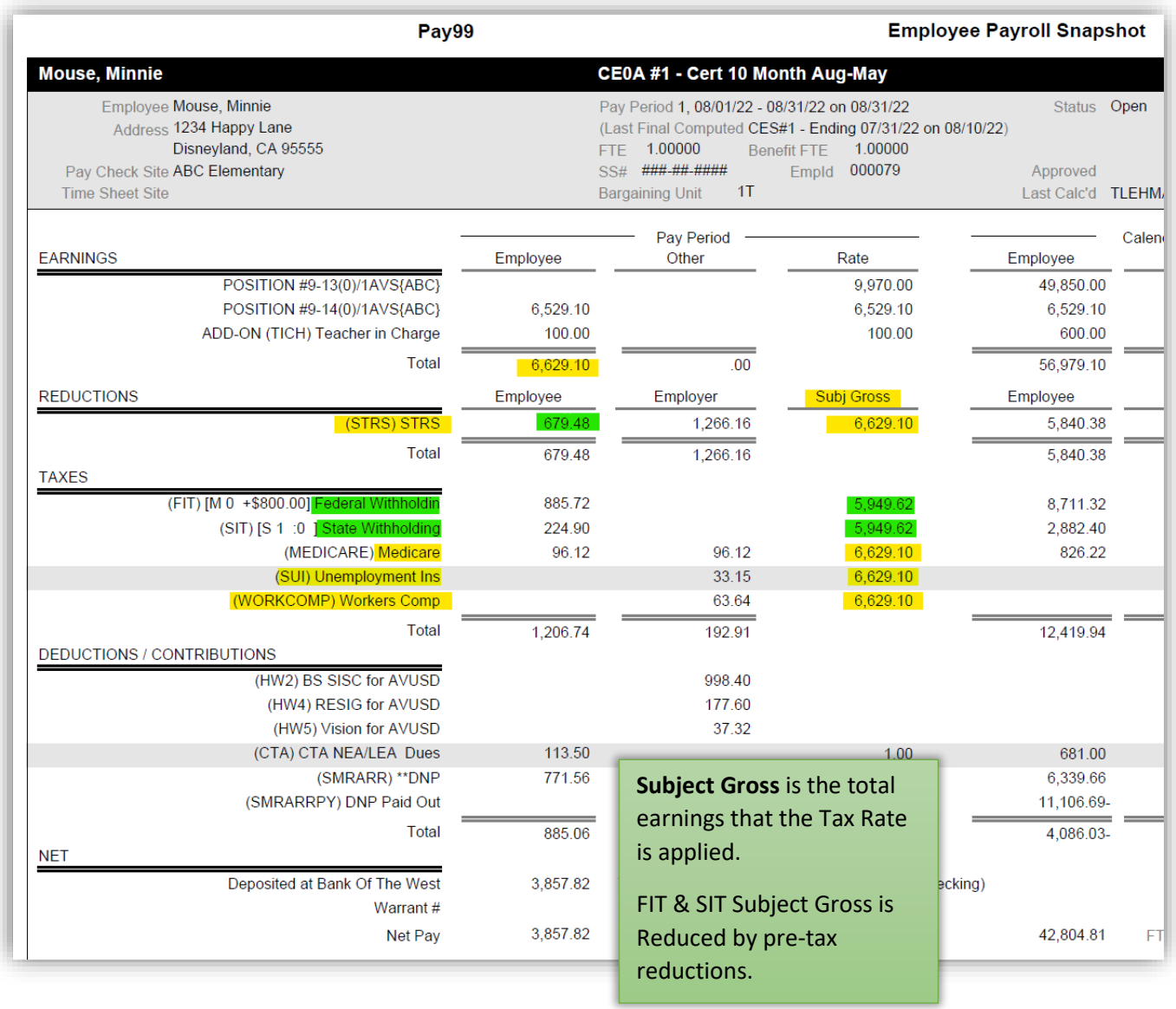
Review Pay99 Employee Payroll Snapshot for Subject Grosses

Example STRS Member 2%@60: For this employee the STRS Subject Gross equals the total Earnings. If there were Fringe Earnings, these would not be subject to STRS, therefore the Subject Gross would be decreased.

Reductions are pre-tax deductions that will reduce the subject gross for FIT and SIT.

Medicare, SUI and Work Comp Subject Grosses are reduced by pre-tax medical only.

Notice there is not a Subject Gross for **OASDI** because this is a STRS Member.



Pay99 — **Employee Payroll Snapshot**

Mouse, Minnie — **CE0A #1 - Cert 10 Month Aug-May**

Employee Mouse, Minnie
Address 1234 Happy Lane
Disneyland, CA 95555
Pay Check Site ABC Elementary
Time Sheet Site

Pay Period 1, 08/01/22 - 08/31/22 on 08/31/22
(Last Final Computed CES#1 - Ending 07/31/22 on 08/10/22)
FTE 1.00000 Benefit FTE 1.00000
SS# ###-##-#### EmpId 000079
Bargaining Unit 1T

Status Open
Approved
Last Calc'd TLEHM

EARNINGS	Pay Period Employee	Pay Period Other	Rate	Calen Employee
POSITION #9-13(0)/1AVS{ABC}			9,970.00	49,850.00
POSITION #9-14(0)/1AVS{ABC}	6,529.10		6,529.10	6,529.10
ADD-ON (TICH) Teacher in Charge	100.00		100.00	600.00
Total	6,629.10	.00		56,979.10
REDUCTIONS	**Employee**	**Employer**	**Subj Gross**	**Employee**
(STRS) STRS	679.48	1,266.16	6,629.10	5,840.38
Total	679.48	1,266.16		5,840.38
TAXES				
(FIT) [M 0 +$800.00] Federal Withholdin	885.72		5,949.62	8,711.32
(SIT) [S 1 :0] State Withholding	224.90		5,949.62	2,882.40
(MEDICARE) Medicare	96.12	96.12	6,629.10	826.22
(SUI) Unemployment Ins		33.15	6,629.10	
(WORKCOMP) Workers Comp		63.64	6,629.10	
Total	1,206.74	192.91		12,419.94
DEDUCTIONS / CONTRIBUTIONS				
(HW2) BS SISC for AVUSD		998.40		
(HW4) RESIG for AVUSD		177.60		
(HW5) Vision for AVUSD		37.32		
(CTA) CTA NEA/LEA Dues	113.50		1.00	681.00
(SMRARR) **DNP	771.56			6,339.66
(SMRARRPY) DNP Paid Out				11,106.69-
Total	885.06			4,086.03-
NET				
Deposited at Bank Of The West	3,857.82		ecking)	
Warrant #				
Net Pay	3,857.82			42,804.81 FT

Subject Gross is the total earnings that the Tax Rate is applied.

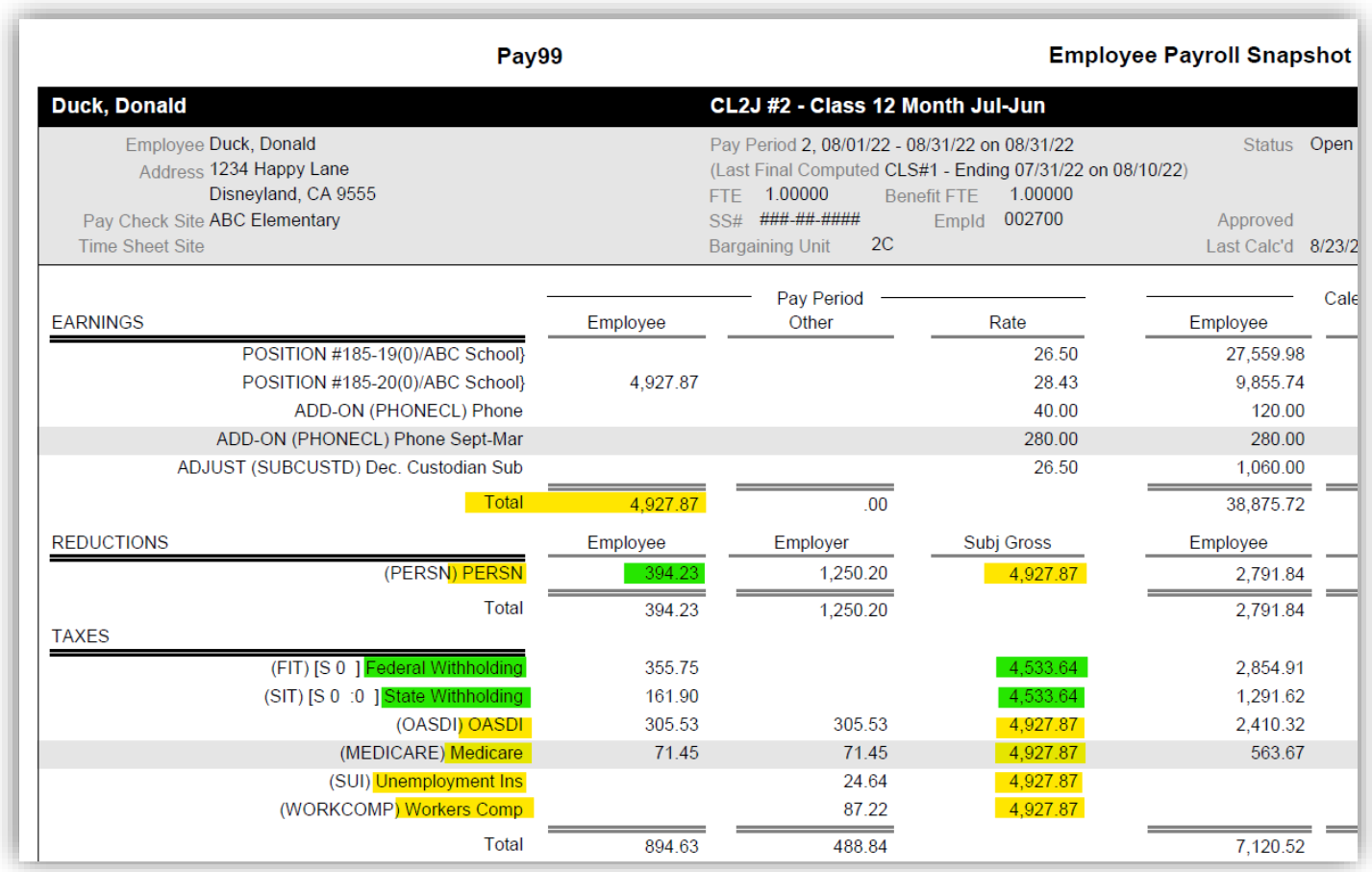
FIT & SIT Subject Gross is Reduced by pre-tax reductions.

Review Pay99 Employee Payroll Snapshot for Subject Grosses

Example PERS Member New: For this employee the PERS Subject Gross equals the total Earnings. If there were Fringe Earnings, these would not be subject to PERS, therefore the Subject Gross would be decreased.

Reductions are pre-tax deductions that will reduce the subject gross for FIT and SIT.

OASDI, Medicare, SUI and Workers Comp Subject Grosses are reduced by pre-tax medical only.



Pay99 **Employee Payroll Snapshot**

Duck, Donald **CL2J #2 - Class 12 Month Jul-Jun**

Employee Duck, Donald
Address 1234 Happy Lane
Disneyland, CA 9555
Pay Check Site ABC Elementary
Time Sheet Site

Pay Period 2, 08/01/22 - 08/31/22 on 08/31/22
(Last Final Computed CLS#1 - Ending 07/31/22 on 08/10/22)
FTE 1.00000 Benefit FTE 1.00000
SS# ###-##-#### EmpId 002700
Bargaining Unit 2C

Status Open
Approved
Last Calc'd 8/23/2

EARNINGS	Pay Period Employee	Pay Period Other	Rate	Cale Employee
POSITION #185-19(0)/ABC School}			26.50	27,559.98
POSITION #185-20(0)/ABC School}	4,927.87		28.43	9,855.74
ADD-ON (PHONECL) Phone			40.00	120.00
ADD-ON (PHONECL) Phone Sept-Mar			280.00	280.00
ADJUST (SUBCUSTD) Dec. Custodian Sub			26.50	1,060.00
Total	4,927.87	.00		38,875.72

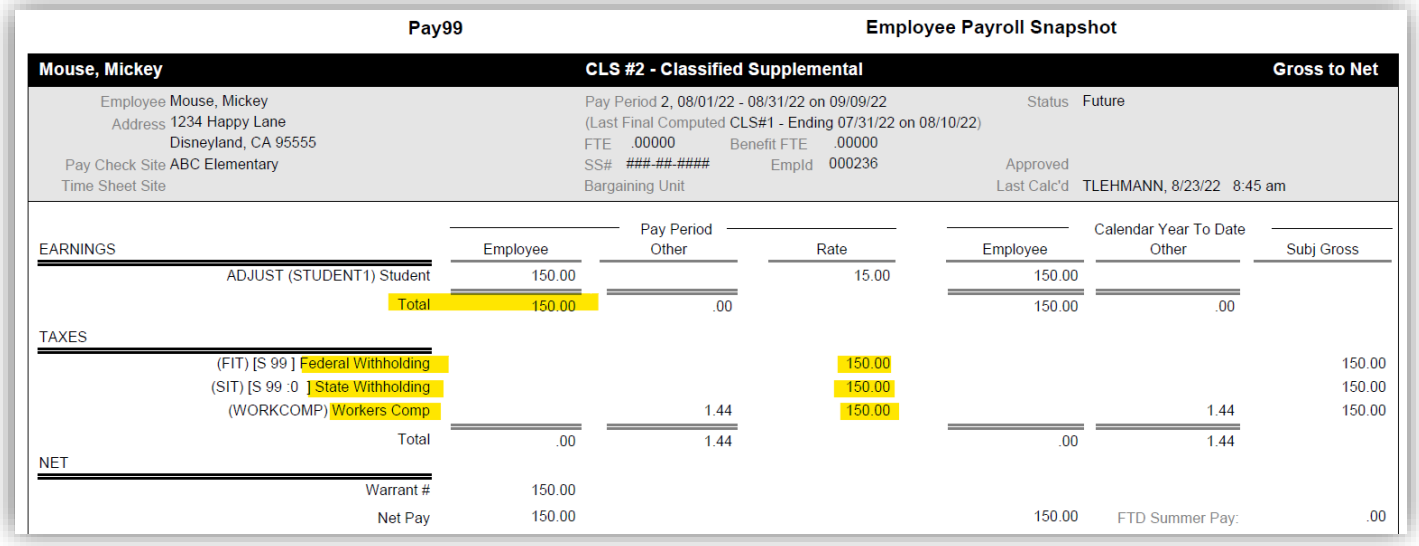
REDUCTIONS	Employee	Employer	Subj Gross	Employee
(PERSN) PERSN	394.23	1,250.20	4,927.87	2,791.84
Total	394.23	1,250.20		2,791.84

TAXES				
(FIT) [S 0] Federal Withholding	355.75		4,533.64	2,854.91
(SIT) [S 0 :0] State Withholding	161.90		4,533.64	1,291.62
(OASDI) OASDI	305.53	305.53	4,927.87	2,410.32
(MEDICARE) Medicare	71.45	71.45	4,927.87	563.67
(SUI) Unemployment Ins		24.64	4,927.87	
(WORKCOMP) Workers Comp		87.22	4,927.87	
Total	894.63	488.84		7,120.52

Review Pay99 Employee Payroll Snapshot for Subject Grosses

Example Student Worker: A student enrolled in the District and attending classes is not subject to OASDI, Medicare or SUI.

Often times students will submit their W4 and DE-4 as exempt if they qualify per EDD guidelines. In that case, FIT and SIT taxes will not be withheld but will be reported on a W2.



Pay99 — **Employee Payroll Snapshot**

Mouse, Mickey	**CLS #2 - Classified Supplemental**	**Gross to Net**

Employee Mouse, Mickey
Address 1234 Happy Lane
Disneyland, CA 95555
Pay Check Site ABC Elementary
Time Sheet Site

Pay Period 2, 08/01/22 - 08/31/22 on 09/09/22
(Last Final Computed CLS#1 - Ending 07/31/22 on 08/10/22)
FTE .00000 Benefit FTE .00000
SS# ###-##-#### EmpId 000236
Bargaining Unit

Status Future
Approved
Last Calc'd TLEHMANN, 8/23/22 8:45 am

	Pay Period			Calendar Year To Date		
EARNINGS	Employee	Other	Rate	Employee	Other	Subj Gross
ADJUST (STUDENT1) Student	150.00		15.00	150.00		
Total	150.00	.00		150.00	.00	
TAXES						
(FIT) [S 99] Federal Withholding			150.00			150.00
(SIT) [S 99 :0] State Withholding			150.00			150.00
(WORKCOMP) Workers Comp		1.44	150.00		1.44	150.00
Total	.00	1.44		.00	1.44	
NET						
Warrant #	150.00					
Net Pay	150.00			150.00	FTD Summer Pay:	.00