

Central Payroll Tax Form Entry Instructions

Please date stamp all tax forms on the day of receipt! This is the date you will use to record when the forms were received in the payroll office.

Quick Entry Guide:

- 1) Date stamp tax forms the day they are received in your office.
- 2) Verify the forms are valid and signed **(Step 1)**.
- 3) Review Federal Tax Data and verify the tax data is ready for entry **(Step 2)**
 - a. Main Menu>Payroll for North America >Employee Pay Data USA>Tax Information>Update Employee Tax Data. Enter ID, click 'include history', and click the search button.
 - b. New records should have a 01/01/CY row created.
 - c. Make sure *Last Updated by* is not 'IU DEP'.
 - d. Existing employees will have multiple history rows.
- 4) Compare the resident and employment locality information written on the WH-4 form to the locality information on the State and Local tax tabs **(Step 3)**
 - a. Change to correction mode if you need to correct State and Local tax data on 01/01/CY row. Modify information and save the record.
 - b. For existing employees, find the tax row BEFORE or equal to 01/01/CY. This is the row the system will use to determine local tax. If this row matches the locality information on the new tax form, you don't need to make a correction.
 - c. If the locality information is different, you can only use correction mode on the 01/01/CY row. If there isn't a 01/01/CY row, you will need to return to Fed Tax Data and insert one to make the corrections. See detailed instructions in Step 3.
 - d. If the employee specifies any additional local withholding, it must be entered on the 01/01/CY tax row to be withheld. It should also be entered on the current row you add today in #7.
 - e. Save the tax row, return to the search screen, include history, and proceed to enter tax forms.
- 5) Return to Fed Tax Data and insert a new effective dated row. **(Step 4)**
 - a. Review Special Withholding Tax Status section. See detailed instructions for any status other than "None".
 - b. Verify marital status, withholding allowances and additional amount.
 - c. Make any needed changes based on the new tax form.
 - d. Continue to enter data on all 4 tabs before saving the record.
- 6) Tab to State Tax Data **(Step 5)**
 - a. Review Special Tax Status. See detailed instructions for any status other than "None".
 - b. Review allowance, additional amount and additional allowance.
 - c. Make any needed changes based on the new tax form.
- 7) Tab to Local Tax Data **(Step 5)**
 - a. Review Special Tax Status. See detailed instructions for any status other than "None".
 - b. Make any needed changes to resident/employment localities based on the new tax form.
 - c. Verify that Local Withholding Allowances match State allowances.
 - d. Enter additional amount if specified.
 - e. If the employee has a resident and employment locality, review both records.
- 8) Tab to IU Feb Tax **(Step 6)**
 - a. Enter dates forms were received in payroll office for each appropriate form.
 - b. SAVE the record.

Step 1: VERIFY THE VALIDITY OF TAX FORMS RECEIVED

If any of the following information is missing and the form is determined to be invalid, the individual and/or the department should be contacted and the form should not be processed.

The following items will render the forms to be invalid:

- **W-4 (federal) and WH-4 (state)**
 - Missing signature
 - Missing name

- **WH-47 (non-residency statement)**
 - State listed as residence must be Michigan, Ohio, Kentucky, Wisconsin, or Pennsylvania
 - Missing signature
 - Missing name
 - Form is not notarized

Some forms are considered 'valid' but may have 'incomplete' data. You may still enter the form using the following procedures:

- If the W-4 form does not indicate a marital status, the default value of 'single' will apply.
- If the W-4 or WH-4 does not specify the number of allowances, the default value of '0' will apply.

Step 2: VERIFY TAX DATA STATUS

Main Menu>Payroll for North America >Employee Pay Data USA>Tax Information>Update Employee Tax Data

Your first action is to determine if the tax screen is ready for entry. If the job hasn't been saved, the employee will not have a tax record. If the job was saved the same day you are looking at the tax screen and the tax data hasn't run thru the nightly batch cycle, the 1/1/CY row won't be established. Review the 'last updated' field carefully as indicated below. You may need to wait another day to update the tax record.

- Enter ID, click 'include history' and click the search button. If the employee has only **IU** jobs, it will open the tax record.
- If employee record is returned with **IU** and **INE** companies, choose the **IU** tax record for entry. Do not choose the **INE** (No Pay) record for tax entry.
- If employee record is returned with **IU** and **IU2** companies, stop entry and review job data. If employee is now being paid in the **IU2** Company (18/20), tax forms should be taken to retirement coordinator in the tax area. They have special W-4P, WH-4P forms to complete.

View Federal Tax Data:

- Review the Federal Tax Data '*This data was last updated by*' field. If the record indicates '**IU DEP JCH**' or '**IU DEF UNP**', **NO tax data should be entered or modified today**.
 - A nightly batch process will run and change the '*last updated by*' field to '**IU PRCSSED**' and change the '*Effective Date*' to **01/01/CY** or the new row will be deleted.

- If the 'last updated by' field is '**Online Usr**', '**System**', '**Emp Sf Svc**', or '**IU PRCSSSED**', you **MAY** update the record.
- If the 'last updated by' field is '**IU PRCSSSED**' and the Effective Date is **01/01/CY**, this new hire record was created from job data and has been updated in nightly batch process. You **MAY** update the record.
- Review the **Effective dates** to determine if this is a new hire or an existing employee.
 - New hires will usually have one tax record that was created by the job data. The system will build an IN State row and the local row will be determined by the campus on the position (BL will build 105 (Monroe), IN will build 097 (Marion), etc.).
 - Existing employees will usually have multiple history rows and the effective date will not be 01/01/CY. Employees converted from the old payroll system will have a 01/01/1901 Last effective dated system row in their history.
- If the 'last updated by' field is '**Emp Sf Svc**', review the dates and compare to the date on the newly received forms to determine if you should enter them. **If the employee has updated their record on Self Service after the date on the paper form, do not enter the paper forms.**
- If you have both the **W-4** (fed tax) and **WH-4** (state tax) forms, proceed to **Step 3**.
- If you only have the **WH-4** (state tax), proceed to **Step 3**.
- If you only have the **W-4** (fed tax), proceed to **Step 4** and skip the State/Local tax information.

Step 3: CORRECTING STATE/LOCAL TAX INFORMATION – When you receive a new WH-4

Important Information you should know:

- Local tax in Indiana is determined by where the employee lived and worked on January 01 of the current tax year.
- The system will always use the 01/01/CY row or the last effective date before 01/01/CY to do the calculation.
- If the system doesn't find a tax row 'equal to' or 'prior to' 01/01/CY, No local taxes will be withheld during this tax year.
- You do not use the address information on the tax form to determine any locality information. **You only use what the employee has written in the resident and employment locality sections.**

Your required action is to compare what the employee has written in the Residence and Employment locality sections on the State Tax form (WH-4) to what is displayed on the Local Tax Data tab on the 01/01/CY or previous tax row. If the information matches, you do nothing and move to Step 4. If the information doesn't match, you will need to follow the instructions below to correct the State and Local Tax information.

The instructions below are separated by 'new hire' or 'existing employee' detailed steps.

- **If you need to change any of the local information, you will need to be in "correction mode".** You can scroll to the bottom of the tax page and click on 'correct history'.
- **You should only use 'correction mode' on the 01/01/CY tax row – you never want to use correction mode and write over a history record.**

If this is a new hire with only the 01/01/CY row, review the State Tax Data and Local Tax Data tab and compare it to what the employee has written as **residence** and **employment** counties on the WH-4 Indiana Tax form. You do not use the address to determine any information. Review both the State and Local tabs to determine if you need to correct the record. If so, click 'correct history' on the bottom of the tax data and follow the instructions below.

State Tax Data tab:

- The default *State* row will be IN and the Resident box will be checked.

Local Tax Data tab:

- If you live and work in the same county, you only need 1 *Locality* row. If you live and work in different counties, you may have two *Locality* rows in HRMS; principal *residence* and principal *employment*. The system always uses the *residence* locality first to determine the local tax rate. If the IN *residence* locality is taxable, the *employment* county will be ignored.
- If the employee has written the **same Indiana county** in both *residence* and *employment* on the tax form, you only need 1 *Locality* row and it should be checked *Resident*.
 - *Example: they have written 'Monroe' in the residence and employment sections, you only need 1 local Monroe row marked as resident. If you review the 01/01/CY row and Monroe is already listed as resident, you do not need to correct and can move to Step 4.*
- If the employee has written **different Indiana counties** in *residence* and *employment* on the tax form, you should enter the first *residence* *Locality* row and check the *Resident* box. **Insert a second *Locality* row for the *employment* record, leave the *Resident* box blank, and check the *County of Principal Employment* box.**
- If the employee has written '**N/A**', '**out of state**', or some other **invalid information** in both *residence* and *employment* on the tax form, you only need 1 *Locality* row as 'dummy' and it should be checked *Resident*.
- If the employee has written a valid **IN county** in *residence* on the tax form and *employment* is **left blank, marked 'N/A', or 'out of state'**, you only need to enter the *residence* *Locality* and check *Resident*. You can enter a 'dummy' non-resident record, but it isn't required.
- If the employee has written '**N/A**', **out-of-state**, or **left the residence locality blank** on the tax form **and** listed a valid **IN county** in the *employment* locality, you need to enter the *employment* locality and the *Resident* box will remain unchecked. **You will need to check the *County of Principal Employment* box.** The non-resident local tax rate will be withheld. **DO NOT enter a 'dummy' *Locality* row marked *Resident*.**
- If the localities for *residence* and *employment* are **left blank** on the form, we cannot determine if they were a resident of IN on January 1 of the current year. The system will build a **default local tax row based on the campus** (in BL = 105). Leave the default *Locality* row marked as *Resident*. The system will withhold the resident rate of local tax.
- If the employee has specified **additional local withholding** on Line 8, this amount must be entered on the 01/01/CY row as well as the current effective dated row in Step 5.
- **SAVE the record and move out of "correction mode" back to "include history"**

If this is an existing employee with multiple history rows, you need to compare the *resident* and *employment* localities the employee has listed on the newly received **WH-4 Indiana Tax** form to the existing State Tax and Local Tax Data tabs to determine if you need to correct the record.

The payroll tax calculation process uses the *Local Tax* information on the employee tax record that has an **Effective Date EQUAL TO January 1 or the last row PRIOR TO January 1 of the current tax year to determine local tax withholding.**

Compare the ***residence*** and ***employment*** localities the employee has written on the new form to the existing tax record.

- If the *residence* and *employment* localities were **left blank on the new form**, you can assume the employee does not want to change the existing *Local Tax* information and skip to **Step 4**.
- If the *residence* **or** *employment* localities are **different on the new tax form**, you need to determine which local row to correct.
 - ***If the employee only has effective dated rows BEFORE January 1 of the current tax year***, you will need to return to Fed Tax Data to insert a new effective dated row. The new row will default in with today's date. Change the *Effective Date* to **01/01/CY**, correct the *residence* and *employment* local information on the Local Tax Data tab using the instructions below and SAVE the record.
 - ***If the employee has effective dated rows BEFORE and AFTER January 1 of the current tax year***, you will need to return to Fed Tax Data and change to "correction mode" so you can insert a new row. Using the arrow on the *Effective Date* row, click to the effective dated row directly **BEFORE** January 1 of the current tax year, insert a new effective dated row, change the date to **01/01/CY**, tab to Local Tax Data, enter the *residence* and *employment* local information using the instructions below and SAVE the record.

Entry Instructions:

State Tax Data tab:

- The default is IN with the resident box checked.

Local Tax Data tab:

- If you live and work in the same county, you only need 1 *Locality* row. If you live and work in different counties, you may have two *Locality* rows in HRMS; principal *residence* and principal *employment*. The system always uses the *residence* locality first to determine the local tax rate. If the IN *residence* locality is taxable, the *employment* county will be ignored.
- If the employee has written the **same Indiana county** in both *residence* and *employment* on the tax form, you only need 1 *Locality* row and it should be checked *Resident*.
 - *Example: they have written 'Monroe' in the residence and employment sections, you only need 1 local Monroe row marked as resident.* If you review the 01/01/CY row and Monroe is already listed as resident, you do not need to correct and can move to Step 4.
- If the employee has written **different Indiana counties** in *residence* and *employment* on the tax form, you should enter the first *residence* *Locality* row and check the *Resident* box. Insert a second *Locality* row for the *employment* record, leave the *Resident* box blank, and check the *County of Principal Employment* box.

- If the employee has written '**N/A**', '**out of state**', or some other **invalid information** in both *residence* and *employment* on the tax form, you only need 1 *Locality* row as 'dummy' and it should be checked *Resident*.
- If the employee has written a valid **IN county** in *residence* on the tax form and *employment* is **left blank**, marked '**N/A**', or '**out of state**', you only need to enter the *residence* *Locality* and check *Resident*. You do not need to enter a 'dummy' non-resident row.
- If the employee has written '**N/A**', **out-of-state**, or **left the *residence* locality blank** on the tax form **and** listed a valid **IN county** in the *employment* locality, you need to enter the *employment* locality and the *Resident* box will remain unchecked. You should check the *County of Principal Employment* box. The non-resident local tax rate will be withheld. **DO NOT enter a 'dummy' *Locality* row marked *Resident*.**
- If the localities for *residence* and *employment* **are both left blank** on the form, we can assume they do not want to change their local information.
- If the employee has specified an **additional local withholding amount** on line 8, the amount must be entered on the 01/01/CY row. Verify that the employee has a valid IN locality, do not enter additional tax on a DUMMY locality.
- **Save** the record.
- **After you finish correcting the local tax information, be sure to change out of "correction mode"! Go back to Update/Display at the bottom of the tax screen.**

Step 4: ENTERING FEDERAL TAX INFORMATION – Update if you receive a new W-4 form

Federal Tax Data:

Review tax setup:

- If employee is already setup as a Non-Resident Alien in the Special Withholding Tax Status section, **stop entry and take tax forms to international tax coordinator for review.**
- If the 'letter received' box is checked in the Lock-In details section, **stop entry and take tax forms to tax manager for review.**

After review, insert a new row. The effective date will default to today's date and should not be changed. Review each section below and make changes according to the new W-4 received. If you received new federal and state forms, complete all 4 tabs before SAVING the record.

Special Withholding Tax Status:

- **None: This is the default value and applies to the majority of employees**
- Do Not Maintain Taxable Gross and Do Not Withhold Tax: May only be selected by the tax area under very limited conditions.
- Maintain Taxable Gross: This is the box you will select if the employee has written "EXEMPT" in box 7 of form W-4. See 'Claiming Exempt Status' instructions on page 9.
- Non-Resident Alien; Tax Treaty/NR Data: This box will be selected if W-4 contains the letters "NRA" on line 6.

W-4 Processing Status:

- **None: Default value is either blank or none.**
- Notification Sent: Updated by the system batch process at year end by tax area.
- New W4 received: Select this box if employee is claiming "EXEMPT" in box 7 of W-4. See 'Claiming Exempt Status' instructions on page 9.

Federal Withholding Status:

- Tax Marital Status: **Enter information from tax form. If status is blank, enter "SINGLE".**
- Withholding Allowances: **Enter number of allowances indicated on LINE 5 of W-4. If blank, enter "0".**

Flagged for IRS:

- Do not click this box. If box is already clicked, talk to UCO tax manager before entry.

FWT Additional Amount:

- Amount: Enter amount indicated on LINE 6 of W-4. **If no amount is on LINE 6, verify that additional amount is empty or displays zero dollars. *Be sure to remove amounts that were listed previously if new form is blank!**
- Percentage: We do not use the percentage box. If employee indicates a percent, employee and/or department should be notified to request new form.

Lock-In Details:

- If this box is checked, contact UCO tax area for assistance.

Earned Income Credit and W-5 Processing Status:

- Should default to 'Not applicable'. Credit eliminated Jan, 2011.

Tax Treaty/NR Data:

- No entry required unless employee completes International Tax treaty forms. See separate 'Tax Treaty/Non-Resident' instructions.

Step 5: ENTERING STATE AND LOCAL TAX INFORMATION – Update if you receive a new WH-4 form

You should have already reviewed and corrected the 1/1/CY State and Local tax rows in Step 3 above to determine local withholding. **These instructions apply to the newly inserted current effective dated row.**

State Tax Data: form WH-4 (state form)

State Information:

- **State:**
 - **Default value is IN.** Should not be deleted in any condition except by the tax area.
 - Some MT (Montana) tax rows will exist and are managed by the tax area.
 - **Other states that we have a reciprocal agreement with (KY, PA, OH, WI, and MI) are ONLY ENTERED if the employee completes a valid WH-47 form.** See instructions in WH-47 Section on page 10. If employee later moves to IN and completes new Indiana tax forms, you would need to delete other state information when correcting the tax data.
- **Resident:** Default value is checked.
- **Non-Residency Statement Filed:** Default value is blank. Check box on IN row when individual has submitted a valid WH-47. See instructions in WH-47 Section on page 10.
- **UI Jurisdiction:** Should be checked on IN row.
- **Exempt From SUT:** Default is checked. Do not change.
- **SDI Status:** Default is Exempt or Not Applicable. Do not change.

Special Tax Status:

- **None:** default value that applies to the majority of employees.
- **Do Not Maintain Taxable Gross and Do Not Withhold Tax:** Should not be selected except by the tax area under limited conditions if the employee lives and works in another state and has provided documentation.
- **Maintain Taxable Gross: SWT zero unless specified in 'Additional Withholding' below:** Do not select – never appropriate for employees.
- **Non-Resident Alien: Fed rules:** Do not select. This is only selected by the tax area in certain conditions.

State Withholding Elements:

- **SWT Marital/Tax Status:** Default value is N (not applicable). Do not change.
- **Withholding Allowances:** Enter number of allowances indicated on LINE 5 of WH-4. If nothing is specified, enter "0".
- **Additional Amount:** Enter the amount indicated on LINE 7 of WH-4. If no amount listed, confirm that field is blank or displays "0" dollars.
- **Additional Percentage:** Do not enter in this field. If employee has indicated a percentage, they should be contacted for a new form.
- **Additional Allowances:** Enter number of allowances indicated on LINE 6 of WH-4. If nothing is specified, verify that field is blank or displays "0" dollars.
- **Earned Income Credit:** Should be blank. Credit removed Jan, 2011.
- **PR Retirement Plan:** Default is blank. Do not change.

Lock-In Details:

- Does not apply at state level. Default is blank. Do not change.

Local Tax Data:

States:

- Should reflect IN unless employee has filed special state tax documents.

Locality:

- **Enter locality based on WH-4 using the search-lookup function.** You may only have two localities; principal *residence* and principal *employment*.
- If the *residence* and *employment* localities were **left blank on the new form**, you can assume the employee does not want to change the existing *Local Tax* information and skip to **Step 6**.
- If the employee has written the **same Indiana county** in both *residence* and *employment* on the tax form, you only need 1 *Locality* row and it should be checked *Resident*. If the employee already has 2 locality rows, you would need to delete one row and correct the remaining row.
 - *Example: they have written 'Monroe' in the residence and employment sections, you only need 1 local Monroe row marked as resident.*
- If the employee has written **different Indiana counties** in *residence* and *employment* on the tax form, you should enter the first *residence Locality* row and check the *Resident* box. Insert a second *Locality* row for the *employment* record, leave the *Resident* box blank, and check the *County of Principal Employment* box.
- If the employee has written '**N/A**', '**out of state**', or some other **invalid information** in both *residence* and *employment* on the tax form, you only need 1 *Locality* row as 'dummy' and it should be checked *Resident*.
- If the employee has written a valid **IN county** in *residence* on the tax form and *employment* is **left blank, marked 'N/A', or 'out of state'**, you only need to enter the *residence Locality* and check *Resident*. You do not need to enter a 'dummy' non-resident row.
- If the employee has written '**N/A**', **out-of-state**, or **left the residence locality blank** on the tax form **and** listed a valid **IN county** in the *employment* locality, you need to enter the *employment* locality and the *Resident* box will remain unchecked. You need to check the *County of Principal Employment* box. The non-resident local tax rate will be withheld. **DO NOT enter a 'dummy' Locality row marked Resident.**
- **Resident:**
 - **Enter based on WH-4 indicating principal residence and employment localities.**
 - Check the resident box on the locality row that represents the **IN** locality on the WH-4 for principal place of *residence* as of January 1 of the current tax year.
 - Uncheck the resident box on the locality row that represents the **IN** locality on the WH-4 for principal place of *employment* as of January 1 of the current tax year. You also need to check the *County of Principal Employment* box.
- **Other Work Locality: Does not apply to IU.** Do not enter in this field.

If the employee has 2 Locality rows, be sure to update the following information on both Localities.

Special Tax Status:

- **None:** Default value. Do not change.
- **Do not Maintain Taxable Gross and Do not Withhold Tax:** Only selected by the tax area in limited conditions.
- **Maintain Taxable Gross. LWT zero unless specified in 'Additional Withholding' below:** Only selected by the tax area in limited conditions.

Local Withholding Status:

- **LWT Marital/Tax Status:** Default is N (non-applicable). Do not change.
- **Local Withholding Allowances:** Enter the number of allowances indicated on LINE 5 of WH-4. Allowances should match the State Tax Data record.

Local Additional Amount:

- **Additional Withholding Amount:** Enter the amount indicated on LINE 8 of WH-4. If no amount listed, confirm that field is blank or displays “0” dollars. Additional local withholding must also be entered on the 1/1/CY tax row before the system will withhold.
- **Percentage:** Does not apply. Do not enter. Verify field is blank.

Step 6: RECORDING DATES FORMS ARE RECEIVED – IU Fed Tax

The IU Fed Tax tab is a customized screen to record the dates when new forms are received. Update the dates even if no changes were indicated by the employee.

- **Private Practice:** IU only. Not currently used.
- **W-4 Received Date:** Enter the date the form was received in your office.
- **WH-4 Received Date:** Enter date received.
- **WH-47 Received Date:** Enter date received, if applicable
- **W-5 Received Date:** Not applicable
- **WH-5 Received Date:** Not applicable
- **673 Expiration Date:** **Updated by tax area only.**
- **W-8BEN Country:** **Updated by tax area only.**
- **W-8BEN Expiration Date:** **Updated by tax area only.**
- **FICA Exemption Stop Date:** **Updated by tax area only.**
- **Two-month FICA exemption:** **Field not used at this time.**

Warning Message: When you **SAVE** the record, many times you will receive a warning message about the home address not being in the USA. This usually means the home address information has not been updated and you can ignore the warning.

Post-Processing:

- Please date and initial the forms as they are entered. In BL, tax forms are scanned by ID.

Entry Instructions for Form W-4: Claiming Exempt Status

The following instructions should be used if you receive a W-4 form with the word “**exempt**” written in Line 7. Exemption status must be renewed each tax year. Records will be reset to **S-0** withholding on or around February 15th each year. **Enter the form exactly as the employee has indicated on each line except Additional Amount (see below).**

Federal Tax Data:

Effective Date:

- *Exempt from FUT:* Box should be checked for all employees. Do not change.
- *Use Total Wage for Multi-State:* Box should be unchecked for all employees. Do not change.
- *Always create W2 for NQDC Rptg:* Box should be unchecked for all employees. Do not change.

Special Tax Withholding Status:

- Select **Maintain Taxable Gross**
- *W-4 Processing Status:* **Check the New W-4 Received box.**
- **WARNING MESSAGE:** *when you tab out of this information, you will receive a warning message that all future dated rows must be updated. You can ignore the message and continue with entry.*

Federal Withholding Status:

- *Tax Marital Status:* Enter **marital status** from tax form. If status is blank, enter “single”.
- *Withholding Allowances:* Enter **number of allowances** indicated on Line 5 of W-4.

Flagged for IRS:

- *W4 Flagged for Transmission* box should remain unchecked.

FWT Additional Amount:

- **Amount should NOT be entered.** Employee is not allowed to determine specific amount of withholding while claiming exempt. Verify that field is blank. System will issue you a warning if you enter an amount.
- *Percentage:* We do not use the percentage box. Field should remain blank.

Lock-In Details:

- *Letter Received:* If this box is checked, contact UCO tax area for assistance.
- *Limit On Allowances:* Field should have 0 unless *Letter Received* box is checked.

The remaining sections on Federal Tax Data should be reviewed.

- If any information exists in Earned Income Credit, it should be removed.
- If any information exists in Tax Treaty/NR Data, you should contact the International Tax Entry specialist for assistance.

SPECIAL NOTICE FOR DECEMBER:

When forms are received at the end of the calendar year (December) claiming “exempt”, an assumption is made that the form is intended to be for the following or new tax year.

- Insert a new *Effective Dated* (today) row changing the status to “**exempt**” for the current year using the instructions above.
- **Enter a second tax row with an *Effective Date* of 01/01/Next Year** to continue the exemption using the instructions above. If you don't enter a new 01/01/NY tax row, the 'exempt' status will be reset in February.

Entry Instructions for WH-47 (Non-Residency Statement)

The form must be notarized, and the **State** listed as residence must be **Michigan, Ohio, Kentucky, Wisconsin or Pennsylvania. No other states are valid and should not be entered.**

State Information: Default value is IN. You will be adding an additional state row for the residence state listed above. **You will have 2 state rows, IN and the Reciprocal State.**

- If you receive a WH-4 state form, follow the instructions in Step 3 BEFORE you begin the WH-47 entry to establish the non-resident IN locality.
- If you do NOT receive a WH-4 state form, you need to **review the existing** Local Tax information.
 - If this is a new employee and they only have the 01/01/CY row, go to the Local tab to review the information. The locality has been established based on the job and the resident box will be checked. Use correction and uncheck the resident box. You will also need to check the *County of Principal Employment* box.
 - If this is an existing employee, review the Local Tax row that is 01/01/CY or BEFORE. That is the row that is used to determine local tax withholding. You will need to use correction on the 01/01/CY row or insert a new 01/01/CY row to make sure they have a non-res locality and the *County of Principal Employment* box is checked.
- Insert a new current effective dated row and enter the following information for IN and the reciprocal state on the State and Local tabs.
- The instructions below apply to the current effective dated row (today) State and Local tabs only.
- You do NOT need to enter WH-47 State information on the 01/01/CY row. You only need to establish or correct the non-resident locality information.

Entry instructions for the IN current effective dated row:

State Tax Data tab:

State Information:

State: IN

- *Resident:* Uncheck the box
- *Non-Residency Statement:* Check the box
- *UI Jurisdiction:* Check the box
- *Exempt From SUT:* do not change
- *SDI Status:* do not change

Special Tax Status:

- Select **None**

State Withholding Elements:

- *SWT Marital/Tax Status:* Leave default value **N**
- *Withholding Allowances:* 0
- *Additional Amount:* must be zero
- *Additional Percentage:* must be blank
- *Additional Allowances:* 0
- *IN Earned Income Credit:* must be zero

- PR Retirement Plan: should be blank

Lock-In Details:

- Letter Received: If box is checked, contact UCO tax area for assistance.

Local Tax Data tab:

States:

State: IN

Locality:

- The **locality** is based on the job, what the employee has entered via self-service, or from old tax forms.
- Resident: If the resident box is checked, you should uncheck it.
- Other Work Locality: box should be blank
- County of Principal Employment: box should be checked

Special Tax Status:

- Select **None**

Local Withholding Status:

- LWT Marital/Tax Status: N
- Local Withholding Allowances: 0

Local Additional Amount:

- Additional Withholding Amount: 0
- Percentage: do not enter

Return to the State tab and insert a new row to enter the reciprocal state.

Special Note: If an employee currently claiming the non-residence statement later moves to Indiana and files new Indiana tax forms, you will need to correct the State/Local tax information and remove the other state row from their record. You would also need to verify the 1/1/CY row and make appropriate corrections to local tax information (see Step 3).

Entry instructions for the KY, PA, OH, WI, or MI current effective dated rows:

State Tax Data tab:

State Information:

State: KY, PA, OH, WI or MI

- Resident: Check box certifying this is the reciprocal state of residence.
- Non-Residency Statement Filed: box should NOT be checked
- UI Jurisdiction: box should NOT be checked
- Exempt From SUT: do not change
- SDI Status: do not change

Special Tax Status:

- Select **Do Not Maintain Taxable Gross and Do Not Withhold Tax**

State Withholding Elements:

- SWT Marital/Tax Status: will probably be blank, Enter 'N'
 - (except WI: use marital status from W-4).
- Withholding Allowances: Enter **0**
- Additional Amount: should be blank
- Additional Percentage: should be blank
- Additional Allowances: should be blank
- IN Earned Income Credit: should be blank
- PR Retirement Plant: should be blank

Lock-In Details:

- Letter Received: box should be blank

Local Tax Data tab:

States:

State: KY, PA, OH, WI or MI

Locality:

- Enter the locality of 'dummy' for these states.
- Resident : box should be checked
- Other Work Locality: box should be blank

Special Tax Status:

- Select **Do Not Maintain Taxable Gross and Do Not Withhold Tax**

Local Withholding Status:

- LWT Marital/Tax Status: leave default of N (except WI)
- Local Withholding Allowances: Enter **0**

Local Withholding Amount:

- Additional Withholding Amount: should be blank
- Percentage: should be blank

Be sure to enter the date the WH-47 form was received on the IU Fed Tax page

Quick Guide and Reminders:

- *Do not update tax data if the "last updated by" indicates **IU DEF UNP** or **IU DEP JCH**. Wait until the status changes to **IU PRCSSED** on the next business day.*
- **DO NOT USE CORRECT HISTORY** on any row other than 01/01/CY when correcting the local tax information. If a 01/01/CY row doesn't exist, you should create one.
- **Only modify the locality and additional local withholding information on the 01/01 row.** All other changes should be on the current effective dated row.
- **December** – W-4 claiming exempt should be considered new form for the next tax year. Be sure to update the current record and enter a 01/01/NY record.
- **Enter the dates you receive the forms on the IU Fed Tax tab.** This information will help us decide how to settle disputes from employees requesting refunds, etc.
- **Only enter a state other than IN when you receive a WH-47 from someone who lives in KY, MI, OH, WI, or PA.** There are MT (Montana) records in the system that are managed by the tax area.
- **Verify that you enter the same number of exemptions on the State Tax and Local Tax tabs from the WH-4 form.**
- **Refunds are not given to employees that did not file new forms prior to payroll deadlines.** Refunds are not given to employees if new forms don't result in the expected results. Tax refunds will be processed for central office entry errors or system calculation errors.
- **Additional tax amounts are withheld on EVERY payment an employee receives.** If they have monthly and hourly jobs, it will be taken on both payments. Also when payments are processed in an off-cycle payroll, the additional tax will be withheld.
- If you receive tax forms for employees in the **IU2 company**, they should be forwarded to the retirement coordinator in the tax area. They have special W-4P and WH-4P forms to complete.
- If an employee is going to **live and work in another state** we have special instructions for setting up those tax records.
- **If the marital status is left blank on the W-4 form you receive,** you must change the record to single.
- If you receive valid tax forms that are "incomplete" (marital status, conflicting exemption info, blank local info, etc.) you can contact the employee and/or department to request a new form. Enter the information available per our instructions and file the form as usual. It is the responsibility of the employee to verify their tax withholding information. **We are not returning forms in the mail since they contain the SSN.**