

Tax Exemptions - Create

- Purpose** Use this procedure to create/maintain the *Other Taxes US* Infotype 0235 for employees.
- Trigger** An employee has been identified as exempt from certain State or Federal Taxes other than Federal Withholding.
- Prerequisites** An employee is exempt from paying into OASI/Medicare or State Unemployment reporting or State Medical Aid.
- End User Roles** In order to perform this transaction you must be assigned the following role: Payroll Processor.

Change History	
Date	Change Description
2/16/2012	User Procedure created

Menu Path Human Resources → Personnel Management → Administration → HR Master Data → Maintain

Transaction Code PA30

Helpful Hints	<p>The <i>Other Taxes US (0235)</i> infotype is used to exempt an employee from certain State of Federal Taxes other than Federal Withholding.</p> <p>For example: Certain groups of employees are not reportable for State Unemployment Insurance (SUI reporting) because of the nature of the work they do . This group of employees would need an <i>Others Taxes US (0235)</i> created for them to exempt them from the SUI reporting.</p> <p>The Payroll Processor will use this procedure to create or maintain an employees tax exemption information.</p>
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The system may display three types of messages at various points in the process. The messages you see may differ from those shown on screen shots in this procedure. The types of messages and responses are shown below:

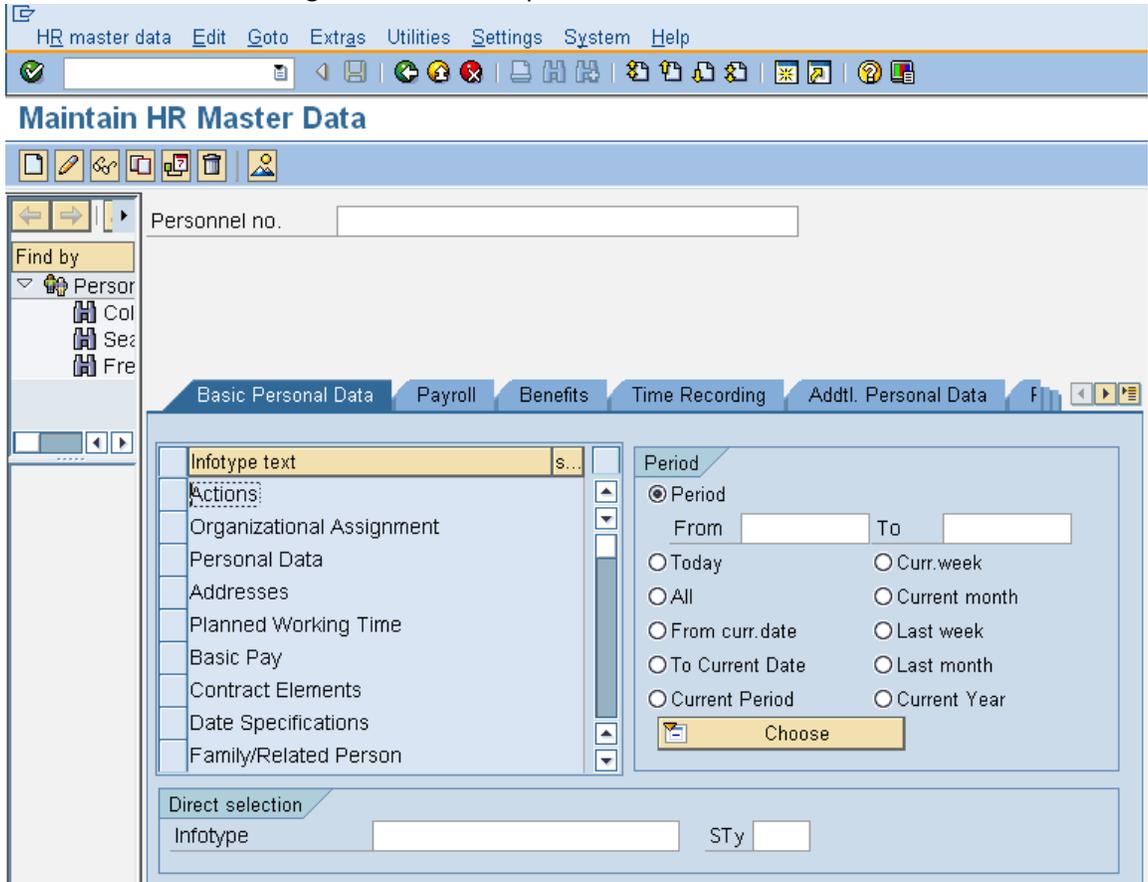
Message Type	Description
Error 	Example:  Make an entry in all required fields. Action: Fix the problem(s) and then click  (Enter) to validate and proceed.
Warning 	Example:  Record valid from xx/xx/xxxx to 12/31/9999 delimited at end. Action: If an action is required, perform the action. Otherwise, click  (Enter) to validate and proceed.
Confirmation  or 	Example:  Save your entries. Action: Perform the required action to proceed.

Scenario

An employee has been identified as being exempt from Federal Social Security Tax. Create an *Other Taxes US (0235)* infotype to make this employee exempt.

Procedure

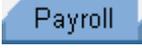
1. Start the transaction using the above menu path or transaction code **PA30**.



2. Complete the following fields:

R=Required Entry O=Optional Entry C=Conditional Entry		
Field Name	R/O/C	Description
Personnel Number	R	An employee's unique identifying number. Example: 40000192

- Click  (Enter) to validate information.

- Click the  tab to select.

- Under the  section enter the **Start** date of the record.



This is the actual **check** date the exemption is to start.

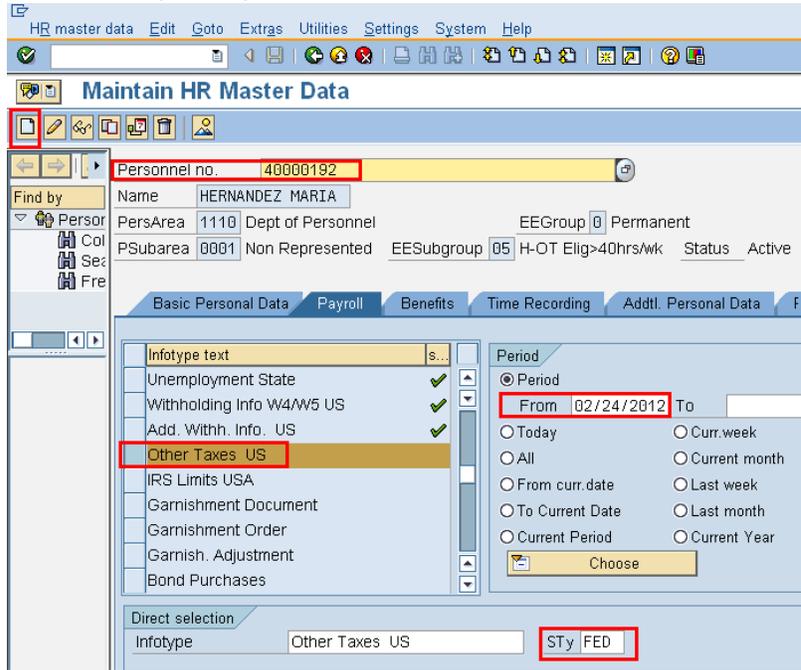
For example: The exemption is to begin on the first pay period of February. The actual **check date** for this period (02/1/12 -02/15/12) is **02/24/2012**

- Scroll through the listed infotypes until you see *Other Taxes US*.

Click the box to the left of *Other Taxes US* to select.

- 6.1 If creating a Federal Tax exemption to exempt an employee from Social Security and Medicare Enter FED into the STY (subtype) Field

- Click  (Create) to create a new record.



HR master data Edit Goto Extras Utilities Settings System Help

Maintain HR Master Data

Personnel no. 40000192

Name: HERNANDEZ MARIA

PersArea: 1110 Dept of Personnel EEGroup: 0 Permanent

PSubarea: 0001 Non Represented EESubgroup: 05 H-OT Elig>40hrs/wk Status: Active

Basic Personal Data Payroll Benefits Time Recording Addtl. Personal Data F

Infotype text s... Period

Unemployment State Today

Withholding Info W4/W5 US All

Add. Withh. Info. US From curr.date

Other Taxes US From 02/24/2012 To

IRS Limits USA Current week

Garnishment Document Current month

Garnishment Order Last week

Garnish. Adjustment To Current Date

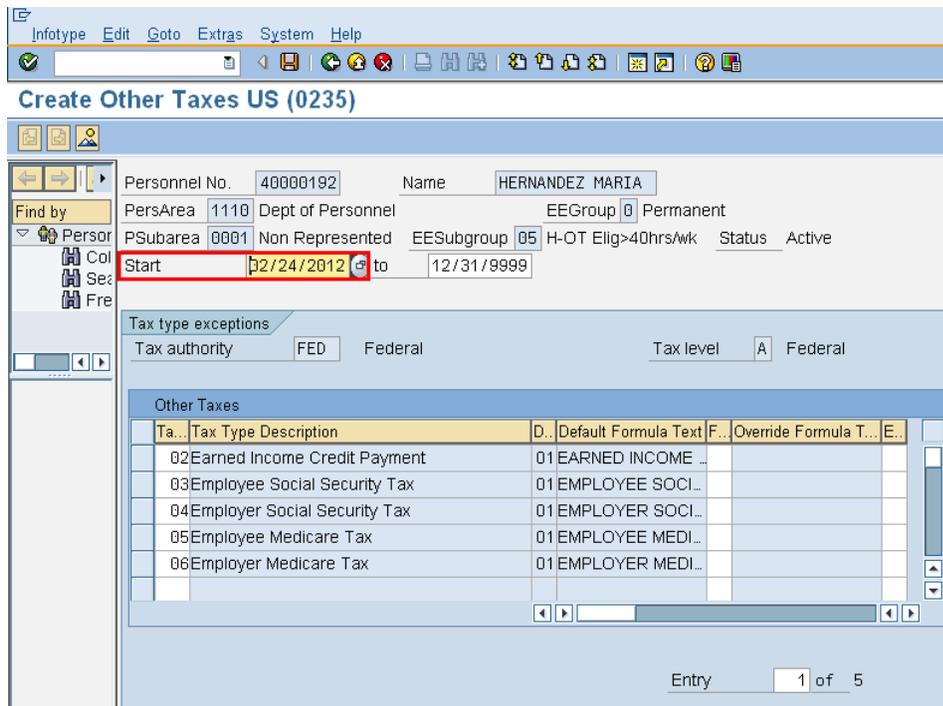
Bond Purchases Last month

Current Period Current Year

Choose

Direct selection

Infotype: Other Taxes US STy: FED



Infotype Edit Goto Extras System Help

Create Other Taxes US (0235)

Personnel No. 40000192 Name: HERNANDEZ MARIA

PersArea: 1110 Dept of Personnel EEGroup: 0 Permanent

PSubarea: 0001 Non Represented EESubgroup: 05 H-OT Elig>40hrs/wk Status: Active

Start: 02/24/2012 to 12/31/9999

Tax type exceptions

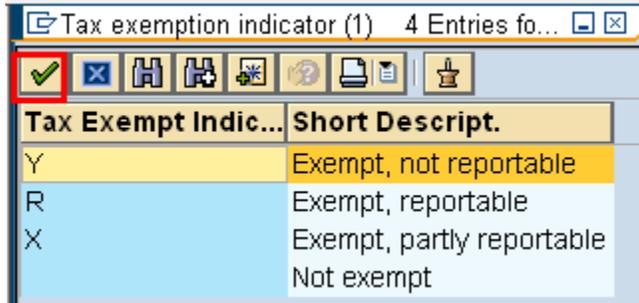
Tax authority: FED Federal Tax level: A Federal

Ta...	Tax Type Description	D.. Default Formula Text	F... Override Formula T...	E..
02	Earned Income Credit Payment	01 EARNED INCOME ...		
03	Employee Social Security Tax	01 EMPLOYEE SOCI...		
04	Employer Social Security Tax	01 EMPLOYER SOCI...		
05	Employee Medicare Tax	01 EMPLOYEE MEDI...		
06	Employer Medicare Tax	01 EMPLOYER MEDI...		

Entry 1 of 5

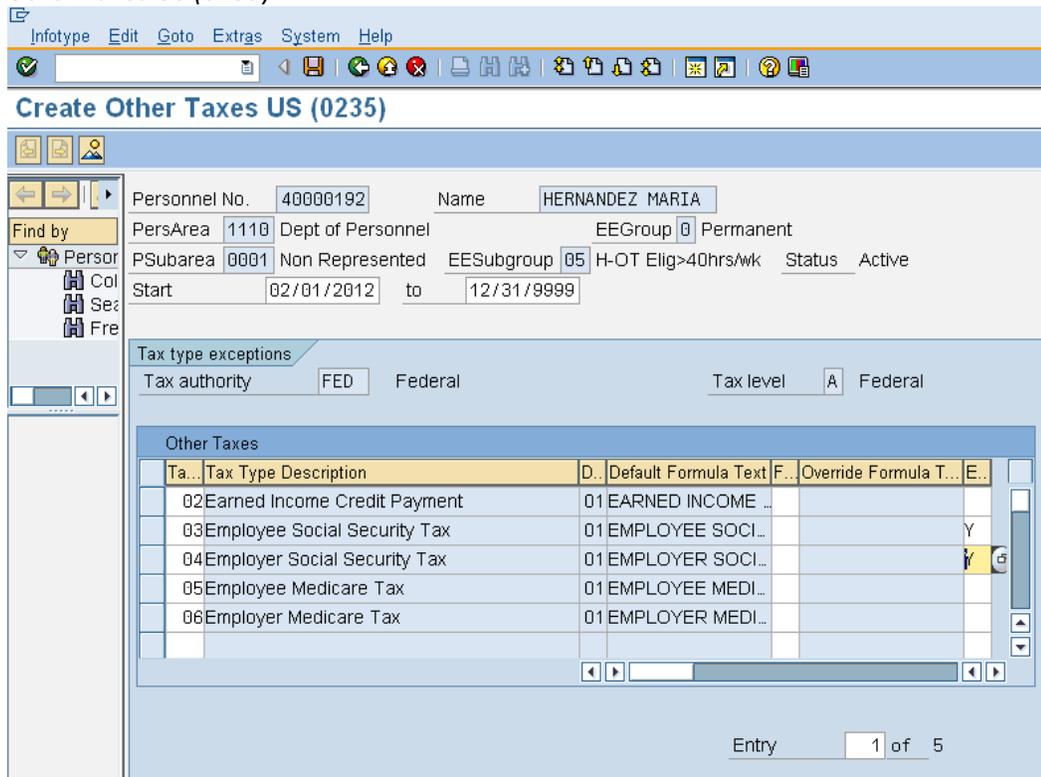
8. Click  to scroll to the right of the Table to the **Exempt** Column.

9. Click and click the  (Matchcode) under the exempt column to pertain to the desired tax description.



Tax Exempt Indic...	Short Descript.
Y	Exempt, not reportable
R	Exempt, reportable
X	Exempt, partly reportable
	Not exempt

10. Make the appropriate selection and click the  (Copy) to return back to the *Create Other Taxes US (0235)*



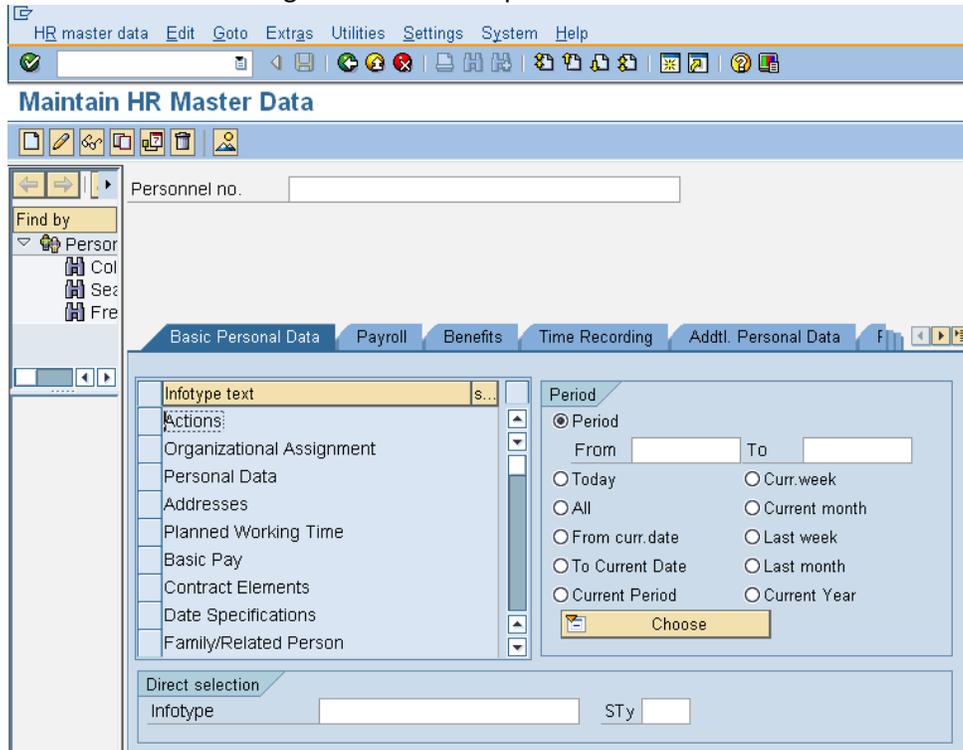
11. Click  (Enter) to validate information.

12. Click  (Save) to save entries.



To create an exemption from **State Unemployment reporting or State Medical Aid** complete the following:

13. Start the transaction using the above menu path or transaction code **PA30**.



14. Click the  tab to select.

15. Under the  section enter the **Start** date of the reocrd.



This is the actual **check** date the exemption is to start.

For example: The exemption is to begin on the first pay period of February. The actual **check date** for this period (02/1/12 -02/15/12) is **02/24/2012**

16. Scroll through the listed infotypes until you see *Other Taxes US*.

17. Click the box to the left of *Other Taxes US* to select.

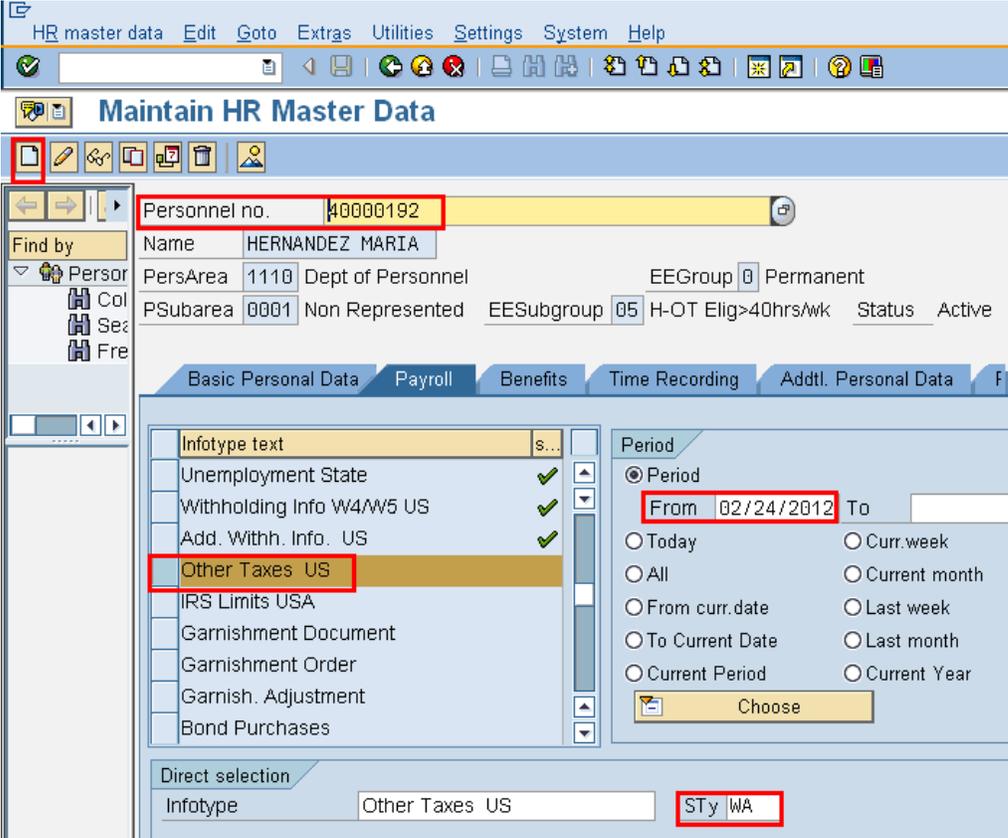
- If creating a **State Exemption** for Unemployment tax Type or Medical Aid:
Tax Types:
 - 10- Employer Unemployment Tax

- 32- Employer Accident Fund Tax
- 33- Employer Medical Aid Tax
- 34- Employer Suplmtal Pension Tax
- 42- Employee Suplmtal Pension Tax
- 43- Employee Medical Aid Fund

Enter **WA** into the STy (subtype) Field.

Direct selection
Infotype Other Taxes US STy WA

18. Click  (Create) to create a new record.



The screenshot shows the 'Maintain HR Master Data' window. At the top, there is a menu bar with 'HR master data', 'Edit', 'Goto', 'Extras', 'Utilities', 'Settings', 'System', and 'Help'. Below the menu is a toolbar with various icons. The main area displays the following information:

- Personnel no.: 10000192
- Name: HERNANDEZ MARIA
- PersArea: 1110 Dept of Personnel
- EEGroup: Permanent
- PSubarea: 0001 Non Represented
- EESubgroup: 05 H-OT Elig>40hrs/wk
- Status: Active

Below this information are tabs for 'Basic Personal Data', 'Payroll', 'Benefits', 'Time Recording', 'Addtl. Personal Data', and 'F...'. The 'Payroll' tab is active, showing a table of tax types. The 'Other Taxes US' row is highlighted. To the right of the table is a 'Period' section with radio buttons for 'Today', 'All', 'From curr. date', 'Current Period', 'Curr. week', 'Current month', 'Last week', and 'Current Year'. The 'From' date is set to 02/24/2012. At the bottom, there is a 'Direct selection' section with 'Infotype' set to 'Other Taxes US' and 'STy' set to 'WA'.

19. Click  to scroll to the right of the Table to the **Exempt** Column.

20. Click and click the  (Matchcode) under the exempt column to pertain to the desired tax description.

Tax Exempt Indic...	Short Descript.
Y	Exempt, not reportable
R	Exempt, reportable
X	Exempt, partly reportable
	Not exempt

21. Make the appropriate selection and click the  (Copy) to return back to the *Create Other Taxes US (0235)*.

Infotype Edit Goto Extras System Help

Create Other Taxes US (0235)

Personnel No. 40000192 Name HERNANDEZ MARIA

PersArea 1110 Dept of Personnel EEGroup 0 Permanent

PSubarea 0001 Non Represented EESubgroup 05 H-OT Elig>40hrs/wk Status Active

Start 02/24/2012 to 12/31/9999

Tax type exceptions
Tax authority WA Washington Tax level B State

Ta...	Tax Type Description	D.. Default Formula Text	F.. Override Formula T...	E..
10	Employer Unemployment Tax	01 EMPLOYER UNEM..		
32	Employer Accident Fund Tax	01 EMPLOYER ACCI..		Y
33	Employer Medical Aid Fund Tax	01 EMPLOYER MEDI..		Y
34	Employer Suplmtal Pension Tx	01 EMPLOYER SUPP..		Y
42	Employee Suplmtal Pension Tx	01 EE SUPPLEMENT..		Y
43	Employee Medical Aid Fund Tax	01 EMPLOYEE MEDI..		Y

Entry 1 of 6

22. Click  (Enter) to validate entries.

23. Click  (Save) to save entries.

Results
You have created a Tax Exemption for an employee.
Comments
None.