OUT-OF-STATE TAX SETUP

Setting up ctcLink for out-of-state payroll taxes

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STEP 1: IDENTIFY BUSINESS PRACTICE

For example:

- Is your college hiring employees who will work from States other than Washington?

- Determine how you will be kept aware that an employee has been hired and/or moved to a state other than Washington
    - Employee notifies HR and then HR notifies Payroll, or does the employee update their home address in Employee Self-Service and Payroll is monitoring?

STEP 2: IDENTIFY EMPLOYEES WORKING OUTSIDE OF WASHINGTON STATE

Run Queries:

- QHC_HR_EMPLOYEE_ADDRESSES
  - This query will identify the employees residing and likely working outside of the State of Washington.
    - Filter the query by State and Address Type to find at least one row for each employee.
      - OFM requires us to have one row with an address type of HOME

STEP 2: IDENTIFY CONTINUED

- QHC_HR_EMPLOYEE_ADDRESSES_PY
  - This query will provide details regarding the tax location code from Job Data and Tax Distribution Status related to local taxes that apply to that state.

- QHC_HR_EMPL_STATE_ADDR_CHANGE
  - Offers an "As of Date" parameter that allows you to check if there are any address changes as of a particular date

STEP 3: REGISTER WITH STATE AGENCIES WHERE AN O-O-S WORKER IS EMPLOYED

- State Board Payroll Resources Website provides out-of-state payroll account setup guides for download

https://www.sbctc.edu/colleges-staff/programs-services/accounting-business/payroll

STEP 4: SET UP CTCLINK – GLOBAL LEVEL

Accounts Payables Integration

- Vendor data for tax collectors (Finance system)
- AP State Tax Types - tax classes: Withholding; UI; PFML
- AP Local Tax Types - link a tax type to the local tax authority and the applicable set of tax classes.

STEP 5: SET UP CTCLINK – COLLEGE LEVEL

College-specific configuration - must be done before entering any state and local tax information for the employees

- Set up the Company State Tax Table
    - State Withholding
    - State Unemployment
    - GL Accounts
    - PFML (Other Programs) - if applicable
- GL Tax Account Mapping
- Set up the Company Local Tax Table - if applicable

STEP 6: SET UP CTCLINK – EMPLOYEE LEVEL

Employee-specific configuration - must be done before creating paysheets for processing through payroll

- Tax Location set up in Job Data, Payroll – all active job records

- Employee Tax Information
  - State Tax Data – Resident; UI Jurisdiction; Exempt from SUT
    - Other Programs – applies to PFML
  - Local Tax Data - if applicable, enter locality.

- Employee Tax Distribution – for each job record, set state (and locality) percent of distribution.

QUESTIONS?