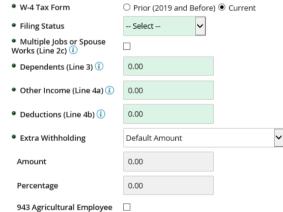Article ID: PCTY-60897
Add or Edit Taxes for an Employee

To add a new tax deduction or to edit a specific tax code, follow the instructions below:

1. Navigate to **HR & Payroll > Employees > Employee Payroll File > Payroll Setup > Taxes**.
2. Select **Manage Tax Setup**.
3. Select **Add** to add a new tax deduction, or select an existing tax code to edit said code.
4. Select the **Tax** and **Tax Code** from the dropdown menu.
5. Select **Next**.
   - For federal taxes:
     1. Enable the applicable **W-4 Tax Form** option.
        - If using **Prior (2019 and Before)**:
          1. Enter **Filing Status**.
          2. Enter **Exemption 1**.
          3. Enter **Exemption 2** (if applicable).
          4. Enter **Amount Type**. The dropdown menu provides options for tax withholding.
             - **Default Amount** will calculate withholding based on filing status and exemptions entered.
             - Use a specific amount when selecting an **Amount Type** other than **Default Amount**.
             - Enter a percentage in whole numbers when selecting a **Percentage Type**.

• W-4 Tax Form	⦿ Prior (2019 and Before) ◯ Current
• Filing Status	-- Select -- ▾
• Exemptions	0.00
• Amount Type	Default Amount ▾
Amount	0.00
Percentage	0.00
943 Agricultural Employee	☐

        - If using **Current**:
          1. Enter **Filing Status**.
          2. Enter **Multiple Jobs or Spouse Works (Line 2c)**.
          3. Enter **Dependents (Line 3)**.
          4. Enter **Deductions (Line3)**.
          5. Enter **Other Income (Line 4a)**.
          6. Enter **Deductions (Line 4b)**.
          7. Enter **Extra Amount**.
             - **Default Amount** will calculate withholding based on filing status and exemptions entered.
             - Use a specific amount when selecting an **Amount Type** other than **Default Amount**.
             - Enter a percentage in whole numbers when selecting a **Percentage Type**.

• W-4 Tax Form	◯ Prior (2019 and Before) ⦿ Current
• Filing Status	-- Select -- ▾
• Multiple Jobs or Spouse Works (Line 2c) ⓘ	☐
• Dependents (Line 3) ⓘ	0.00
• Other Income (Line 4a) ⓘ	0.00
• Deductions (Line 4b) ⓘ	0.00
• Extra Withholding	Default Amount ▾
Amount	0.00
Percentage	0.00
943 Agricultural Employee	☐

     2. Enable **943 Agricultural Employee** for agricultural employees.
   - For state taxes:
     1. Select a **Filing Status** from the dropdown menu. Select **S** for married workers choosing to file at the higher single rate, or for workers claiming head-of-household status.
     2. Enter the number of exemptions in the **Exemption 1** field.
     3. Enter the applicable number of exemptions in the **Exemption 2** field.
     4. Select the applicable **Amount Type** if different from the **Default Amount**.
        - If the **Amount Type** is a dollar amount, complete the **Amount** field.
        - If the **Amount Type** is a percentage, complete the **Percentage** field. Enter the percentage as a whole number instead of a decimal.
          1. **Example**: 10% should be 10.00, not 0.10.
     5. Select the **Supplemental Check** from the dropdown menu. The selected option will control how an worker's check calculates the **Check Type** for the created or edited tax
        - **-- Select --**: Federal Income Tax Withholding (FITW) will calculate based on the Supplemental Rate for the current year.
        - **Taxes Blocked on Supplemental Checks**: FITW is not included for the check.
        - **Supplemental Flag has no effect on this tax**: FITW will calculate based on the current Employee's Tax Setup, taking into consideration Taxable Wages, Exemptions,
        - **Use Employee Add'l Taxes only for Supplemental Checks**: FITW will calculate based on the **Additional Flat** type.
        - **Use Supplemental Tax Rate - Code**: The check will calculate the Supplemental Check based on the Supplemental Rate.
        - **Use Supplemental Tax Rate plus Employee Additional Taxes**: FITW will calculate based on the Supplemental Rate and include any additional amounts or percenta
     6. Enter a **Reciprocity Code**.
     7. Enter the **Percentage Allocation** for the state.
     8. Select the State Unemployment Insurance (**SUI**) from the dropdown menu.
6. Select **Save**.

To delete a tax code for an employee, follow the instructions below:

1. Navigate to **HR & Payroll** > **Employees** > **Employee Search**.
2. Search for Employee Last Name.
3. Select **Pay** then **Tax Setup**.
4. Select **Manage Tax Setup.**

5. Select the checkbox for the tax code.
6. Select **Delete** to delete the employee tax
   code.

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https://paylocity.egain.cloud/system/templates/selfservice/pctycss/help/customer/locale/en-US/portal/308600000001010/content-version/PCTY-60897/PCTY-590347/Add-or-Edit-Taxes-for-an