

Oracle Fusion Cloud Human Resources

Tax Withholding Card for the US

FA Latest



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Contents

Get Help	i
1 What Is the Tax Withholding Card	1
What Is the Tax Withholding Card	1
2 Tax Withholding Card for Guam	3
Tax Withholding Card for Guam	3
3 Tax Withholding Card for Pending Workers	5
Tax Withholding Card for Pending Workers	5
4 How the Tax Card Manages Data	7
Tax Withholding Card Regional Tax Info	7
Tax Withholding Card Tax and Wage Accumulation Exemptions	8
How the Tax Withholding Card Handles Employee Work States	14
5 How Do I Use the Tax Withholding Card	15
View the Tax Withholding Card	15
Create and Update the Tax Withholding Card	15
Automatic Actions	16
Manual Actions	18
6 How Do I Configure Tax Withholding Cards	25
Default State and Local Withholding Info on the Tax Withholding Card	25
How do I use HCM Experience Design Studio to configure Tax Withholding card fields?	25
How do I set withholding overrides on the tax card for the US?	27
Manually Sync Tax Withholding Cards to HR Data	28
Associate Tax Reporting Units on the Tax Withholding Card	28
7 Examples	31
Examples of Updating the Tax Withholding Card After a Location Change	31

8 Reports and Processes	33
Sync Calculation Cards for the US	33
Tax Withholding Card Audit Report	34

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1 What Is the Tax Withholding Card

The Tax Withholding card is the default employee federal tax card for the US. The info this card captures is used for populating federal forms, such as the W-4, and regional cards, such as the Pennsylvania Residency Certificate.

This card provides important info the payroll process needs to calculate taxes.

- Filing status
- Number of allowances
- Exemptions from taxes

This info is based on the employee's selections on their Form W-4.

Note: You can use this card to manage employee federal and W-4 tax info if you have an HR Only implementation. For further info, see [Tax Withholding Card for HR Only Implementations](#) on the Help Center.

What priority this card has

During tax calculation, the payroll process uses any settings you make on these cards over settings you've made at the organization card or legislative data group (LDG) levels.

What actions you can perform

There are multiple actions you can perform on this card.

What you want to do	How you do it
View the tax card	As the employer, use the Calculation Cards task. Employees can view it from their Me page.
Automatically create the card	Automatic card creation is based on your Oracle Cloud HCM license. For most employees, the New Hire process automatically creates the Tax Withholding card.
Automatically update the card	The card sync process manages how and when the tax card is updated based on changes you make to the employee's info.
Manually create and update the card	Use the Calculation Cards task. For employees hired prior to 2020, the default federal settings for the card are Single 0. For the 2020 and onward, the default is Single or Married filing separately .
Calculate an employee's work state	If you have enabled sync actions, the card determines this automatically. Employees working in multiple states may require special tax card configuration.

What you want to do	How you do it
Perform additional tax card configuration	Once you have created the tax card, it may require some additional configuration.

2 Tax Withholding Card for Guam

Guam tax calculations are based on the federal withholding tables. To ensure proper withholding based on the employee's W-4 form elections, you must update the tax cards for your Guam employees.

1. From **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.
3. Search for the person, and open their Tax Withholding card for editing.
4. Select Guam's Regional tax component.
5. Enter any W-4 employee tax withholding updates, such as changes to marital status, number of allowances, and so on.

The tax withholding for Guam shows on reports and interfaces with a code of **GUSIT**.

Related Topics

- [What Is the Tax Withholding Card](#)
- [How to Set Up US Territories](#)

3 Tax Withholding Card for Pending Workers

When you run the Hire a Pending Worker process, it automatically creates a Tax Withholding calculation card for them. It includes a default Federal component. You can update this card with federal and state withholding details.

Once the hire is confirmed,

- The info you captured on the pending worker's Tax Withholding Card is automatically copied to the person's permanent employee Tax Withholding Card.
- The pending worker tax card is end dated as of one day prior to the permanent employee Tax Withholding Card's start date.

How to enable pending worker tax cards

These cards aren't available by default. To enable them:

1. Start the Calculation Value Definitions task.
2. Select your legislative data group (LDG).
3. Search for and select **Tax Withholding Card for Pending Worker**.
4. In **Calculation Values**, click **Add Row**.
5. Enter these values.

Field	What you enter
From Value	0
To Value	9999999
Text	y

6. Click **Submit**.

Related Topics

- [What Is the Tax Withholding Card](#)

4 How the Tax Card Manages Data

Tax Withholding Card Regional Tax Info

The **Regional** section of the Tax Withholding Card provides multiple sections that include fields applicable to various states and territories. They are necessary for accurate tax withholding calculation.

State or territory	Section of the card	Field	How you use it
All	State Tax Information	Exemption for Military Spouse	Identifies the employee as eligible for military spouse tax exemption. This field is for informational purposes only. As the employer, you're responsible for applying the tax exemptions. For further info, see Wage Accumulation below.
All	State Tax Additional Information	Nonresident	Indicates if the employee is a nonresident of that state or territory. Note: Some states store this field in the State Tax Information section.
All	State Tax Additional Information	Resident Wage Accumulation	For use in determining courtesy withholding rules. For further info, see Oracle Cloud Human Capital Management for the United States: Courtesy Tax Implementation (2138998.1) on My Oracle Support.
AR, AZ, NJ	State Tax Additional Information	Optional Calculation Method	Designates which table to use for the calculation of the state tax.
PR	State Tax Additional Information	Secondary Allowance	Claims secondary allowances for Puerto Rico.

Use the HDL to update these values for multiple employees.

Related Topics

- [What Is the Tax Withholding Card](#)

Tax Withholding Card Tax and Wage Accumulation Exemptions

On the Tax Withholding card, the Federal and Regional components offer fields that allow you to exempt an employee from tax withholding and wage accumulation.

Component	Field name	What its options do
Federal	Exempt from Federal Income Tax Withholding	Yes 1. Doesn't withhold federal income tax (FIT) 2. Accumulates wages No 1. Withholds FIT 2. Accumulates wages
	Federal Income Tax	Exempt from wage accumulation and tax withholding 1. Doesn't withhold FIT 2. Doesn't accumulate wages Not exempt from wage accumulation and tax withholding 1. Withholds FIT 2. Accumulates wages
	Federal Unemployment	Exempt from tax withholding 1. Doesn't withhold federal unemployment (FUTA) 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold FUTA 2. Doesn't accumulate wages Not exempt 1. Withholds FUTA 2. Accumulates wages
	Medicare	Exempt from tax withholding 1. Doesn't withhold Medicare 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold Medicare 2. Doesn't accumulate wages Not exempt

Component	Field name	What its options do
		- Withholds Medicare - Accumulates wages
	Social Security	Exempt from tax withholding - Doesn't withhold Social Security (SS) - Accumulates wages Exempt from wage accumulation and tax withholding - Doesn't withhold SS - Doesn't accumulate wages Not exempt - Withholds SS - Accumulates wages
Regional	Exempt from State Income Tax Withholding	Yes - Doesn't withhold state income tax (SIT) - Accumulates wages No - Withholds SIT - Accumulates wages
	State Income Tax	Exempt from wage accumulation and tax withholding - Doesn't withhold SIT - Doesn't accumulate wages Not exempt from wage accumulation and tax withholding - Withholds SIT - Accumulates wages
	State Disability Insurance	Exempt from tax withholding - Doesn't withhold state disability insurance (SDI) - Accumulates wages Exempt from wage accumulation and tax withholding - Doesn't withhold SDI - Doesn't accumulate wages Not exempt - Withholds SDI - Accumulates wages
	State Unemployment	Exempt from tax withholding - Doesn't withhold state unemployment insurance (SUI) - Accumulates wages

Component	Field name	What its options do
		Exempt from wage accumulation and tax withholding 1. Doesn't withhold SUI 2. Doesn't accumulate wages Not exempt 1. Withholds SUI 2. Accumulates wages
	State Transit Tax	Exempt from tax withholding 1. Doesn't withhold state transit tax 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold state transit tax 2. Doesn't accumulate wages Not exempt 1. Withholds state transit tax 2. Accumulates wages
	Exempt from City or Township Income Tax Withholding	Yes 1. Doesn't withhold city or township income tax 2. Accumulates wages No 1. Withholds city or township income tax 2. Accumulates wages
	Family Leave	Exempt from tax withholding 1. Doesn't withhold family leave insurance (FLI) 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold FLI 2. Doesn't accumulate wages Not exempt 1. Withholds FLI 2. Accumulates wages
	Long Term Care Insurance	Exempt from tax withholding 1. Doesn't withhold Long Term Care Insurance (LTC) 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold LTC

Component	Field name	What its options do
		2. Doesn't accumulate wages Not exempt 1. Withholds LTC 2. Accumulates wages
	Child Care Contribution	Exempt from tax withholding 1. Doesn't withhold Child Care Contribution (CCC) 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold CCC 2. Doesn't accumulate wages Not exempt 1. Withholds CCC 2. Accumulates wages
	Voluntary Plan Disability Insurance	Exempt from tax withholding 1. Doesn't withhold Voluntary Plan Disability Insurance (VPDI) 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold VPDI 2. Doesn't accumulate wages Not exempt 1. Withholds VPDI 2. Accumulates wages
	Exempt from County Income Tax Withholding	Yes 1. Doesn't withhold county income tax 2. Accumulates wages No 1. Withholds county income tax 2. Accumulates wages
	County Income Tax	Exempt from tax withholding 1. Doesn't withhold county income tax 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold county income tax 2. Doesn't accumulate wages Not exempt 1. Withholds county income tax 2. Accumulates wages

Component	Field name	What its options do
	School District Tax	Exempt from tax withholding - Doesn't withhold school district tax - Accumulates wages Exempt from wage accumulation and tax withholding - Doesn't withhold school district tax - Doesn't accumulate wages Not exempt - Withholds school district tax - Accumulates wages
	City Service Fee	Exempt from tax withholding - Doesn't withhold city service fee - Accumulates wages Exempt from wage accumulation and tax withholding - Doesn't withhold city service fee - Doesn't accumulate wages Not exempt - Withholds city service fee - Accumulates wages
	Occupational Privilege Tax	Exempt from tax withholding - Doesn't withhold occupational privilege tax - Accumulates wages Exempt from wage accumulation and tax withholding - Doesn't withhold occupational privilege tax - Doesn't accumulate wages Not exempt - Withholds occupational privilege tax - Accumulates wages
	Local Services Tax	Exempt from tax withholding - Doesn't withhold local services tax (LST) - Accumulates wages Exempt from wage accumulation and tax withholding - Doesn't withhold LST - Doesn't accumulate wages Not exempt - Withholds LST - Accumulates wages

Component	Field name	What its options do
	Community Safety Tax	Exempt from tax withholding 1. Doesn't withhold community safety tax 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold community safety tax 2. Doesn't accumulate wages Not exempt 1. Withholds community safety tax 2. Accumulates wages
	City or Township Income Tax	Not exempt 1. Withholds city or township income tax 2. Accumulates wages Exempt from residence wage accumulation and tax withholding 1. Doesn't withhold residence city or township income tax 2. Doesn't accumulate wages Exempt from residence tax withholding 1. Doesn't withhold residence city or township income tax 2. Accumulates wages Exempt from residence and work tax withholding 1. Doesn't withhold residence or work city or township income tax 2. Accumulates wages Exempt from work wage accumulation and tax withholding 1. Doesn't withhold work city or township income tax 2. Doesn't accumulate wages Exempt from work tax withholding 1. Doesn't withhold work city or township income tax 2. Accumulates wages Exempt from all wage accumulation and tax withholding 1. Doesn't withhold any city or township income tax 2. Doesn't accumulate wages

Related Topics

- [What Is the Tax Withholding Card](#)

How the Tax Withholding Card Handles Employee Work States

The Tax Withholding Card uses a default work state for determining taxes.

Here's some things to consider for the employee's work state.

- Default work state calculation
- Multiple work state configuration

Default Work State Calculation

When you manually assign an employee a Tax Withholding Card using the Create Default State and Local Withholding process, the process associates the card with the employee's default work state.

The payroll process uses the default work state for calculating state unemployment (SUI) and state disability insurance (SDI).

Associating the SUI and SDI state with where the employee works occurs automatically, unless you have disabled the sync process. If that's the case, run the Sync Calculation Cards process. This process syncs the employee data with the tax card.

Multiple Work State Configuration

Employees working in multiple states require special Tax Withholding card configurations. If the employees' assignments are in different payroll statutory units (PSU), they would have separate tax cards for each.

If the additional assignments are in the same PSU, you must add the appropriate location-based nodes to the default card. The nodes represent the state, county, and city.

Here's how you can edit the Tax Withholding card.

1. Open the person's Tax Withholding card for editing.
2. Create the appropriate tax reporting unit (TRU) associations.

Note: Some payroll actions automatically establish TRU associations. This includes actions like adding assignments, hiring, and employee transfers.

- If you select a TRU during the process, it creates the association if one doesn't exist.
- If you don't select a TRU, and a single TRU association exists on the card, the process uses that association.
- If you don't select a TRU, and multiple TRU associations exist, the process doesn't establish any association for the assignment.
- If you don't provide any payroll info at all, the process doesn't create the TRU association.

5 How Do I Use the Tax Withholding Card

View the Tax Withholding Card

The employee Tax Withholding card captures multiple levels of employee tax info.

What you want to see	What this includes	How you do it
Active, inactive, and all Regional components	You can filter regional components using the All , Active , and Inactive status toggles to control which records you view.	Here's how you filter regional components: 1. Open the person's tax card. 2. Click Regional. 3. Click a withholding status, such as Active.
Employee tax withholding components	When an employee accesses their federal tax card info, it displays the info used on their W-4. • For those states that follow federal, the filing status defaults to Single 0 if no update was made to that state component. • For those states that don't follow federal, the specific state's editable info displays. The employee can perform their updates on these forms for both federal and state withholding.	As the employer, here's how you can view an employee's Tax Withholding card. 1. From My Client Groups, click Payroll. 2. Click Calculation Cards. 3. Search for and select the person. 4. Open their Tax Withholding card for editing. 5. In Withholding Details, select Federal. The PDF file generates, and you can print it as needed. If you have granted access to the Tax Withholding task for the employees' roles, here's how they can view their W-4 forms. 1. From their Me page, click Pay. 2. Click Tax Withholding.
Pennsylvania Residency Certificate	The Pennsylvania Residency Certificate form is available from the Me page. This feature enables employees to view and update their own info. The form defaults the employee and employer info such as name, address, social security number, and federal employer identification number (EIN).	As the employer, to view a person's Pennsylvania Residency Certificate, select Pennsylvania PSD under Withholding Details to view the PDF. How the employee can view their certificate: 1. From their Me page, click Pay. 2. Click Tax Withholding. 3. Click PA.

Create and Update the Tax Withholding Card

You have multiple options related to creating and updating the Tax Withholding Card.

What you want to do	How you do it
Create the card automatically	For most employees, the New Hire process automatically creates the Tax Withholding card. However, there are cases where you must create it manually using the Calculation Entries task. For further info, see Automatically Create the Tax Withholding Card .
Update the card automatically	Your employees' HR and payroll data is interconnected, and changes in one area can impact others. To maintain data integrity, when you make certain changes to person's data, a sync process automatically updates the appropriate tax card info. This sync process is enabled by default. Use the Payroll Process Configuration task to disable it. For further info, see Automatically Create the Tax Withholding Card .
Create and update the card manually	Use the Calculation Entries task. From here, you can create and edit cards. For further info, see Manually Define the Tax Withholding card .
Add default state and local withholding	Use the Calculation Cards task, and click Create Default State and Local Withholding . For further info, see Default State and Local Withholding Info on the Tax Withholding Card .
View a person's exemption history	Use the Calculation Cards task, and click View History .

Automatic Actions

Automatically Create the Tax Withholding Card

You use the Manage Features by Country or Territory task to activate localization-specific functionality for your enterprise. When you select **Payroll or Payroll Interface** for the United States, your workers automatically receive a Tax Withholding card whenever you:

- Define them through the New Hire task.
- Assign them a new payroll relationship.
- Convert their employee data through batch loaders.

Here's how to set up automatic Tax Withholding card creation.

1. Use the Manage Features by Country or Territory task to set the **Selected Extension** parameter to either **Payroll** or **Payroll Interface**, as appropriate for your implementation.
2. Confirm you have created element eligibility for the US Taxation element. This element is automatically added to the employee's element entry when you associate the card to the tax reporting unit (TRU).

Related Topics

- [Create and Update the Tax Withholding Card](#)
- [What Is the Tax Withholding Card](#)

Automatically Update the Tax Withholding Card

Depending on the kinds of actions you perform, the Tax Withholding Card can be automatically updated in different ways.

When you do this	This occurs
Hire an employee or create a payroll relationship	1. Creates the card 2. Associates it to the TRU you chose during the hire process
Change an employee's work location	Sets the following. • State for unemployment calculation • State for disability calculation • Primary work location
For work-at-home employees, change their home state address	Updates the following. • State for unemployment (SUI) and disability insurance (SDI) • Primary work address Note: This doesn't apply to Pennsylvania PSD codes. For further info, see Pennsylvania Local Earned Income Tax in the Help Center.
Change their work-at-home status	Updates the following. • Primary work location
Rehire an employee	• If you hire the employee into the same TRU as before, reuses the existing tax card • If you hire the employee into a different TRU, doesn't create an association
Add a secondary assignment	If the secondary assignment is in the same TRU as the primary assignment, the card uses the same association. Otherwise, you must: • Create an association for it on the current tax card. • Use a different tax card, and define the association there.

Note: When you change a location's address, the Sync Calculation Card process doesn't apply that change to any employee records. You must manually make the applicable updates to the records of employees assigned to that location.

Here's how to disable automatic updates of the Tax Withholding card.

1. Search for and start the Payroll Process Configuration task from your implementation project.

2. Select the **Default** group, and set the **Create DIR Card** value to **HRSYNCDISABLE**.

Related Topics

- [Create and Update the Tax Withholding Card](#)
- [What Is the Tax Withholding Card](#)

Manual Actions

Manually Configure the Tax Withholding Card

The Tax Withholding card represents the employees' federal and state tax withholding form.

This card is very flexible and can support multiple manual configurations.

When you're doing this	Where's what you can do
Manually creating the card	• Create a default card. For example, you must manually create the card in these situations. ○ You've disabled the automatic card creation feature. ○ You loaded employee records through HCM Data Loader (HDL). • Create additional cards for an employee with multiple payroll relationships.
Modifying a card	• Add a tax reporting unit (TRU) association. • Add more work locations. For example, when a card doesn't inherit location changes, you must use the Calculation Cards task to manually update it. • Adjust filing status, allowances, and exemptions.
Transferring an employee	• When transferring between payroll statutory units (PSUs), create a card for the new PSU. • Update the card for an employee transferring between TRUs. • Update the card for an employee transferring to a new location.
Capturing other HR changes	• Sync the tax card to reflect changes to a person's HR data.

Manually Define the Tax Withholding card

For most employees, the sync process creates their Tax Withholding card automatically upon hire or assignment of their payroll relationship. You must manually define the card when:

- You've disabled the sync process

- You're using the HR-only product extension
- You loaded employee records through HCM Data Loader (HDL)
- You have employees with multiple payroll relationships

How to create the default card

In this example, you're creating a Tax Withholding card for an employee who didn't receive one upon hire. They work and live in Cincinnati, Ohio and have requested \$100 in extra federal withholding.

1. From the Calculation Entries task, search for and select the person.
2. Click **Add**, and select **Tax Withholding**.
3. Click **Submit**.
4. Open the new card.
5. Click **Regional**.
6. Click **Add** and then **Add Default State and Local Withholdings**.
7. Add regional components for Ohio and Cincinnati.
 - a. Click **Add** and then **Add Tax Withholdings**.
 - b. Select state taxes for Ohio, and click **Submit**.
 - c. Click **Add** and then **Add Tax Withholdings**.
 - d. Add city taxes for Cincinnati, and click **Submit**.
8. Enter the Ohio state tax details.
 - a. Click **Edit** to open the State Taxes component for editing.
 - b. Enter the employee's Ohio tax details.

For example, as this employee is an Ohio resident, click **No** for **Nonresident**.
 - c. Click **Submit**.
9. Enter the Cincinnati city tax details.
 - a. Click **Edit** to open the City Taxes component for editing.
 - b. Enter the employee's Cincinnati tax details.
 - c. Click **Submit**.
10. Enter the federal tax details.
 - a. Click **Federal**.
 - b. Click **Edit** to open the Federal component for editing.
 - c. Enter the \$100 extra withholding requested by the employee.
 - d. Click **Submit**.
11. Define the employee's tax reporting unit (TRU) associations.
 - a. Click **Associations**.
 - b. Click **Add**.
 - c. Select the TRU you are associating with the employee.
 - d. Select the other required values in **US Taxation**.
 - e. In **Assignment details**, click **Add**.
 - f. Select the person's assignment.
 - g. Click **Submit**.
12. Click **Done**.

Manually Define Tax Withholding Cards for Multiple Payroll Relationships

Employees with multiple payroll relationships require separate tax cards for each.

Assuming they already have a default tax card, you must define cards for the other relationships.

1. Start the Calculation Entities task.
2. Search for and select the person.
3. Select the payroll relationship.

Each of the person's relationships appears as a separate row.

4. Click **Add**, and select **Tax Withholding**.
5. Click **Submit**.
6. Continue to configure the card as needed.

Manually Update a Tax Withholding Card

Many updates to a person's Tax Withholding card occur automatically. However, in some cases, you must make manual updates.

- Adding or updating the tax reporting unit (TRU) associations
 - Unless you've disabled it, the sync process runs automatically whenever you submit the person's HR data changes.
 - To run it manually, use the Sync Calculation Cards process.
- Adjusting the person's filing status, allowances, and withholding exemptions

How to manage TRU associations

Some payroll actions automatically establish TRU associations, such as adding assignments, hiring, and employee transfers.

- If you select a TRU during the transfer process, it creates the association if one doesn't exist.
- If you don't select a TRU, and a single TRU association exists on the card, the process uses that association.
- If you don't select a TRU, and multiple TRU associations exist, the process doesn't establish any association for the assignment.
- If you don't provide any payroll info at all, the process doesn't create the TRU association.

There are cases where you need to add or update a person's TRU associations. For example, the person has a new assignment operating in a different TRU than their primary.

After you've updated the person's employment record with the new assignment info, you would configure the TRU associations on their tax card.

1. Open the Tax Withholding card for editing.
2. Click **Associations**.
3. Click **Add**.

4. Select the TRU.
5. In **Assignment Details**, click **Add**.
6. Select the person's assignment, and click **Submit**.

How to adjust filing status, allowances, and exemptions

Any changes to a person's Form W-4 could impact the **Federal**, state, or local components on their tax card. Each state and local component could impose its own default settings, or they could follow the federal settings.

When you update the tax card, be sure to set the effective as-of date to the date these changes take effect.

Manually Update the Tax Withholding Card After a Location Change

Here are cases when you must manually update the location on an employee's tax card.

If you want to do this	Here's how you do it
Link multiple assignments to a payroll relationship	The card doesn't update: 1. The state used for unemployment and disability calculations 2. The person's primary work address The card doesn't update these values because it can't identify which location record to use. In this case, you must manually update the card with the correct primary work address, SUI, and SDI.
Include employee assignments from different PSUs	Each assignment would have a separate Tax Withholding card.
Include employee assignments from the same PSU	If the assignments are in the same PSU, create the appropriate TRU associations.
Include states that levy school district income taxes	You must manually populate the school district on the Tax Withholding card. Depending on the state, you enter the school district under the State, City, or County component. For example, you enter Kentucky school districts under County. Enter Ohio school districts under State. For resident addresses in a township, you must populate Tax District on the address first. Then, you can populate the proper school district on the tax card.

For further info, see Examples of Updating the Tax Withholding Card After a Location Change in the Help Center.

How to Set Extra Withholding on the Tax Withholding Card

The **Federal** and state components on the Tax Withholding card have fields where you can specify additional withholding during payroll runs.

For this tax	Use this field	Notes
Federal income tax (FIT)	Extra Withholding	- If multiple pay runs occur during a pay period, the payroll process withholds the extra withholding amount only once. - If an exempt employee enters an extra withholding amount, the payroll process ignores the amount.
State income tax (SIT)	Additional Tax Amount	- If multiple pay runs occur during a pay period, the payroll process withholds the extra withholding amount only once. - If an exempt employee enters an extra withholding amount, the payroll process ignores the amount. - The payroll calculations apply the additional tax amount after it calculates any residence SIT credit from work SIT.

Manage Tax Withholding Cards During Employee Transfers

An employee transfer can occur between:

- Payroll statutory units (PSUs)
- Tax reporting units (TRUs)
- Locations

Each transfer can impact the employee's tax card in different ways.

Before changing the Tax Withholding card, ensure all other activities related to the transfer are complete. Then you can open the card for editing.

Transfers between PSUs

You transfer an employee from one PSU to another using the Local and Global Transfer process. In these cases, the process creates a Tax Withholding card for their new TRU and new assignment.

Note: Because of changes to the 2020 W-4, there are some cases when the process can't copy any employee withholding info to the new card.

- Because of changes to the 2020 W-4, there are some cases when the process can't copy any employee withholding info to the new card.
 - Medicare exemption
 - Federal unemployment insurance (FUTA) exemption
 - Social Security exemption
 - Federal wage accumulation exemption
 - Federal income tax (FIT) look-back rule employee override
 - FIT regular amount
 - FIT regular rate
 - FIT supplemental amount
 - FIT supplemental rate
 - IRS lock in date
 - Maximum FIT allowances
- If the employee has a 2020 or later W-4, then the process copies all info to the new card except **Exempt from Federal Income Tax Withholding**.
- The process doesn't copy the state or local tax card configuration. If the person requires withholding other than the defaults, you must manually define them.
- The process automatically sets some default values, such as:
 - Pennsylvania political subdivision (PSD) code
 - Pennsylvania school district
 - State unemployment (SUI) and disability insurance (SDI)

To perform the transfer:

1. Perform the transfer using the Local and Global Transfer task.
2. When complete, if the employee had a pre-2020 W-4, have them complete a new Federal W-4 form through Self Service.
3. Update the new tax card with any special state or local withholdings requested by the employee.

Transfers between TRUs

Transfers between TRUs involve adding the TRU associations on the card. Before you begin, you must have already created the employee's new assignment.

When you use the Local and Global Transfer process to move an employee to a different TRU, it:

1. Adds the TRU association to the person's current tax card, and adds the assignment

2. Sets some default values, such as:
 - Pennsylvania PSD code
 - Pennsylvania school district
 - SUI and SDI state info

Transfers between locations

For location transfers that don't involve a change in TRU, you need to update the tax card if:

1. The new location has special state or local tax requirements.
2. The person has changed their withholding selections on their W-4.

Sync Tax Withholding Cards After HR Changes

In most cases, when you make a change to a person's HR data, a sync process automatically makes the appropriate updates to their Tax Withholding card.

However, if you've disabled this process, you must run the Sync Calculation Cards flow manually to update the card.

6 How Do I Configure Tax Withholding Cards

Default State and Local Withholding Info on the Tax Withholding Card

When a Tax Withholding Card is created, either manually or automatically, it has no default state and local components. If your employee requests special state or local withholding, you must specifically create their components.

To do this, click **Create Default State and Local Withholding**. This adds regional components based on the person's work and resident addresses.

Note: If you don't add state and local components to the tax card, the payroll process uses the state's default settings.

How do I use HCM Experience Design Studio to configure Tax Withholding card fields?

Use HCM Experience Design Studio to configure what fields are visible on these calculation cards.

- Tax Withholding
- Tax Withholding for Pensions and Annuities

For further info, see HCM Experience Design Studio in the Help Center.

To do this, you must:

1. Create a sandbox with HCM Experience Design Studio enabled.
2. Use HCM Experience Design Studio to configure your tax card templates.

Create a Sandbox

Before you can begin configuring the tax card templates, you need to create a sandbox for HCM Experience Design Studio.

1. From the Navigator, expand **Configuration** and click **Sandboxes**.
2. Click **Create Sandbox**.
3. Enter a name for your sandbox.
4. Select these names as Active.
 - Flexfields
 - HCM Experience Design Studio
 - Page Composer
5. Click **Create and Enter**.
This creates your sandbox and makes it active.

Configure Your Tax Card Templates

Use HCM Experience Design Studio to set the rules that define the visibility of the tax card fields.

1. In **Tools**, click **HCM Experience Design Studio**.
2. Select the **Global Calculation Card** action.

Don't select **Calculation Cards**.

3. In **Rules**, click **Add**.
4. In **Basic Details**, enter the following.

Field label	What you do
Name Description	Enter meaningful values.
Legal Employer	Select your legal employer. Select All to define this rule for all legal employers.
Country	Select United States. Note: You can use browser search to help you find it.
Legislative Data Group	Enter the legislative data group you would like to update.
Calculation Card	Select the template you're editing. ○ Tax Withholding ○ Tax Withholding for Pension and Annuity Payments
Calculation Component	Select the component you're editing. ○ Federal Taxes ○ State Taxes ○ County Taxes ○ City Taxes ○ Pennsylvania PSD
Reference 1 - 4	For taxes that require jurisdictions (state, county, city, and Pennsylvania PSD), use these fields to identify the jurisdiction type.

Field label	What you do
	For example, if you selected the City calculation component, you would set the following. ○ Reference 1: State ○ Reference 2: County ○ Reference 3: City
Reference Value 1 - 4	Select a jurisdiction for each reference you defined for your tax.
Legal Employer	Select your legal employer. Select All to define this rule for all legal employers.
Role Name	Select a role to reserve this rule to that role only. Leave blank to make your rule available to all roles.
Mode	Identify which interface this rule applies to. ○ Employee self service ○ Payroll administration Leave blank to apply to both.

5. In **Page Attributes**, select the **Region** appropriate to the calculation component you selected.
For example, if you selected the **State Taxes** calculation component, select **State Tax Information**.
Page Attributes displays all fields available for that calculation component.
6. Define what calculation component fields are visible to the user and which are required or optional.
7. When finished, click **Save and Close**.
8. Once you have completed your updates in the sandbox, you can publish them to your production environment.

How do I set withholding overrides on the tax card for the US?

You can set tax withholding overrides in **Withholding overrides** on the card's **Federal** or state components.

Here are the overrides you can set for these components.

- Regular Amount
- Regular Rate
- Supplemental Amount

- Supplemental Rate

When you do, consider the following.

- If you enter values for both amount and rate overrides, the amount takes priority over the rate.
- If the employee is exempt from federal (FIT) or state income tax (SIT) withholding or wage accumulation, the payroll process ignores these overrides.
- For employees who want to withhold a specific amount, use the **Regular Amount** and **Supplemental Amount** overrides. Don't mark them as exempt.
- Regular earnings always use the regular overrides, regardless of which run processes them.
- If you've enabled period-to-date calculations, the payroll process doesn't consider the prior run values for these when calculating the current pay period.

Related Topics

- [What Is the Tax Withholding Card](#)

Manually Sync Tax Withholding Cards to HR Data

If you have disabled the automatic sync process, you can use the Sync Calculation Cards process to sync all employee HR data to their Tax Withholding cards.

Use the **Default Primary Address and State of Disability and Unemployment** mode.

Note: When you run this process manually, it updates only your latest changes. It doesn't update historical data.

Associate Tax Reporting Units on the Tax Withholding Card

Associating a tax reporting unit (TRU) with a Tax Withholding Card enables the payroll process to apply rules and rates defined for the TRU when calculating taxes.

To add a TRU association to the card:

1. Click **Associations**.
2. Click **Add**.

Associations determine:

- Which rates and rules held at TRU level apply to the calculation of the components
- How the calculations are aggregated for tax reporting
What you can enter here varies by state.

By default, the card associates all components with the same TRU, but you can associate individual components with different TRUs. If a person has multiple assignments, you can associate specific assignments with calculation components.

Some payroll actions automatically establish TRU associations, such as adding assignments, hiring, and employee transfers.

- If you select a TRU during the process, it creates the association if one doesn't exist.
- If you don't select a TRU, and a single TRU association exists on the card, the process uses that association.
- If you don't select a TRU, and multiple TRU associations exist, the process doesn't establish any association for the assignment.
- If you don't provide any payroll info at all, the process doesn't create the TRU association.

Here's how you configure TRU associations.

If you have	What you can do	How you do it
Multiple TRUs	By default, the card associates all components with the same TRU, except when there are multiple assignments and multiple TRUs. Then you must select a TRU for each assignment. You can't associate the same assignment to multiple TRUs.	1. Click Associations. 2. If this is the person's first association, click Add. 3. In Assignment details, click Add. 4. Select the assignment you're associating with the TRU. 5. Click Submit.
Multiple assignments	If a person has multiple assignments, you can: • Associate them with separate TRUs • Associate them with the same TRU	1. Click Associations. 2. Click Add. 3. Select the assignment, 4. Click Submit.

You can't change a TRU association once you have used it with a balance adjustment, payroll run, or QuickPay payroll action.

Note: When using the Employment task to define additional assignments for a person, you can change their primary assignment, but you can't associate it with a different TRU.

Related Topics

- [What Is the Tax Withholding Card](#)

7 Examples

Examples of Updating the Tax Withholding Card After a Location Change

Here are some examples on how to change a person's location and the impact of those changes to their Tax Withholding card.

What kind of change you make	What you do
Transfer a single assignment to a new work location	If you have HR sync enabled, performing the transfer automatically updates the tax card. If you have disabled this process, you can: • Run the Sync Calculation Cards process. • Update the card manually. If the state's filing status and withholding allowances don't follow federal, you must update those values.
Transfer a person to a new legal entity	Update their primary residence address.
Transfer a work-at-home employee	Update their primary residence address.

For further info, see the following sections.

Transfer a Single Assignment to a New Location

In this example, you want to update info for an employee who works at a single location but has been transferred to a different single location. Normally, the HR sync process automatically performs this update. However, in this case, you have disabled it and now must perform the updates manually.

1. Update their location.
 - a. In **My Client Groups**, click **Person Management**.
 - b. Search for and select the employee you're transferring.
 - c. Start the Employment task.
 - d. In **Edit** and then **Update**.
 - e. Set an effective date, and select the **Location Change** action.
 - f. Change the employee work location to the correct state.
 - g. Save your changes.

2. If required, update the person's tax reporting unit (TRU) associations on their Tax Withholding card.
If a single TRU association exists on the card, the process uses that association. No action is required.
If multiple TRU associations exist, the process doesn't establish any association for the assignment. You must create it.
 - a. In **My Client Groups**, click **Payroll**.
 - b. Click **Calculation Cards**.
 - c. Search for and select the employee you're transferring.
 - d. Open their Tax Withholding card for editing.
 - e. Set the date of the transfer as the effective date.
 - f. In **Associations**, select the person's TRU.
 - g. Click **Edit** and then **Update**.
 - h. Select the person's primary work address.
 - i. Specify the state for unemployment and disability calculations.
 - j. Specify the necessary state, county, and city components.
 - k. Click **Save and Close**.
3. In **Withholding Details**, select **Add Tax Withholding** and click **Create Default State and Local Withholding**.
This adds regional components based on the person's work and home locations.
If you don't do this, the payroll process uses the default withholding as defined by the state's tax authority.
4. If you need to add additional state and local withholding info:
 - a. In **Withholding Details**, select **Add Tax Withholding** and click **Add Withholding Information**.
 - b. Add the appropriate state, county, and city jurisdictions, and click **Apply**.

Transfer a Single Assignment to a New Legal Entity

In this example, you want to transfer an employee who has a single work relationship to a different legal entity, with a new payroll assignment.

1. In **My Client Groups**, click **Show More**.
2. In **Employment**, click **Local and Global Transfer**.
3. Search for and select the employee.
4. Select the info you want to transfer, and click **Continue**.
5. In **When and Why**, define all required info, including the person's new legal employer.
6. Complete all other steps, and submit the process.

If you have HR sync turned on, here's what the task does when you submit these changes.

1. Creates an assignment for the employee.
2. Creates a Tax Withholding card for the new legal entity.
3. Updates **Primary work address**.
4. Updates the state for unemployment and disability calculations.

Transfer a Work-at-Home Employee

In cases where a work-at-home employee moves to a different state, use the Person Management task to update their primary residence address. When you finish, the HR sync process automatically updates their Tax Withholding card with the correct primary work address, state disability, and unemployment info.

8 Reports and Processes

Sync Calculation Cards for the US

Your employees' payroll and HR data is interconnected and shared across tasks. Normally, when you make a change in one area, a sync process automatically makes the appropriate updates everywhere else.

There are cases where you must manually sync the employee's Tax Withholding Card.

- You have updated a location's political subdivision (PSD) code on the location's Work Tax Jurisdictions section through the Locations task.
- You have disabled the automatic sync through the Calculation Jurisdictions Card Sync calculation value definition, but you want to update your employee tax cards with the derived local tax jurisdictions from their Tax Jurisdictions cards.
- An employee has changed home addresses, and the appropriate regional components of their tax card need to be updated.
 - Resident Pennsylvania Subdivision (PSD) code
 - Ohio or Kentucky school district

In these cases, run this process to update your employees' tax cards after making changes.

Note: When you run this process manually, it updates only your latest changes. It doesn't update historical data.

Run this process whenever you make changes to a person's address data and you have disabled the automatic sync process.

1. From **My Client Groups**, click **Payroll**.
2. Click **Submit a Flow**.
3. Enter your US legislative data group (LDG).
4. Search for and select **Sync Calculation Cards**.

Process parameters

Mode

Select the action you want the process to take.

- Default Primary Address and State of Disability and Unemployment

Updates the person's primary work address on the **US Taxation** component on their Tax Withholding card. Based on the primary address, it syncs the state unemployment (SUI) and disability insurance (SDI) states.

- Sync local jurisdictions

Copies the derived tax local jurisdiction info from the person's Tax Jurisdictions card to the appropriate regional components of their Tax Withholding card.

- Sync Pennsylvania work PSD codes

Updates the person's work Pennsylvania subdivision (PSD) code based on their location data. Use this mode whenever you make changes to the PSD code on location's work tax jurisdiction info.

Calculation Card

Select **Employee Withholding Certificate**.

Payroll Statutory Unit

To sync calculation cards for employees in a specific payroll statutory unit (PSU), select it here.

Leave blank to run for employees in all PSUs.

Tax Reporting Unit

To sync calculation cards for employees in a specific tax reporting unit (TRU), select it here.

Leave blank to run for employees in all TRUs.

Payroll

To sync calculation cards for employees attached to a specific payroll definition, select it here.

Leave blank to run against all definitions.

Person

To sync calculation cards for a specific person, select them here. If the person has multiple payroll relationships, this process syncs the cards attached to all of them.

Leave blank to run against all employees.

Payroll Relationship

To sync calculation cards for a specific payroll relationship, select it here.

Leave blank to run against all employees and all their payroll relationships.

Process Configuration Group

Select the process configuration group if you have defined one. Use a process configuration group to provide sets of processing parameters, primarily related to logging and performance. If you don't select a process configuration group, the process uses the parameters in the default group.

Tax Withholding Card Audit Report

Use the Tax Withholding Card Audit Report to help you prepare for:

- Payroll processing
- Monthly or quarterly audits
- Other year-end reviews

This report includes employee tax exemptions and withholding, Pennsylvania Residency Certificates, and other tax info.

Run this process as part of your payroll auditing procedures or as needed.

1. From **My Client Groups**, click **Payroll**.
2. Click **Submit a Flow**.
3. Select your US legislative data group.
4. Search for and select **Tax Withholding Card Audit Report**.

Before you start

To run this report, you must have migrated your employees to the Full Enhanced tax card. For further info, see Tax Card User Interface Migration white paper (2592797.1) on My Oracle Support.

Report parameters

Payroll

To generate a report for all employees attached to a specific payroll definition, select it here.

Leave blank to run for all employees.

Payroll Relationship Group

Select the payroll relationship group name, if you have defined one. Payroll relationship groups limit the persons processed by payroll, data entry, and reporting. This can be a dynamic payroll relationship group.

Note: Use the Object Groups task to define the payroll relationship group before you can select it here.

Payroll Relationship

To generate a report for a specific employee payroll relationship, select it here.

Leave blank to run for all employees.

Tax Reporting Unit

Tax reporting unit (TRU) registered name of the employees you're processing. The process reports tax card info for the employees belonging to this TRU only.

Leave blank to run against all TRUs.

Process Configuration Group

Select the process configuration group if you have defined one. Use a process configuration group to provide sets of processing parameters, primarily related to logging and performance. If you don't select a process configuration group, the report uses the parameters in the default group for the selected payroll.

Report Output

The output file from this report is Tax Card eText Report.txt and is suitable for viewing in a spreadsheet, such as Microsoft Excel. It contains a consolidation of all tax card data, including the value for each tax component.

Note: The report may return empty values for state, county, or city if the row represents a higher tax level. For example, State, County, and City values would be blank for federal-level records. County and City would be blank for state-level records.

Related Topics

- [What Is the Tax Withholding Card](#)