

Oracle Fusion Cloud Human Resources

**How do I configure cumulative tax
withholding for the US?**

FA Latest



Oracle Fusion Cloud Human Resources
How do I configure cumulative tax withholding for the US?

FA Latest

G36516-02

Copyright © 2025, Oracle and/or its affiliates.

Author: JOLAWSON

Contents

Get Help	i
<hr/>	
1 How do I configure cumulative tax withholding?	1
How do I configure cumulative tax withholding?	1
2 How does the payroll process calculate cumulative taxes?	3
How does the payroll process calculate cumulative taxes?	3
3 How do I perform cumulative tax withholding calculations for individual employees?	5
How do I perform cumulative tax withholding calculations for individual employees?	5

Get Help

There are a number of ways to learn more about your product and interact with Oracle and other users.

Get Help in the Applications

Some application pages have help icons  to give you access to contextual help. If you don't see any help icons on your page, click your user image or name in the global header and select Show Help Icons. If the page has contextual help, help icons will appear.

Get Support

You can get support at [My Oracle Support](#). For accessible support, visit [Oracle Accessibility Learning and Support](#).

Get Training

Increase your knowledge of Oracle Cloud by taking courses at [Oracle University](#).

Join Our Community

Use [Cloud Customer Connect](#) to get information from industry experts at Oracle and in the partner community. You can join forums to connect with other customers, post questions, suggest [ideas](#) for product enhancements, and watch events.

Learn About Accessibility

For information about Oracle's commitment to accessibility, visit the [Oracle Accessibility Program](#). Videos included in this guide are provided as a media alternative for text-based topics also available in this guide.

Share Your Feedback

We welcome your feedback about Oracle Applications user assistance. If you need clarification, find an error, or just want to tell us what you found helpful, we'd like to hear from you.

You can email your feedback to oracle_fusion_applications_help_ww_grp@oracle.com.

Thanks for helping us improve our user assistance!

1 How do I configure cumulative tax withholding?

You can enable the cumulative tax withholding method on the **Federal** component of the worker's Tax Withholding calculation card. In **Withholding Overrides**, set **Cumulative Taxation** to **Yes**.

2 How does the payroll process calculate cumulative taxes?

Sometimes an employee has earnings that are accrued unevenly across the year, such as commissions. In these cases, you can use the cumulative tax withholding method during payroll processing.

This method makes sure the payroll process properly calculates their taxes.

Here's the steps the payroll process follows.

1. Calculates the employee's cumulative wages for the calendar year.
 - a. Adds the current run wages to the year-to-date wages.
 - b. Divides the cumulative wages by the current pay period number.
 - c. Multiplies this result by the annual number of pay periods based on the payroll frequency.
2. Calculates the withholding amount based on the cumulative wages.
 - a. Calculates the total tax due as determined by the annualized withholding method.

The tax is based on the cumulative wages determined in the previous step.
 - b. Divides the total calculated taxes by the number of annual pay periods.
3. Calculates the actual taxes owed.
 - a. Multiplies the withholding amount from the previous step by the current pay period number.
 - b. Subtracts this amount from the year-to-date taxes already withheld.
 - c. The remainder amount is the tax to be withheld from wages paid to the employee for the payroll run.

3 How do I perform cumulative tax withholding calculations for individual employees?

To change an employee's tax calculation method to cumulative withholding, use the Calculation Entries task to edit their Tax Withholding card.

1. Open the appropriate card component for editing, federal or regional.
2. In **Withholding Overrides**, set **Cumulative Taxation** to **Yes**.
3. Click **Save and Close**.

