

## Federal Tax Conversion Instructions

### HF680 - Tax Table Standard Deductions, Employee Master New W-4 Check Box for S-M-H and Conversion

#### **Overview:**

This is a summary document that describes the addition of a new Yes/No (Checked/Unchecked) field in the Employee Master called "New W-4"

This will help the system more efficiently calculate Federal Income Tax based on this new flag

The difference being between "old" W-4s, prior to year 2020 the flag is unchecked and the new W-4s, year 2020 and beyond, the flag is checked

#### **Installation of HF680**

The Install is dedicated and normally take 15-20 minutes to install because WAS needs to be stopped and restarted

SaaS will be contacted by our Software Delivery Department (SDD) to schedule loading update (HF680) for your test and/or Production Environments

Enterprise customers need to submit an incident

The update (HF680) should not be installed when a PR is processing due to a data conversion

The conversion will run for all PR companies & divisions

Four data files are updated by the data conversion, which can be run only once

These files are copied to backup files prior to the conversion

Existence of any of these backup files prevents the conversion from being run a second time

The four files are:

File Name	Backup Name
PRTMST	\$PRTMST
PRTMSTXT6	\$PRTMSTXT6
PRTMSTXT7	\$PRTMSTXT7
PRTTXT	\$PRTTXT

Hosted customers will be run as CGCADMIN

Enterprise customers will be run as CGCOWNER

Since the conversion is run as part of the install process, it will be in the QEZJOBLOG output queue

This queue is cleaned up automatically by the system, so it will be deleted after a few days. If you want to keep the spool file, you need to use the **i** button in the spool file utility to change the Output Queue and Library where the spool file is kept

The change can also be made in green-screen using the WRKSPLF SELEru  
CT(\*ALL \*ALL \*ALL CVTPRTTXT) command, then option 2

The conversion – will run automatically when the programs are loaded

The conversion needs to be loaded during the month of December, 2020

It can be run before or after Prepare YE Files for W2s

However, it must be done before processing the 1<sup>st</sup> payroll for year 2021

**Tax Tables:**

It will create the necessary changes to the tax tables to recognize the standard deductions for the New W-4 based on Single (S), Married (M), or Head of Household (H) tax statuses

Standard Deduction – box will be check

Standard Deduction Amount – enter the appropriate value

S & H Tax Statuses – \$8,600

M Tax Status – \$12,900

**Important Note:** if tables have already been copied

If you have already copied your 2020 tax table to create the 2021 tax tables you will need to manually update the S, M and H tables to calculate the Standard Deduction:

Check Stand Deduction box

Enter appropriate Standard Deduction Amount

S - \$8,600

H - \$8,600

M - \$12,900

**Employee Master Conversion:**

New W-4 will be checked if the amount in the Other Deductions is greater than or equal to the appropriate Standard Deduction

S & H Tax Statuses – \$8,600

M Tax Status – \$12,900

The Other Deduction Amount will be reduced by the appropriate Standard Deduction Amount if it is greater than or equal to the Standard Deduction above

The system will not Check the New W-4 Box or reduce the Other Deduction Amount field if it is less than the Standard Deduction Above

An \* will be used to identify these employees on the Conversion Before and After Report

If the status is a 1, 2 or 3 the New W-4 Field will be check – No Standard Deduction used for these EEs

### ***Conversion Before and After Report***

The conversion will provide a report by employee for those that are now considered using the New W-4s

The report will identify employees with an \* that are exceptions. These employees need to be reviewed manually and will possibly need to be adjusted

### ***Conversion Summary***

The conversion will determine and create the necessary changes to the tax tables to recognize the standard deductions for the New W-4 based on Single (S), Married (M), or Head of Household (H) tax status

It will provide a report by employee for those that are now considered using the New W4s

The report will also list employees with an \* with exceptions that will require manual review and adjustments

This conversion needs to take place during the month of December, 2020

It can be run before or after Prepare YE Files for W2s. However, it must be done before processing the 1<sup>st</sup> payroll for year 2021

### ***Employee Master – General Tab***

PR > Maintenance 1 > Employee Maintenance > Employee Data >

✚ The New W-4 Check Box will determine if the EE is eligible to apply the Standard Deduction for S/M/H tables

Checked – the Standard Deduction will be applied

Unchecked – the Standard Deduction will not be applied (default)

✚ Hard Halt is given if the Federal Exemptions is > Zero and the New W-4 Box is Check

Error Message - example

Payroll		Employee Master Maintenance		Mode: Update		PRP20202		PRPM08 - 10	
Employee Number: 50		<div style="border: 1px solid red; padding: 2px;"> <b>Error Messages</b>            Only Federal Exemptions OR Dependent Tax Credit, Other Deductions, Other Income Allowed.            Federal Exemptions greater than Zero are Not Valid with New W-4.         </div>							
<b>General</b> Full Name: Casey L. California First Name: Casey Middle Name 1: C Middle Name 2: Last Name: California Name Suffix: Mr Name Abbreviation: CALIFORN		Social Security Number: 100-00-0050 Unique ID Number: 0 Address 1: #50 Rodeo Drive Address 2: City: Los Angeles State: CA Zip/Postal Code: 90505 Phone Number: 505 5555555		Shift: 1 Department: 50 Gender: Male Marital Status: Married Earned Income Credit: Tax Status: M <b>New W-4: <input checked="" type="checkbox"/></b> Federal Exemptions: 1 Federal Income Tax: Yes Additional Amount: 0 Additional Payments: Dependent Tax Credit: 0.00 Other Deductions: 10000.00 Other Income: 0.00 Occupation: Occ. Description: Description1: Description2: SOC Code: Job Category: 0 Apprentice: Blank		Subject to FICA: <input checked="" type="checkbox"/> Subject to FUTA: <input checked="" type="checkbox"/> Subject to RR T1 FICA-SS/IMC: [NO-Both] Subject to RR T2 Pension: <input type="checkbox"/> Subject to RR UI: <input type="checkbox"/> State Exempt: <input type="checkbox"/> Minority Code: 0 Standard Cost: <input type="checkbox"/> Pension: <input type="checkbox"/> Exempt Certified: No Country: Supervisor 1: 0 Company: 0 Division: 0 Supervisor 2: 0 Company: 0 Division: 0			
<b>State/Province Codes</b> Income Tax: 50 Unemployment: 50 Workers Comp: 50 Local Tax Code: 51 Multiple Locals: <input type="checkbox"/>		<b>Pay Information</b> Pay Frequency: Weekly Pay Type: Hourly Regular Rate: 25.000 Overtime Rate: 0.000 Other Rate: 0.000 Salary: 0.00		<b>Dates</b> Birth Date: 12/31/1954 Hire: 01/01/2003 Rehire/Start: 01/01/2003 Adjusted Hire Date: Security Level: L-Craft Lbr Corporate Officer: No		<b>Employee Class</b> Employee Class: 0 Employee Type: Employee Group: Union Number: Employee Union Only: Benefit Class:			

**After Conversion - US EE Tax Table – Optional Values Screen - Married example**

PR > Maintenance 1 > Tax Table > Employee Tax Table >

- ✚ Table Type – Federal
- ✚ Year – 01/01/2020 or any month in 2020
- ✚ Tax Status – the Standard Deduction for Tax Statuses
  - S = \$8,600
  - H = \$8,600
  - M = \$12,900

Payroll		Tax Table Maintenance - Optional Values		Mode: Update		PRP21804	PRPM08 - 12
Pay Frequency: WK	Tax Status: M	Table Type: F	Code: 0	Effective Date: 01/01/2020	Check Type		
Description:	2020-FIT-WK-Married-M						
Personal Exemptions:	<input checked="" type="checkbox"/>						
Tax Credits:	<input type="checkbox"/>						
Tax Equate Factor:	52						
Standard Deduction:	<input checked="" type="checkbox"/>						
Percent:	0.00						
Amount:	12900.00						
Minimum 1:	0.00						
Minimum 2:	0.00						
Maximum 1:	0.00						
Maximum 2:	0.00						
<b>Federal Income Tax</b>				<b>Gross Taxable</b>			
Standard Deduction:	Don't Deduct FIT <input checked="" type="checkbox"/>			Minimum 1:	0.00		
Deducted for State/Local:	<input type="checkbox"/>			Minimum 2:	0.00		
Table Basis:	Gross Taxable <input checked="" type="checkbox"/>			Minimum Tax:	0.00		
<b>Limits for State/Local Deduction</b>				FIT Deduction Percent:	0		
Maximum 1:	0.00			Deduct FICA for State/Local:	<input type="checkbox"/>		
Maximum 2:	0.00			Maximum:	0.00		
				State/Local Surcharge Percent:	0.00		
				State Tax Rounding Method:	Nearest Penny <input checked="" type="checkbox"/>		
				Local Tax Calculation Method:	Gross Taxable <input checked="" type="checkbox"/>		
				State Number:	0		
				Tax Limit for SDI & some Locals:	0.00		
				Tax Limit Amount:	0.00		
				Tax Limit Type:	Pay Period <input checked="" type="checkbox"/>		

**Conversion Employee Master Examples:**

Before Conversion Example of an M Tax Status with \$22,900 in Other Deduction field

Payroll		Employee Master Maintenance		Mode: Update		PRP20202	PRPM08 - 10
Employee Number: 50							
General		Contacts		Pay Rates		UDC	
Full Name:	Casey C California		Social Security Number:	100-00-0050		Unique ID Number:	0
First Name:	Casey		Address 1:	#50 Rodeo Drive			
Middle Name 1:	C		Address 2:				
Middle Name 2:			City:	Los Angeles			
Last Name:	California		State:	CA			
Name Suffix:	Mr		Zip/Postal Code:	50505			
Name Abbreviation:	CALIFORN		Phone Number:	505 5555555			
<b>State/Province Codes</b>		<b>Pay Information</b>		Shift:		Subject to FICA: <input checked="" type="checkbox"/>	
Income Tax:	50		Pay Frequency:	Weekly		Subject to FUTA: <input checked="" type="checkbox"/>	
Unemployment:	50		Pay Type:	Hourly		Subject to RR T1 FICA-SS/MC: <input checked="" type="checkbox"/>	
Workers Comp:	50		Regular Rate:	25.0000		Subject to RR T2 Pension: <input type="checkbox"/>	
		Overtime Rate:		0.0000		Subject to RR III: <input type="checkbox"/>	
		Other Rate:		0.0000			
		Salary:		0.00			
Local Tax Code:		Employee Class:		0			
Multiple Locals:		Employee Type:					
		Employee Group:					
		Union Number:					
		Employee Union Only:		<input type="checkbox"/>			
		Benefit Class:					
<b>Dates</b>		Dependent Tax Credit:		0.00			
Birth Date:	12/31/1954		Tax Status:	M		<div style="border: 2px solid purple; padding: 5px;"> <p><b>Tax Status = M</b></p> <p><b>EE New W-4 =</b></p> <p><b>Other Deductions \$10,000</b></p> <p><b>Standard Deduction = \$12,900</b></p> </div>	
Hire:	01/01/2003		Federal Exemptions:	0			
Rehire/Start:	01/01/2003		Federal Income Tax:	Yes <input checked="" type="checkbox"/>			
Adjusted Hire Date:			Additional Amount:	0			
			Additional Percent:	0			
Security Level:	1-Craft Lbr		Other Deductions:	22900.00			
Corporate Officer:	No		Other Income:	0.00			
		Occupation:					
		Occ. Description:					
		Description:					
		Description2:					
		SOC Code:					
		Job Category:		0			
		Apprentice:		Blank			

After Conversion Example of an M Tax Status – now has \$10,000 in Other Deduction field and New W-4 flag is check

Payroll Employee Master Maintenance Mode: Update PRP20202 PRPM08 - 10

Employee Number: 50

Full Name: Casey C California

First Name: Casey

Middle Name 1: C

Middle Name 2:

Last Name: California

Name Suffix: Mr

Name Abbreviation: CALIFORN

State/Province Codes: Income Tax: 50, Unemployment: 50, Workers Comp: 50

Local Tax Code: 51

Dates: Birth Date: 12/31/1954, Hire: 01/01/2003, Rehire/Start: 01/01/2003, Adjusted Hire Date:

Security Level: 1-Craft Lbr, Corporate Officer: No

Pay Information: Pay Frequency: Weekly, Pay Type: Hourly, Regular Rate: 25.000, Overtime Rate: 0.000, Other Rate: 0.000, Salary: 0.00

Employee Class: 0, Employee Type: <input checked="" type="checkbox"/>, Employee Group: , Union Number: , Employee Union Only: <input type="checkbox"/>, Benefit Class:

Social Security Number: 100.00.0050, Unique ID Number: 0

Address 1: #50 Rodeo Drive

Address 2:

City: Los Angeles

State: CA

Zip/Postal Code: 50505

Phone Number: 505 5555555

Shift: 1, Department: 50, Gender: Male, Marital Status: Married, Earned Income Credit: , Federal Exemptions: 0, Federal Income Tax: Yes, Additional Amount: 0, Additional Percent: 0, Dependent Tax Credit: 0.00, Other Income: 0.00, Occupation: , Occ. Description: , Description1: , Description2: , SOC Code: , Job Category: 0, Apprentice: Blank

Subject to FICA: , Subject to FUTA: , Subject to RR T1 FICA-SS/IMC: NO:Both, Subject to RR T2 Pension: , Subject to RR UI: , State Exempt: , Minority Code: 0, Standard Cost:

**Callout Box:**  
 Tax Status = M  
 New W-4 = Checked  
 Other Deductions \$10,000  
 Reduced by Standard

The system will check the New W-4 field on the EE master if the Tax Status is a 1, 2 or 3

After Conversion for EE with Tax Status of 1

Payroll Employee Master Maintenance Mode: Update PRP20202 PRPM08 - 10

Employee Number: 90

Full Name: DC Employee

First Name: District

Middle Name 1: of

Middle Name 2:

Last Name: Columbia

Name Suffix:

Name Abbreviation: EMPLOYEE

State/Province Codes: Income Tax: 90, Unemployment: 90, Workers Comp: 90

Local Tax Code: 90

Dates: Birth Date: 01/01/1972, Hire: 01/01/2002, Rehire/Start: 01/01/2002, Adjusted Hire Date:

Security Level: 9-Executive, Corporate Officer: No

Pay Information: Pay Frequency: Weekly, Pay Type: Hourly, Regular Rate: 50.000, Overtime Rate: 0.000, Other Rate: 0.000, Salary: 0.00

Employee Class: 1, Employee Type: <input checked="" type="checkbox"/>, Employee Group: , Union Number: , Employee Union Only: <input type="checkbox"/>, Benefit Class:

Social Security Number: 100-00-0090, Unique ID Number: 0

Address 1:

Address 2:

City:

State:

Zip/Postal Code:

Phone Number: 0 0

Shift: 1, Department: 90, Gender: Male, Marital Status: Single, Earned Income Credit: , Federal Exemptions: 0, Federal Income Tax: Yes, Additional Amount: 0, Additional Percent: 0, Dependent Tax Credit: 0.00, Other Income: 0.00, Occupation: , Occ. Description: , Description1: , Description2: , SOC Code: , Job Category: 0, Apprentice: Blank

Subject to FICA: , Subject to FUTA: , Subject to RR T1 FICA-SS/IMC: NO:Both, Subject to RR T2 Pension: , Subject to RR UI: , State Exempt: , Minority Code: 0, Standard Cost:

**Callout Box:**  
 Tax Status - 1  
 New W-4 Field  
 Other Deduction Amount

Note: If the amount in the Other Deduction field is < the Standard amount

- New W-4 box will **NOT** be checked
- The Other Deduction amount field will **NOT** be reduced
- The Before and After Conversion Audit Report will put an \* in the Before Field for those employees

**After Conversion – EE has \* in the W-4 before Column**

- Other Deduction Amount < \$8,600
- S Tax Status
- New W-4 Field **NOT** checked

Employee is an exception and must be reviewed to determine if  
 New W-4 field should be checked  
 Is the amount in Other Deduction correct

Payroll		Employee Master Maintenance		Mode: Update	PRP20202	PRPM08 - 10
Employee Number: 80						
<div style="display: flex; justify-content: space-between;"> <span>General 2</span> <span><b>Contacts</b></span> <span>Pay Rates</span> <span>UDC</span> </div>						
<b>Full Name:</b> Charlie C Colorado <b>First Name:</b> Charlie <b>Middle Name 1:</b> C <b>Middle Name 2:</b> <b>Last Name:</b> Colorado <b>Name Suffix:</b> <b>Name Abbreviation:</b> COLORADO		<b>Social Security Number:</b> 100-00-0060 <b>Address 1:</b> 85 N Mountain St <b>Address 2:</b> <b>City:</b> Colorado Springs <b>State:</b> CO <b>Zip/Postal Code:</b> 85278 <b>Phone Number:</b> 0 5555555		<b>Unique ID Number:</b> 0		
<b>State/Province Codes</b> Income Tax: 60 Unemployment: 60 Workers Comp: 60  Local Tax Code: 60 Multiple Locals: <input checked="" type="checkbox"/>		<b>Pay Information</b> Pay Frequency: Weekly Pay Type: Hourly Regular Rate: 25.0000 Overtime Rate: 0.0000 Other Rate: 0.0000 Salary: 0.00		Shift: 1 Department: 300 Gender: Male Marital Status: Single Earned Income Credit: Tax Status: S Federal Exemptions: 0 Federal Income Tax: Yes Additional Amount: 0 Additional Percent: 0 Dependent Tax Credit: 1300.00 Other Deductions: 5000.00 Other Income: 0.00 Occupation: Occ. Description: Description1: Description2: SOC Code: Job Category: 0 Apprentice: Blank		
<b>Dates</b> Birth Date: 12/31/1965 Hire: 01/01/2004 Rehire/Start: 01/01/2004 Adjusted Hire Date:		Employee Class: 0 Employee Type: <input type="checkbox"/> Employee Group: Union Number: <input type="checkbox"/> Employee Union Only: <input type="checkbox"/> Benefit Class: 5		Subject to FICA: <input checked="" type="checkbox"/> Subject to FUTA: <input checked="" type="checkbox"/> Subject to RR T1 FICA-SS/MC: NO.Both Subject to RR T2 Pension: <input type="checkbox"/> State Exempt: <input type="checkbox"/> Minority Code: 0 Standard Cost: <input type="checkbox"/>		
Security Level: 1-Craft Lbr Corporate Officer: No		<div style="border: 2px solid orange; padding: 10px; text-align: center;"> <p><b>Tax Status = S</b></p> <p><b>New W-4 = Unchecked</b></p> <p><b>Other Deductions Unchanged \$5,000</b></p> </div>				



**Before and After Conversion Audit Report:**

The report displays for EEs that have the New W-4 flag checked

The report will print EEs with an \* in the Before W-4 column if the Tax Status is S, H or M and the New W-4 flag is *not checked* with a value greater than zero in at least one of the following 3 fields

Dependent Credit  
Other Deductions  
Other Income

Note: These EEs need to be reviewed to determine if the New W-4 flag should be check

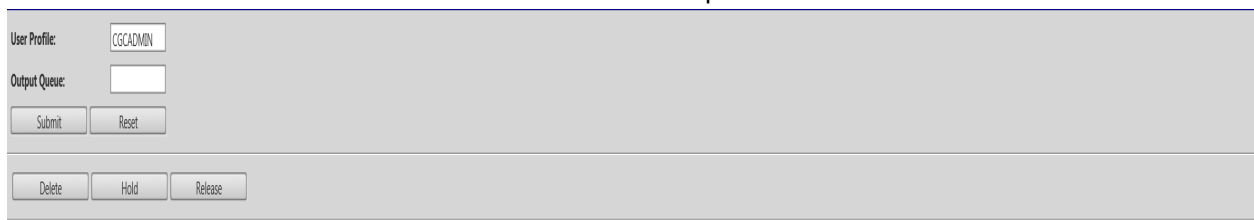
The report will be created in the spool file for User Profile:

*CGCADMIN – SaaS Customers*  
*Or*  
*CGCOWNER – Enterprise Customers*


**Select Spool File**

Change User Profile to CGCADMIN or CGCOWNER

Find User Data – CVTPRTTXT – this is the conversion report



The screenshot shows a web interface for selecting a spool file. It features a 'User Profile' dropdown menu set to 'CGCADMIN', an empty 'Output Queue' text box, and 'Submit' and 'Reset' buttons. Below these are 'Delete', 'Hold', and 'Release' buttons.

 Report will have the following columns

Company  
Division

Employee Number

Employee Name

Tax Status

W4 Before

W4 After

Other Deductions Before

Other Deductions After

**Before and After Conversion Report example**

Company	Division	Employee Number	Employee Name	Tax Status	W4 Before	W4 After	Other Ded. Before	Other Ded. After
15	0	50	Casav C California	M	N	Y	22,900.00	10,000.00
15	0	60	Charlie C Colorado	S	*	N	5,000.00	5,000.00
15	0	70	Connie C Connecticut	H	N	Y	10,600.00	2,000.00
15	0	80	Darwin D Delaware	H	N	Y	8,600.00	8,600.00
15	0	90	DC Employee	1	N	Y	8,600.00	8,600.00
15	0	100	Fred F Florida	2	N	Y		
15	0	110	Gloria G Georgia	3	N	Y	1,300.00	1,300.00
15	0	120	Hanna H Hawaii	1	N	Y	2,000.00	2,000.00
15	0	510	Wilma W Wyoming	S	Y	N		
15	0	22222	Cindy B Hope	S	*	N	1,400.00	1,400.00
15	0	23153	FIT A Exempt	1	N	Y		
15	0	33333	Randy Wright	M	Y	N	2,100.00	2,100.00
35	70	38	Carrie Underwood	M	Y	N		
35	70	65	Thomas Dawson	M	Y	N		
35	70	2020	New W Employee	M	Y	N		
35	70	11016	Jim Ferguson	M	Y	N		
35	70	35540	KATHERINE KELLER	M	Y	N		