**Updating Employee’s Work Tax Area (IT0208 and IT9105)**

Revised 09/03/2015

The process outlined below provides instruction how to update employee and position records for employees whose work tax area is changing.

The use of this process may be triggered by the following:

* Request from agency to update headquarters on position (EPAR)

SAP requirements

* The headquarter code on the position’s IT9105 (Detail Position Attribute) must match the tax area on IT0208 (Work Tax Area)
* If an employee’s municipality changes, and an LST or OPT exemption currently exists on IT0235 (Other Taxes), this record needs to be re-created.

Procedure Steps

1. Obtain payroll area employee is in (PA 20 - IT0001)
2. Verify whether tax exemption exists for LST or OPT (PA20 - IT0235)
3. Update headquarter code on Detailed Position Attributes (PO13 – IT9105)
4. Update employee’s work tax area (PA30 - IT0208)
5. Update employee’s LST or OPT exemptions if necessary (PA30 - IT0235)

**PO13 -** **Update Headquarters Code**

|  |  |  |  |
| --- | --- | --- | --- |
| PO13 | Plan Version | Current Plan |  |
| Position | Enter position number  |  |
| Detailed Position Attributes | Highlight Detailed Position Attributes Infotype | Select copy  |

* Use the first day of the pay period in which the work tax area change is taking place to update the record. The date on the position and employee updates must match.
* **If you cannot find the correct headquarter code in the dropdown, see Escalation Procedures section of this document.**

|  |  |  |  |
| --- | --- | --- | --- |
| Detailed Position Attributes - 9105  | Start Date | Enter effective date of position headquarters change |  |
| Headquarter Code | Update field with code  |   |
| County Code | Enter county code if changing |  |
| Zip Code | Enter zip code if changing  |   |
| Local Code | If the position is assigned to bargaining unit or job that is based on employee’s home address, update this field. | image001 image003 |

# Create IT0208 (Work Tax)

* The Work tax area maintains the State and municipality information associated with the location where the employee works.
* When an IT0208 currently exists with 100% allocation percentage, you must delimit the current record before adding a new record with the correct information. MAKE SURE YOU DELIMIT THE RECORD USING THE DAY BEFORE THE EFFECTIVE DATE OF THE NEW RECORD (which should be the beginning of a pay period). There should be no breaks between valid records on IT0208.
* In order to calculate the local taxes for employees changing work tax area, the IT0208 needs to have a begin date effective the first day of the period in which the work tax area change is taking place. There should be no breaks between valid records on IT0208.
* For the start date, use the first day of the pay period that pays in period 1 of the current calendar year. No change should be made prior to the first pay date by pay area in the current calendar year.
* Philadelphia is the **ONLY** municipality that can be listed on IT0208 as less than 100%. The remaining percentage should be indicated on an additional IT0208 record using the tax area “PA” – not another municipality. In addition, for these situations, you must also change the employee’s IT0207, Residence Tax area to reflect “PA”, not the municipality he/she resides.

Via PA30, create a new IT0208 record with the effective date from the EPAR.

|  |  |  |  |
| --- | --- | --- | --- |
| 0208 | Start/To | Enter start date of new record. **Example:** 12/10/2012 |  |
|  | Tax Area\* | Tax area should be pulled from the position. Should be the same as the employee’s local tax area because they are home headquartered.**Example:** PAUL |  |
| Allocation percent | Enter percentage of time employee works in this location – if more than location is appropriate, create a new infotype to indicate additional valid work locations**Example:** 100% |  image003 |

\* **If you receive an error message because the tax area from the position is not recognized on IT0208, see Escalation Procedures section of this document.**

After entering the above information, click on the: **SAVE** icon. If the infotype record already exists with 100% allocation you will receive an information message and will be taken to the List Work Tax Area screen after clicking the green check mark. The user will need to select the original record and delimit it so that the end date is one day prior to the action date (or the start date of the new Infotype 0208 record).

IT0235 (Other Taxes) for exemption of Occupational Privilege tax or Local Services Tax

If the employee has an exemption for the current year, follow the steps below to create a new exemption record.

The Other Taxes US infotype maintains data utilized to denote exemptions on an employee’s record from various taxes for federal, state, and work area municipality. This is accomplished via (Municipality Code), using the work tax area code to denote exemption of Occupational Privilege tax or Local Services Taxfor either the current year.

This is just a reminder that LST and OPT exemptions on IT0235 are pay date driven and the payroll system is period driven.  Therefore, if you are inputting an exemption for a new hire effective November 7, 2011 you would make the effective date of the exemption 14 days later November 21, 2011. The key is that the exemption is on the IT0235 on or before the first pay date.  The 14 day rule is only a guideline and it really doesn’t matter if it is on a Monday or a Tuesday as long as it is on or before the actual first pay date.

**Local Services Tax Exemption - PA30**

* Make note of current work tax area on IT0208
* Maintain text

*PAR ID 44589452*

*Employee is exempt from LST in work tax area PAUL-exemption form is attached to new hire PAR.*

*OR*

*Employee changed address and should be exempt from LST in new work tax area.*

|  |  |  |  |
| --- | --- | --- | --- |
| 0235 | Personnel No | Enter the employee’s personnel number |   |
| Period - From | New hire effective date + 14 days |  |
| Period - To | Last day of calendar year |  |
| Subtype | Enter work tax area from IT0208 |  Create |
| Exempt Column  | Select matchcode - Double-click the option “Y – Exempt, not reportable |  image003 |

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# Escalation process for creating a request to have the tax area or zip code added to SAP

* Create help desk ticket (AS)/CRM (ES) case for the employee for which the information does not exist in SAP and include the headquarter code/tax area, zip code and county code.
* Be sure to indicate in your request where the code was missing (i.e. IT9105, IT0207 or IT0208). Assign the ticket/case to the Operations Division.
* Reference the PAR number in the HDT (Operations will reassign HDT to IES to have code added)
* Reference CRM case in EPAR (Operations will create a HDT to IES have code added).
* CRM will go to Operations Service Group – anyone in Operations has access to the request
	+ When entry has been added, the case will go back to Employee Services representative for position/employee update.
* HDT will be assigned to Operations
	+ When entry has been added, the case will go back to Agency Services representative for position/employee update.