

GEMINI PAYROLL SETUP PROCEDURE

CALIFORNIA STATE WITHHOLDING TAX CHANGES UPDATE--2008

This is an update to the California State Income Tax Withholding (CASITW), State Disability Insurance (CASDI), Employment Training Tax (CAETT), and/or State Unemployment Insurance Tax (CASUTA) deduction(s). If you are an employer required to collect California taxes, you may need one or more of the above deductions if they are not presently in your system. Every effort has been made to insure the information is correct. However, the end user is responsible for obtaining the proper state tax documents and verifying that the information herein is correct.

1. Update California State Income Tax Tables: Select **PR | Payroll Setup | Tax Tables** and either select **Add** (if you are adding the CA State Tax Withholding deduction to your system) or **Change** (if you are simply updating existing tax tables) and enter the state tax table data as indicated below. If you are changing existing tables and have different table names, please be sure to select the correct table to change. Changed data for 2008 is shown in **Bold** text.

CALIFORNIA WITHHOLDING TABLES FOR CY 2008

(Table Name: CASITTH)

Description: CA State Income Tax Table – Head of Household

<u>Lower Limit</u>	<u>Fixed Amount</u>	<u>Variable Rate</u>
0.00	0.00	1.0000
13,662.00	136.62	2.0000
32,370.00	510.78	4.0000
41,728.00	885.10	6.0000
51,643.00	1,480.00	8.0000
61,000.00	2,228.56	9.3000
999,999.00	89,555.47	10.3000

(Table Name: CASITTM)

Description: CA State Income Tax Table – Married

<u>Lower Limit</u>	<u>Fixed Amount</u>	<u>Variable Rate</u>
0.00	0.00	1.0000
13,654.00	136.54	2.0000
32,370.00	510.86	4.0000
51,088.00	1,259.58	6.0000
70,920.00	2,449.50	8.0000
89,628.00	3,946.14	9.3000
999,999.00	88,610.64	10.3000

(Table Name: CASITTS)

Description: CA State Income Tax Table – Single

<u>Lower Limit</u>	<u>Fixed Amount</u>	<u>Variable Rate</u>
0.00	0.00	1.0000
6,827.00	68.27	2.0000
16,185.00	255.43	4.0000
25,544.00	629.79	6.0000
35,460.00	1,224.75	8.0000
44,814.00	1,973.07	9.3000
999,999.00	90,805.28	10.3000

2. Select option **PR | Payroll Setup | Tax Rates**. Highlight either **CA** or **CA SUTA/SDI** and click on **Change**. Enter updated/corrected Employee SDI and/or Employer SUTA data as shown below. Select **OK** and **Close** when finished. ETT and SDI rate information was extracted from 2008 Rate update information at <http://www.edd.ca.gov/taxrep/taxrte9x.htm>.

Employee Rates

	<u>% Rate</u>	<u>Cutoff</u>
SUTA:	0.000	0.00
SDI:	0.800	86,698.00
Annual:		0.00

Employer Rates

	<u>%Rate</u>	<u>Cutoff</u>
SUTA:	See NOTE, below	7,000.00
SDI:	0.00	0.00

NOTE: Refer to your California for DE2088, *Notice of Contribution Rates and Statement of UI Reserve Account* for your company rates. Enter the current SUTA percentage rate for your company.

3. Select **PR | Master Deductions**. If you are required to collect California Employment Training Tax (ETT), locate the deduction and highlight it. Select **Change** to display the ETT deduction and then select the **Formula** tab.

a. Verify the variable **CAETTR** is equal to 0.100 and the variable **MaxDedn** is equal to 7.00.

b. Make changes if necessary and then select **OK** and **Close** to update and exit back to the main Gemini window.

4. Select **PR | Employee Maintenance**:

a. Select an employee and click on **Change**; the *Update Records* window should appear for the selected employee. At the bottom of the window, select **Deductions** to display the "*Deductions for...*" window.

b. Highlight **CASITW** (the CA State Income Tax Withholding deduction) and click on **Change**.

c. The employee's CASITW deduction window, which should be titled *Deduction will be Changed*, should appear.

(1) On the upper left side of the window, enter an AP vendor number in the Vendor Link field if desired. Please note that, if there is a vendor number in this field, it takes precedence over a vendor number already entered in the PR Master Deductions Vendor Link tab.

(2) The **Total Amt**, **Basis Amt**, and **Gross Amt** fields should all be zero assuming the December 2007 accounting period has been closed and no payroll has been posted in January 2008. Otherwise, the amounts should be equal to the amount of pay posted to date in 2008.

(3) Update the following **Optional User Amounts** fields on the right hand side of the window as necessary from the employee's 2008 Form DE-4/W-4 and the current-year California Withholding Schedule (CAWS) which you should have received from the CA EDD. The 2008 CAWS can also be downloaded from the California government internet website at <http://www.edd.ca.gov/taxrep/06methb.pdf>.

Mar Status: Verify/update the employee's *Marital Status* as necessary. You must use the numbers 1.00 – 4.00 as indicated below; any other number will always return a tax amount of zero.

1.00 – Married persons (only one spouse working)

2.00 – Single, dual-income married, or married person with multiple employers

3.00 – Unmarried Head of Household

4.00 -- Employee claims exemption from CA SIT withholding. **NOTE:** When this option is used, set up the rest of the Optional User Amount fields which follow as though SIT were going to be deducted. BASIS and GROSS pay information will still be calculated for reporting purposes.

Low Inc Ex: Use the employee's payroll period frequency and marital status to select and enter the appropriate Low Income Amount from the CAWS2008 Table 1 - *Low Income Exemption Table*.

Est Dedn: Use the employee's additional withholding allowances and payroll frequency to enter the Additional Withholding Allowance Amount from CAWS2008 Table 2 - *Estimated Deduction Table*.

Std Dedn: Use the employee's payroll frequency and marital status to select and enter the Standard Deduction Amount from CAWS2008 Table 3 - *Standard Deduction Table*.

Pers Ex Cr: Use the employee's allowances and payroll frequency to select and enter the Standard Withholding Allowance Amount from CAWS2008 Table 4 - *Exemption Allowance Table*.

Addn'l Tax: Enter any additional state income tax amount to be voluntarily withheld.

d. When finished, click on **OK** at the bottom of the screen to save the information and return to the "*Deductions for...*" window. Click on **Close** to get back to the "*Update records...*" screen and then select **OK** to update employee data; the system should return you to the window titled *Employee List*. Select and update the next employee's deductions list as necessary.