

GEMINI PAYROLL

CALIFORNIA STATE TAXES UPDATE - CY 2010 (ETT, SDI, SITW, SUTA/UI)

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. Tax rate information within this document should be updated **AFTER** you close your December 2009 accounting period and **BEFORE** posting your first payroll in 2010.

1. If you are adding/setting up one or more of the California tax deductions referred to in this document for the first time, they are available on our website. Select **Support** and click on the [State Tax Information](#) link to display the [State and Locality Tax Table and Deduction Documents](#) page. Select and download the required CA tax deduction documents as desired. Calendar Year updates are added annually; deduction documents change less frequently.

2. CALIFORNIA STATE INCOME TAX WITHHOLDING TABLES: Select **PR | Payroll Setup | Tax Tables** and either select **Add** (see 1, above, if you are adding the CA State Tax Withholding deduction to your system) or, if the CASITW deduction already exists, highlight it, select **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 2010 is shown in **Bold** text.

CALIFORNIA WITHHOLDING TAX TABLES FOR CY 2010

(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	1.3750
14,130.00	194.29	2.4750
33,479.00	673.18	4.6750
43,157.00	1,125.63	6.8750
53,412.00	1,830.66	9.0750
63,089.00	2,708.85	10.5050
1,000,000.00	101,131.35	11.6050

(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	1.3750
14,120.00	194.15	2.4750
33,478.00	673.26	4.6750
52,838.00	1,578.34	6.8750
73,350.00	2,988.54	9.0750
92,698.00	4,744.37	10.5050
1,000,000.00	100,056.45	11.6050

(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	1.3750
7,060.00	97.08	2.4750
16,739.00	336.64	4.6750
26,419.00	789.18	6.8750
36,675.00	1,494.28	9.0750
46,349.00	2,372.20	10.5050
1,000,000.00	103,552.24	11.6050

3. CALIFORNIA EMPLOYEE SDI AND/OR EMPLOYER SUTA TAX RATE TABLE: Select **PR | Payroll Setup | Tax Rates** and either select **Add** (if you are adding the CA Employer SUTA and/or Employee SDI deductions to your system) or, if the **CA/CA SUTA/CA SUTA/SDI** deduction already exists, highlight it, select **Change** (if you are simply updating existing tax rates), and enter the updated SUTA and/or SDI tax rate information as indicated below. Changed data for 2010 is shown in **Bold** text. Select **OK** and **Close** when finished. SUTA and SDI rate information was extracted from the 2010 Rates and Withholding schedules website, at http://www.edd.ca.gov/Payroll_Taxes/Rates_and_Withholding.htm.

<u>Employee Rates</u>			<u>Employer Rates</u>		
	<u>% Rate</u>	<u>Cutoff</u>		<u>%Rate</u>	<u>Cutoff</u>
SUTA:	0.000	0.00	SUTA:	See NOTE, below	7,000.00
SDI:	1.100	93,316.00	SDI:	0.00	0.00
Annual:		0.00			

NOTE: Refer to your California form DE2088, *Notice of Contribution Rates and Statement of UI Reserve Account* for your company rates. Your current SUTA rate must be entered as a percent amount. If your DE2088 SUTA rate is stated as a percent, enter the percent amount directly. If it is stated as a rate, convert it to a percent amount before entering it (for example, a rate of .052 converts to 5.2 percent or \$5.20 for every \$100.00 of taxable pay).

4. CALIFORNIA EMPLOYEE TRAINING TAX (ETT): If you are required to collect ETT, select **PR | Payroll Setup | Master Deductions** to display the **Payroll Master Deductions** window. Locate the **CAETTR** deduction and highlight it (if you can't find an ETT deduction, you may need to add it to your system—refer to paragraph 1, above). Select **Change** to display the ETT deduction and then select the **Formula** tab. The ETT rate was extracted from the 2009 Rates and Withholding schedules website, at http://www.edd.ca.gov/Payroll_Taxes/Rates_and_Withholding.htm.

a. At the top of the Deduction Formula text window, locate and verify the following variables are as shown, below:

CAETTR = 0.100;
MAXDEDN = 7.00;

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

5. 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 2009 accounting period has been closed and no payroll has been posted in January 2010. Otherwise, the amounts should be equal to the amount of pay posted to date in 2010.

(3) Update the following **Optional User Amounts** fields on the right hand side of the window as necessary from the employee's 2010 Form DE-4/W-4 and the current-year California Withholding Schedule (CAWS) which you should have received from the CA Employment Development Department. The 2010 CAWS can also be downloaded from the CA government website at http://www.edd.ca.gov/pdf_pub_ctr/09methb.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 –Head of Household

4.00 -- Employee claims exemption from CA SIT withholding (Federal Form W-4 required) **NOTE:** When this option is used, you must set up the rest of the Optional User Amount fields which follow as though SIT were actually going to be deducted. The reason is that BASIS and GROSS pay information must still be calculated and collected for employer and Federal Form W-2 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 CAWS2010 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 CAWS2010 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 CAWS2010 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 CAWS2010 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.