

# State Tax Setup Employee Claiming Exempt Status

**Incorrect Setup** PDAEDN - the status should **not be** selected to “Exempt” because the applicable gross will not be maintained; this will cause either No W-2 or an inaccurate W-2.

## Correct Setup

Employee provides HR with W-4 form; filing Exempt with a designated amount to be withheld. If this is an existing employee insert a new row with a new effective date, **the status should be changed to ‘WAIVED’** the following below values should be applied.

**Option 1**            S or M

**Option 2**            Pers Ex: – Enter 99 – this will identify W-4 forms claiming exempt status

**Option 3**            Dep Ex: Enter 99

Addl WH            Employee may have provided a new W-4 claiming “exempt” but opted to withhold a designated amount of \$25.00

The screenshot displays the Oracle Fusion Middleware Forms Services interface for setting up state tax deductions. The main form area is titled "Employee Benefit/Deduction" and includes the following fields and sections:

- ID:** L00010657 | Marie Dieterich Tetrick
- Benefit Category:** B1 | Reg FT 12 BW Faculty and Staff
- Deduction:** 0LA | Louisiana Income Tax
- Last Paid Date:** [Empty]
- Query Date:** 26-DEC-2011

The "Deduction" tab is active, showing the following configuration:

- Begin Date:** 26-DEC-2011
- End Date:** [Empty]
- Calculation Rule:** 60
- Bond Balance:** [Empty]

The "Effective Date" is 26-DEC-2011, and the "Status" is set to "Waived". The "Reference" and "Event Date" fields are empty. A checkbox for "Comments Exist" is also present.

The "Options" section contains a table with 5 rows:

Title	Value	Entry
1 Status:	S	Required
2 Pers Ex:	99	Optional
3 Dep Ex:		Optional
4		No Entry
5		No Entry

The "Amounts" section contains a table with 4 rows:

Title	Amount	Entry
1 Add WH:	25.00	Optional
2		No Entry
3		No Entry
4		No Entry

The "Combined Limit Rule Code" section includes a table with 6 columns: Rule Code, Description, Employee Limit, Employer Limit, Combined Limit, and Applicable Gross Limit. All fields in this section are currently empty.

At the bottom of the window, a status bar indicates: "FRM-40400: Transaction complete: 1 records applied and saved."