Maintaining Employee Tax Information Overview

In Cardinal, every employee must have a Federal, State and Local (if applicable) tax record set up. Employees with multiple jobs within the same company will have one tax record for both jobs. Employees with multiple jobs across agencies will have one tax record for each company. When an employee record is added in Cardinal, the tax information defaults to “Single” and “0” for the employee’s Federal taxes and for the applicable residential state taxes.

Every employee must also have a Tax Distribution record. The Tax Distribution record is at the employee job record level, so if the employee has two jobs within the same company, there will be a separate **Tax Distribution** page for each employee record.

Once an employee submits the required tax forms, Payroll Administrators review the form for accuracy and then make the updates online in Cardinal. This Job Aid provides the steps used by Payroll Administrators to maintain employee tax information.

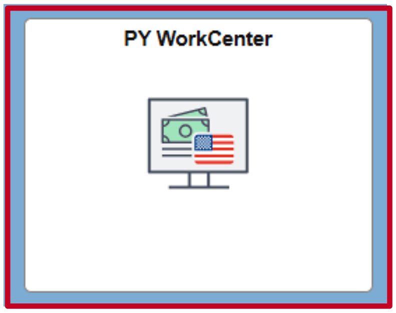
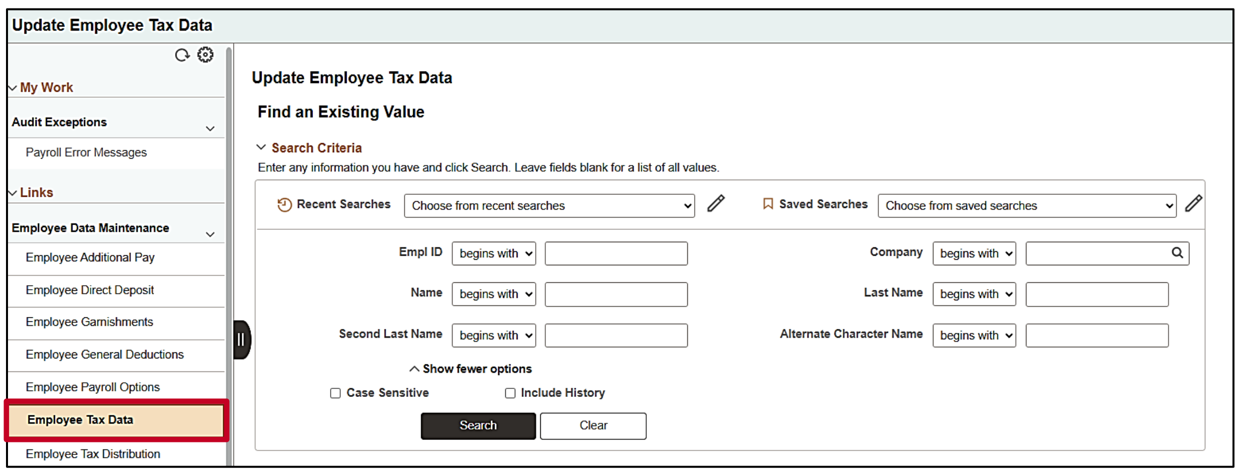
Navigation Note: Please note that there may be a **Notify** button at the bottom of various pages utilized while completing the processes within this Job Aid. This “Notify” functionality is not currently turned on to send email notifications to specific users within Cardinal.

Table of Contents

Revision History

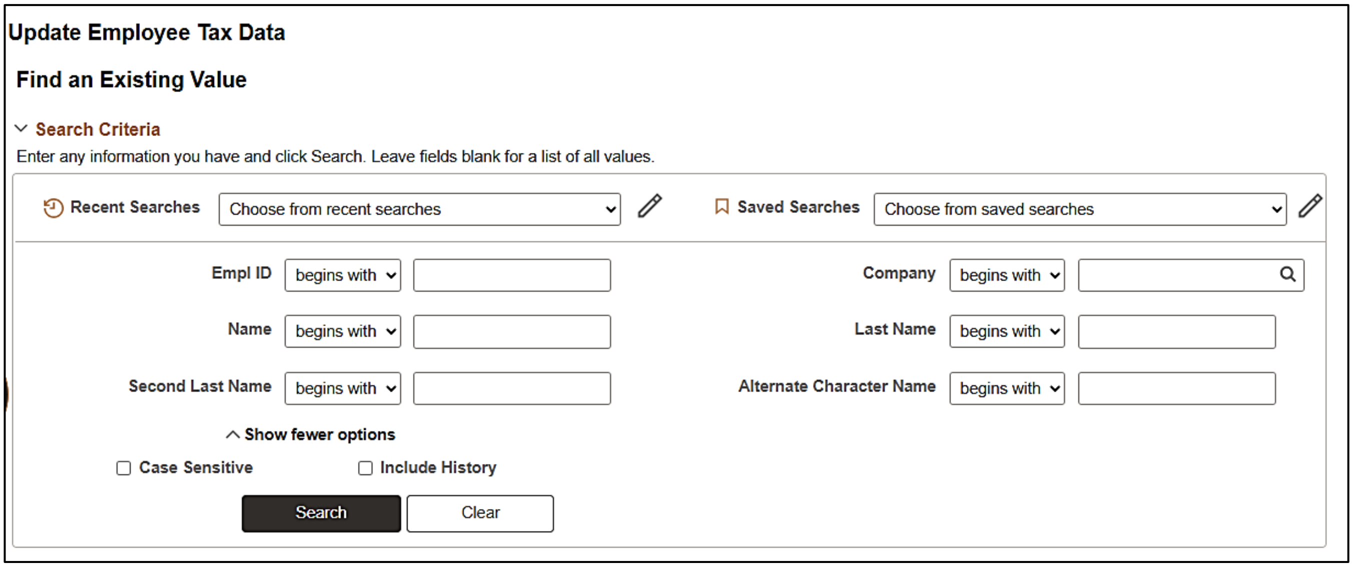
Revision Date	Summary of Changes
9/1/2026	Updated to reflect the Cardinal system upgrades.
3/1/2025	Updated the screenshots of the Search pages (Section 1, after Step 1; Section 2, after Step 1). Added reference information to the Overview of the Cardinal FIN Search Pages Job Aid.

Maintain Employee Tax Information

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1.</td><td>Navigate to the Update Employee Tax Data page by clicking the PY WorkCenter tile.
</td></tr>
<tr><td></td><td>For information about WorkCenters, see the Job Aid titled Overview of the Cardinal HCM WorkCenters located on the Cardinal website in Job Aids under Learning.</td></tr>
<tr><td>2.</td><td>Use the following navigation path in the WorkCenter: Links > Employee Data Maintenance > Employee Tax Data
Note: WorkCenter sections, folders, and pages may vary based on the user’s Security roles.
</td></tr>
<tr><td></td><td>Users can also access the Update Employee Tax Data page using the following navigation path:
NavBar > Menu > Payroll for North America > Employee Pay Data USA > Tax Information > Update Employee Tax Data</td></tr>
</table>

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td colspan="2">

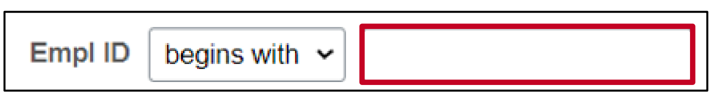
The Update Employee Tax Data Find an Existing Value Search page displays.



</td></tr>
<tr><td></td><td>For more information pertaining to the Cardinal HCM Search pages, refer to the Job Aid titled Overview of the Cardinal HCM Search Pages. This Job Aid is located on the Cardinal website in Job Aids under Learning.</td></tr>
<tr><td>3.</td><td>

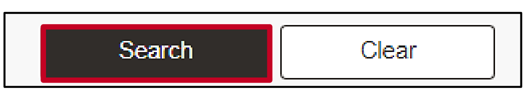
Enter the employee’s Employee ID in the Empl ID field.

Note: Users can also search for the applicable employee using the various Name fields if the Employee ID is not known. However, it is recommended to use the Employee ID as every employee will have a unique Employee ID.



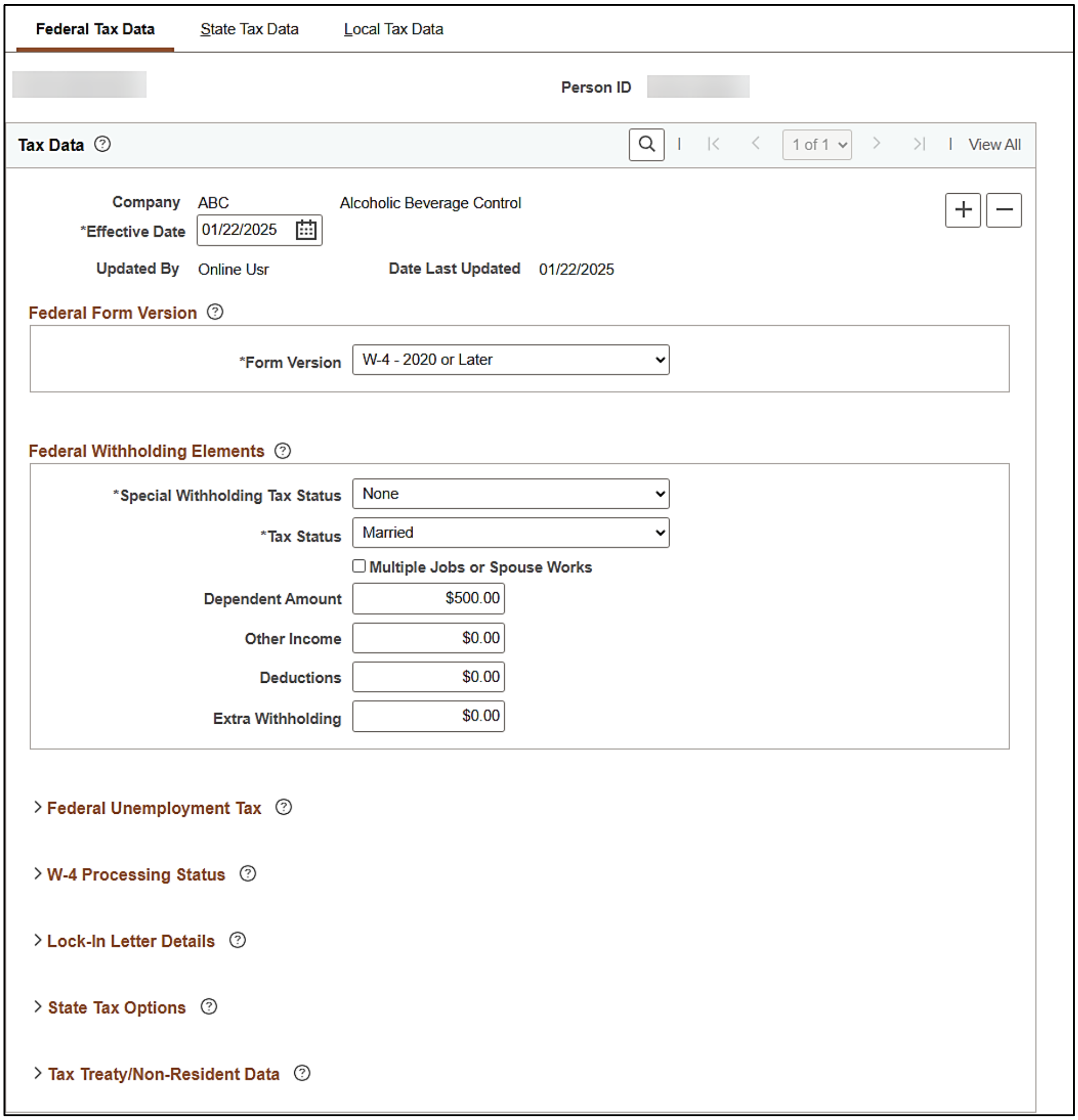
</td></tr>
<tr><td>4.</td><td>

Click the Search button.

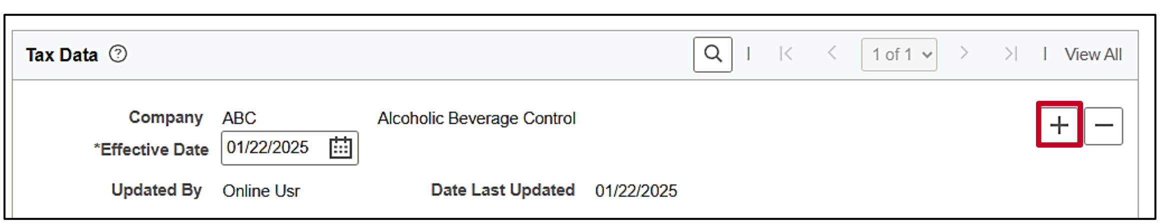


</td></tr>
</table>

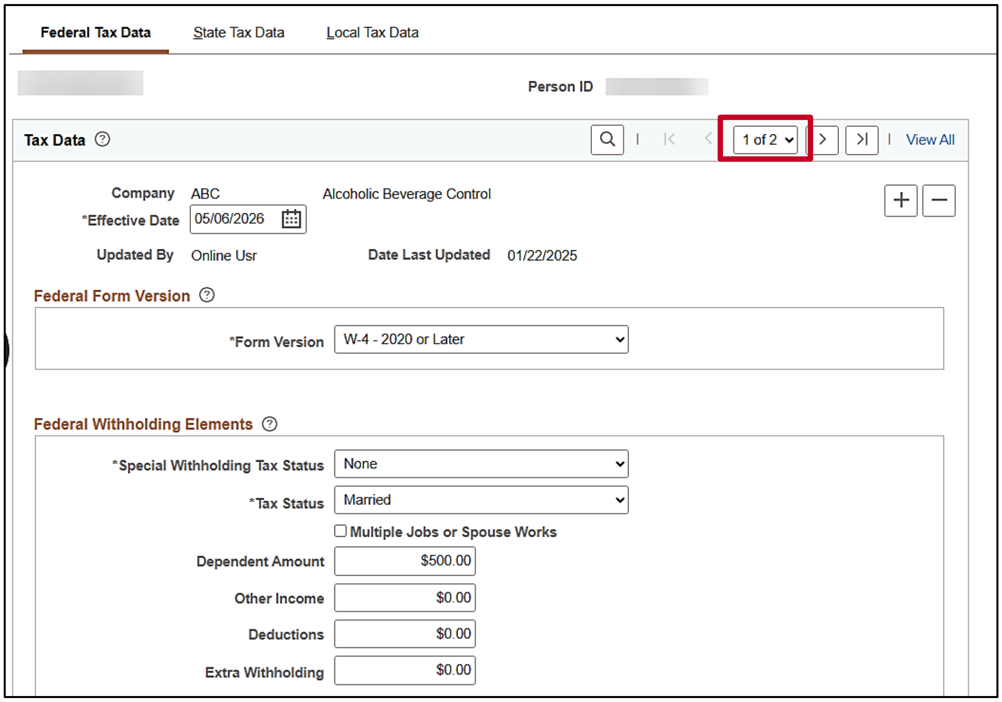
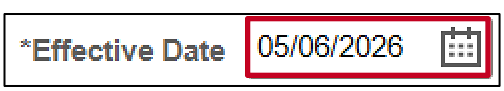
<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td colspan="2">The Update Employee Tax Data page for the employee displays with the Federal Tax Data tab displayed by default.



</td></tr>
<tr><td>5.</td><td>Click the Add a New Row icon (+) to add a new effective dated row.



</td></tr>
</table>

Step	Action
	A new row is created. 
	When a new row is created, the row count increases by one and the effective date displays the current date. All information from the previous row gets carried forward. Regardless of what tax information needs to be updated (Federal, State, or Local), this step must be performed on the **Federal Tax Data** page before any update can be made to tax information. The new effective dated row is always added on the **Federal Tax Data** page even when changes are being made only to the State and/or Local tax information.
6.	Enter or select the **Effective Date** for the tax information. **Note**: This fields defaults to the current date. 
	The effective date should be the actual date for the updates to take effect. Tax calculation is completed based on the current effective dated row. If a future dated row is entered and is outside of the current payroll period, it will use the prior existing row for tax calculations. Federal, State, and Local Tax records are selected based on the Effective Date of the Tax record in relation to the **<u>Paycheck Issue Date, NOT the Pay Period End Date</u>**. For further information on effective dating, see the Job Aid titled **HR351 Overview of Effective Dating**. This Job Aid can be found on the Cardinal website in **Job Aids** under **Training**.

Click the link below, to access the appropriate section of this Job Aid based on the type of tax information that needs to be updated for the employee:

Federal Tax Data page

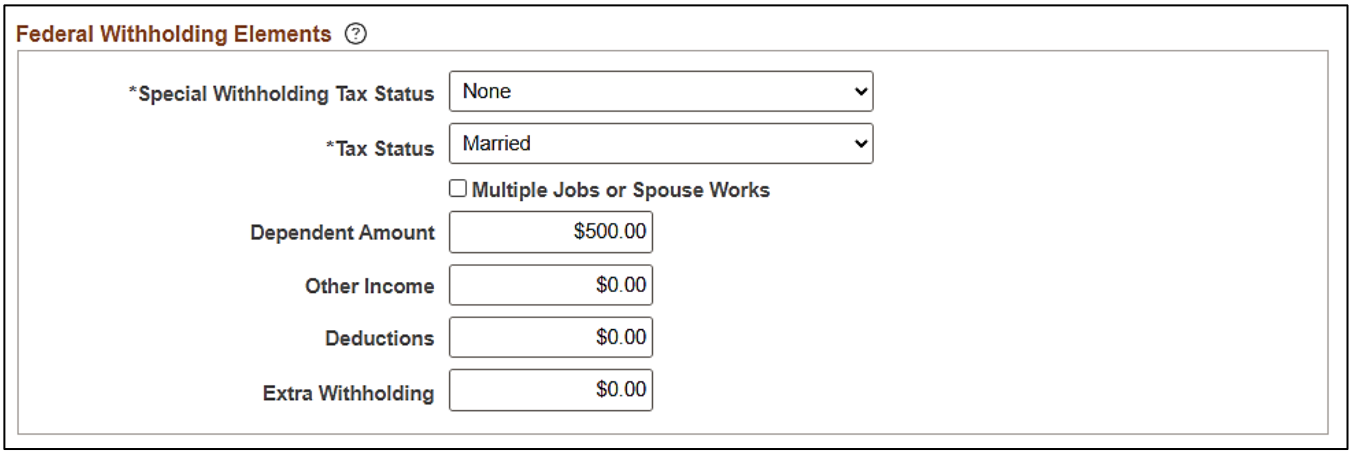
State Tax Data page

Local Tax Data page

Federal Tax Data Page

There are various fields that can be updated on the **Federal Tax Data** page when a new W-4 is received. The following screenshots and tables provide a brief description of each field (by section) along with other important information regarding whether updates can be made.

Federal Withholding Elements section screenshot:

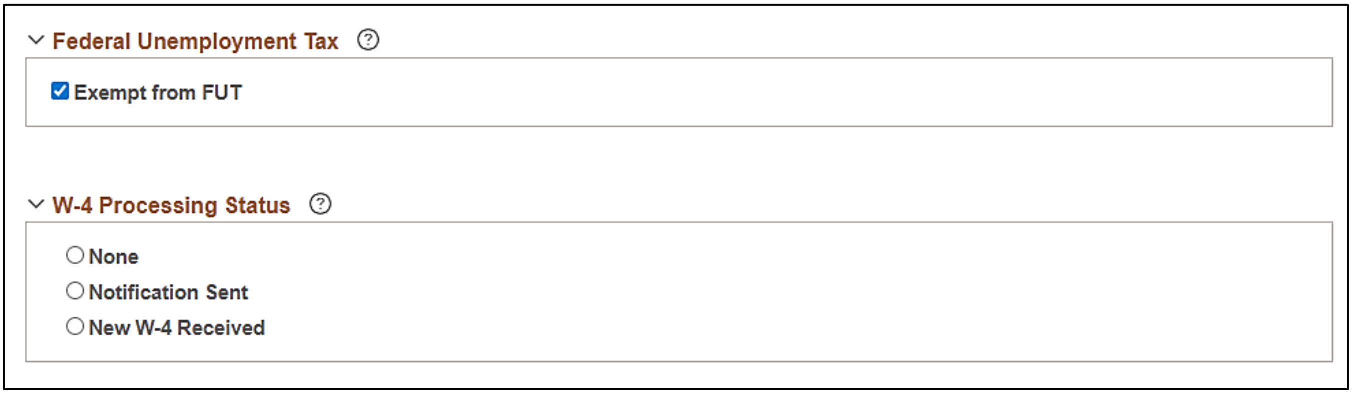


Federal Withholding Elements fields:

Field	Required	Description	Comments
Special Withholding Tax Status	Y	Identifies whether the employee has a Special Withholding Tax Status. Options include: • None • Maintain Taxable Gross (select this option when an employee is Exempt from withholding) • No taxable gross; no tax taken (Not used in Cardinal) • Nonresident alien	Pre-populates based on the previous row. Update as needed based on the employee's W-4.

Field	Required	Description	Comments
Tax Status	Y	• *Single • Head of Household • Married • Exempt (defaults when Maintain Taxable Gross option is selected in the Special Withholding Tax Status field) ***Note**: If "Nonresident alien" is selected in the **Special Tax Withholding Tax Status** field, the Tax Status must be "Single".	Pre-populates based on the employee's current tax status. Update as needed.
Multiple Jobs or Spouse Works	N	Used to indicate if the employee has multiple jobs or if their spouse works.	Pre-populates based on employee's current tax information. Select or de-select as applicable.
Dependent Amount	N	Used to enter a specific dependent (dollar amount).	Enter amount as applicable based on the W-4.
Other Income	N	Used to enter an additional income amount for the employee.	Enter amount as applicable based on the W-4.
Deductions	N	Used to enter the total deductions amount for the employee.	Enter amount as applicable based on the W-4.
Extra Withholding	N	Used to enter the total extra withholding amount elected by the employee.	Enter amount as applicable based on the W-4.

Federal Unemployment Tax and **W-4 Processing Status** sections

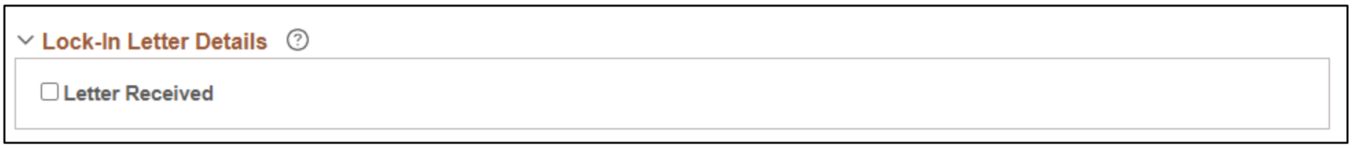


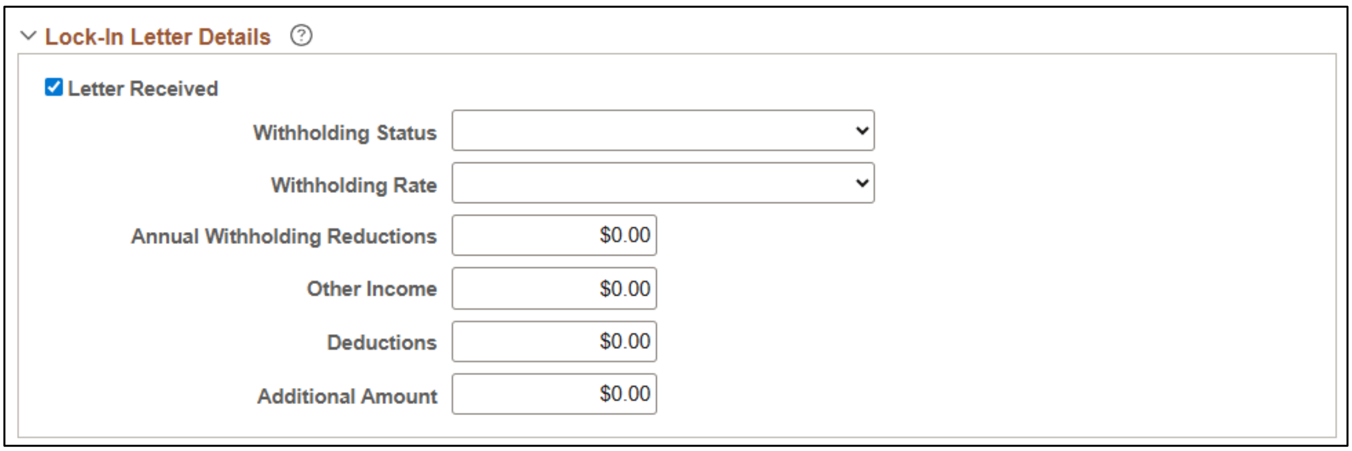
Federal Unemployment Tax and **W-4 Processing Status** fields:

Field	Required	Description	Comments
Exempt from FUT	N	Used to indicate if the employee is exempt from Federal Unemployment Tax.	Defaults as selected. Do not change.
W-4 Processing Status	N	Used to denote the reason for the updates being made.	Select the applicable radio button option: • None • Notification Sent • New W-4 Received

Lock-In Letter Details section

This section is only used when the IRS has sent a Lock-In Letter for an employee. When a Lock-In Letter is received, the Letter Received checkbox must be checked and additional fields display. The values noted in the letter must be entered in this section. This locks-in those limits and prevents the employee from making changes in the **Federal Withholding Elements** section based on the table below.





Lock-In Letter fields:

Lock-In Letter Field	Description	Field impacted in the Federal Withholding Elements Section
Letter Received	Check this box to indicate that a lock-in letter was received.	
Withholding Status	Prevents the employee Tax Status from being changed to a different value than what is displayed in this field.	Tax Status
Withholding Rate	Prevents the employee special withholding tax status from being changed to a value different value than what is displayed in this field.	Special Withholding Tax Status
Annual Withholding Reductions	Prevents a dependent amount from entered that is less than the value of this field.	Dependent Amount

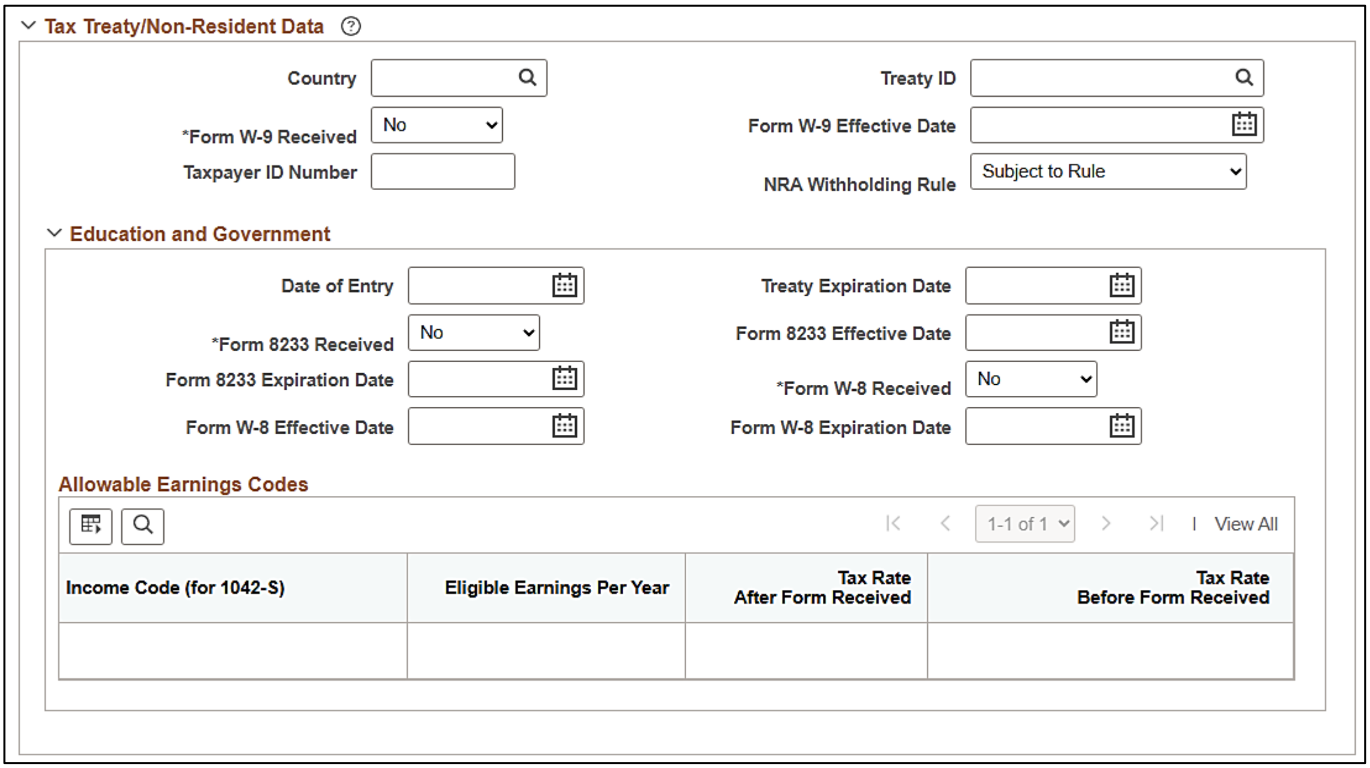
Lock-In Letter Field	Description	Field impacted in the Federal Withholding Elements Section
Other Income	Prevents other income from being entered that is less than the value of this field.	Other Income
Deductions	Prevents an amount from being entered that is greater than the value in this field.	Deductions
Additional Amount	Prevents an amount from being entered that is less than the value of this field.	Extra Withholding

State Tax Options section

This section is not being utilized in Cardinal.

Tax Treaty/Non-Resident Data section

The **TaxTreaty/Non-Resident Data** section is <u>only completed</u> when the **Special Withholding Tax Status** field has a status of "Nonresident alien". Otherwise, do not make any entries in this section.



Field	Required	Description	Comments
Country	Y	Used to select the appropriate country.	If the country listed on the W-4 is not listed in the lookup for this field, the Agency must contact State Payroll Operations (SPO) and request that it is added. **Note**: This section cannot be completed until SPO notifies the Agency that the request has been completed.

Field	Required	Description	Comments
Treaty ID	Y	Select “No Treaty” for any country selected.	
Form W-9 Received	Y	Defaults to “No”.	Do not change the default value.
Treaty Expiration Date	Y	Defaults to a date that is one year from the Effective Date.	Do not change the value that defaults in this field. **Note**: The Payroll Administrator will need to keep track of the expiration date and obtain a new W-4 form from the employee each year.
Form 8233 Received	Y	Defaults to “No”	Do not change the default value.

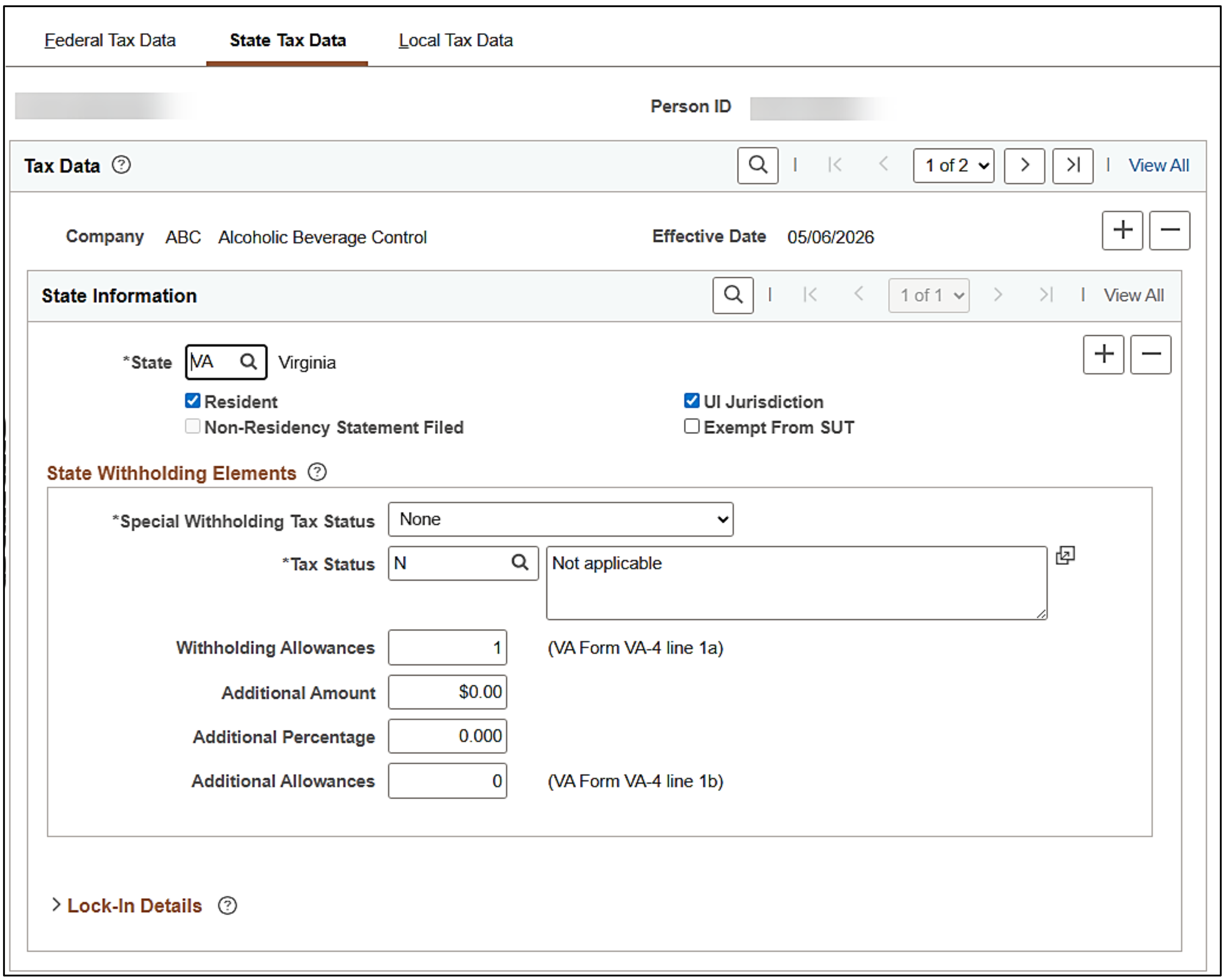
Once all required updates are made, click the **Save** button.

State Tax Data Page

The **Effective Date** field defaults based on the previous selection on the **Federal Tax Data** page.

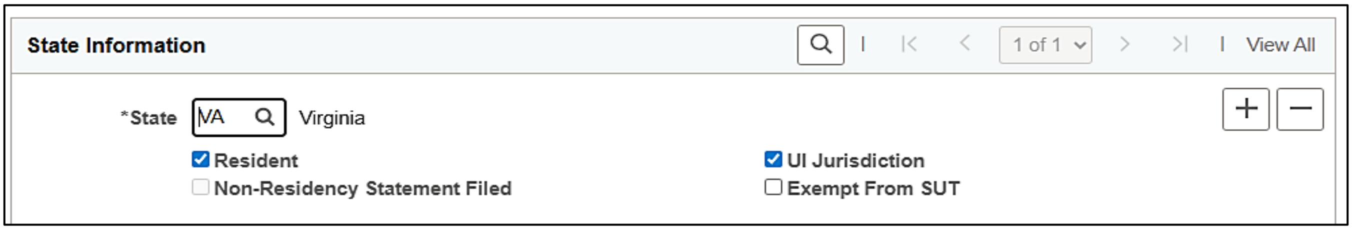
If a different effective date needs to be applied for the employee's state tax information:

- Add a new row on the **Federal Tax Data** page.
- Click the **State Tax Data** tab.
- Make the applicable updates on the **State Tax Data** page.
- Click the **Save** button.



There are various fields that can be updated on the **State Tax Data** page when a new State W-4 form is received. The following screenshots and tables provide a brief description of each field (by section) along with other important information regarding whether updates can be made.

State Information section screenshot:



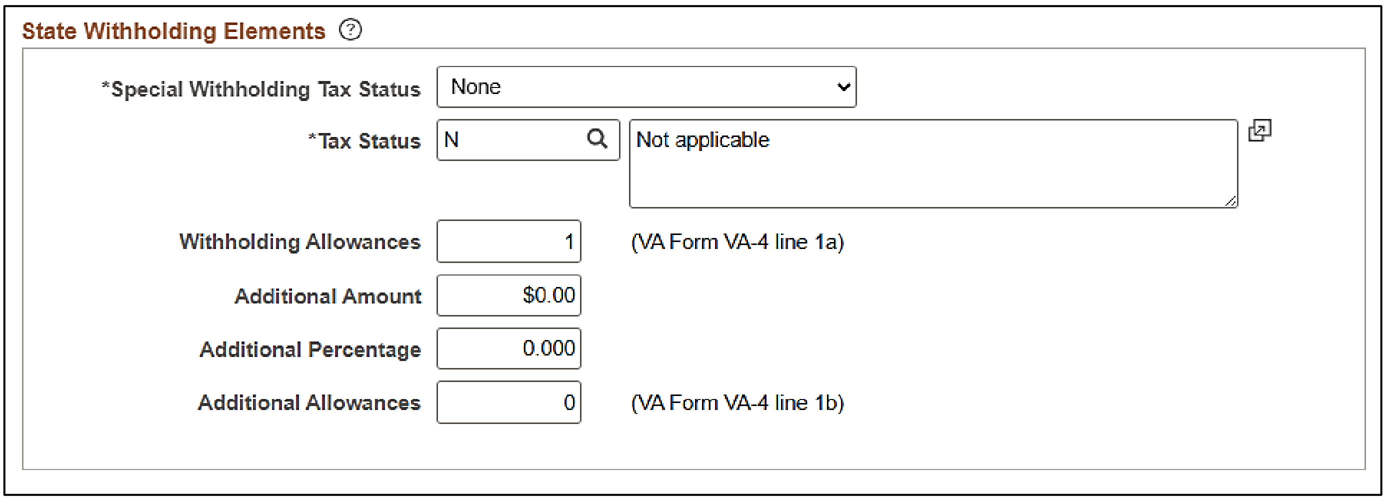
State Information fields:

Field	Required	Description	Comments
State	Y	Used to select the applicable State.	Originally populates based on the **Tax Location Code** field in Job Data. Pre-populates based on the previous row. Update as needed using the **Look up** icon. **Note**: If State Tax Information needs to be added for an employee for an additional State, click the **Add a New Row** icon within the **State Information** section.
*Resident	N	Used to denote the employee's State residence.	Populates based on the **Tax Location Code** field in Job Data. Update as needed. See note below this table.
*UI Jurisdiction	Y	Used to denote what State the employee works in. This is based on the employees Tax Location.	Populates based on the **Tax Location Code** field in Job Data. Update as needed. See note below this table.
Non-Residency Statement Filed	N	Used to denote whether the employee has filed a Non-Residency Statement for the State.	Pre-populates based on the previous row. Update as needed.
Exempt from SUT	N	Used to indicate if the employee is exempt from State Unemployment Tax (SUT).	Defaults as unchecked. **Note**: For employees of VA, it should not be checked. This should only be checked if the employee is known to be exempt from SUT.

***Note**: If the **Tax Location Code** field is changed on the **Job Data** page, then a new effective dated row is added (with the same effective date from Job Data) on the employee's tax record even if the Resident and UI Jurisdiction does not change.

The HR Administrator should notify the Payroll Administrator when making any updates to the **Tax Location Code** field. The Payroll Administrator will review to verify that the Tax Location Code does not impact the appropriate Resident status set up for the employee and update if necessary.

State Withholding Elements section screenshot:


State Withholding Elements

*Special Withholding Tax Status: None

*Tax Status: N — Not applicable

Withholding Allowances: 1 (VA Form VA-4 line 1a)

Additional Amount: $0.00

Additional Percentage: 0.000

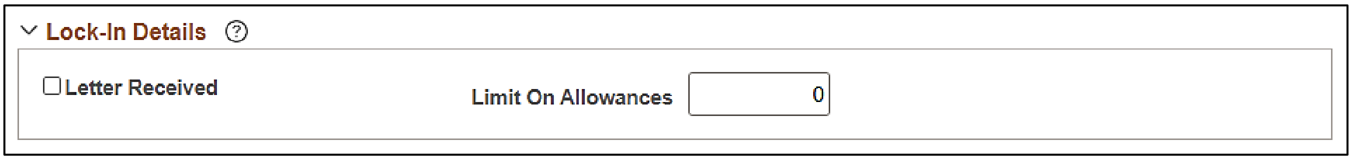
Additional Allowances: 0 (VA Form VA-4 line 1b)

State Withholding Elements fields:

Field	Required	Description	Comments
Special Withholding Tax Status	Y	Identifies whether the employee has a Special Withholding Tax Status.	Pre-populates based on the previous row. Update as needed based on the employee's State W-4.
Tax Status	Y	Used to denote whether the employee is claiming a withholding (Married). **X** = Claiming exemption from withholding **N** = Not applicable	Pre-populates based on the previous row. Update as needed.

Field	Required	Description	Comments
Withholding Allowances	N	Denotes the number of withholding allowances the employee is claiming.	Enter the number of withholding allowances as applicable based on the State W-4 form. **Note**: The number entered here cannot exceed the maximum number in the Lock-In Letter as applicable.
Additional Amount	N	Used to enter an additional amount that the employee is electing to pay.	Enter as a dollar amount when applicable.
Additional Percentage	N	Used to enter an additional percentage that the employee is electing to pay.	Enter as a percentage when applicable.
Additional Allowances	N	Used to enter the number of additional allowances the employee is claiming.	Enter the number of additional allowances as applicable based on the State W-4 form. **Note**: The total number entered in this field and the **Withholding Allowances** field cannot exceed the maximum number in the Lock-In Letter as applicable.

Lock-In Details section



Lock-in Details fields:

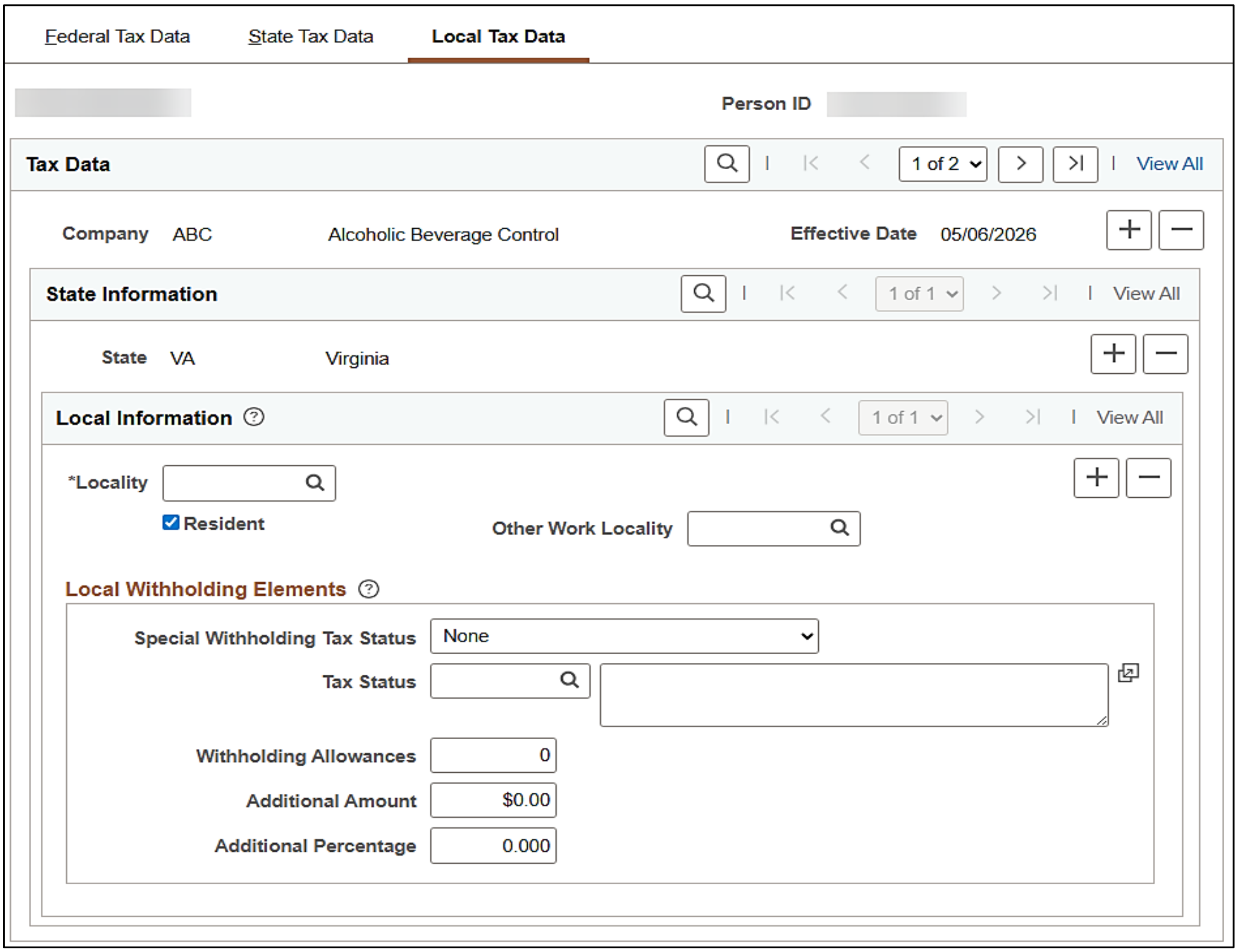
Field	Required	Description	Comments
Lock-In Letter Details: Letter Received	N	Used to denote whether a Lock-In Letter has been sent by the State for the employee. When received, this letter locks-in a limit on Allowances for the employee.	Select this checkbox option as applicable if a Lock-In Letter is received for the employee.
Lock-In Letter Details: Limit on Allowances	N	Used to enter the limit number of Allowances when a Lock-In Letter is received for the employee.	Enter the maximum number of allowances for the employee as applicable.

Once all required updates are made, click the **Save** button.

Local Tax Data Page

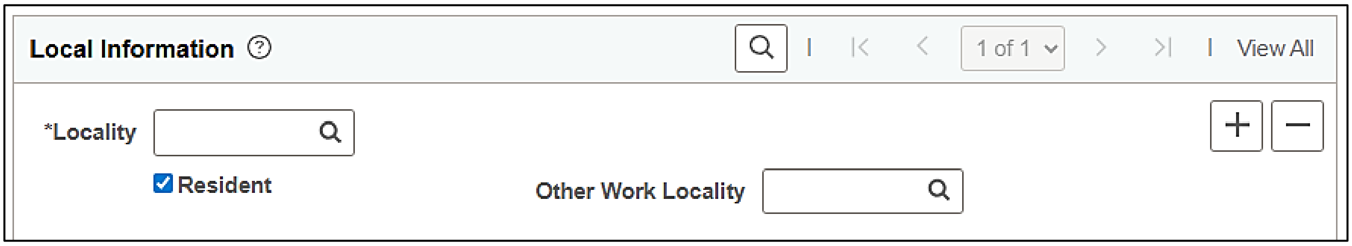
The **Effective Date** field defaults based on the previous selection on the **Federal Tax Data** page. If a different effective date needs to be applied for the employee's local tax information:

- Add a new row on the **Federal Tax Data** page.
- Click the **Local Tax Data** tab.
- Make the applicable updates on the **Local Tax Data** page.
- Click the **Save** button.



There are various fields that can be updated on the **Local Tax Data** when a new form is received. The following screenshots and tables provide a brief description of each field (by section) along with other important information regarding whether updates can be made.

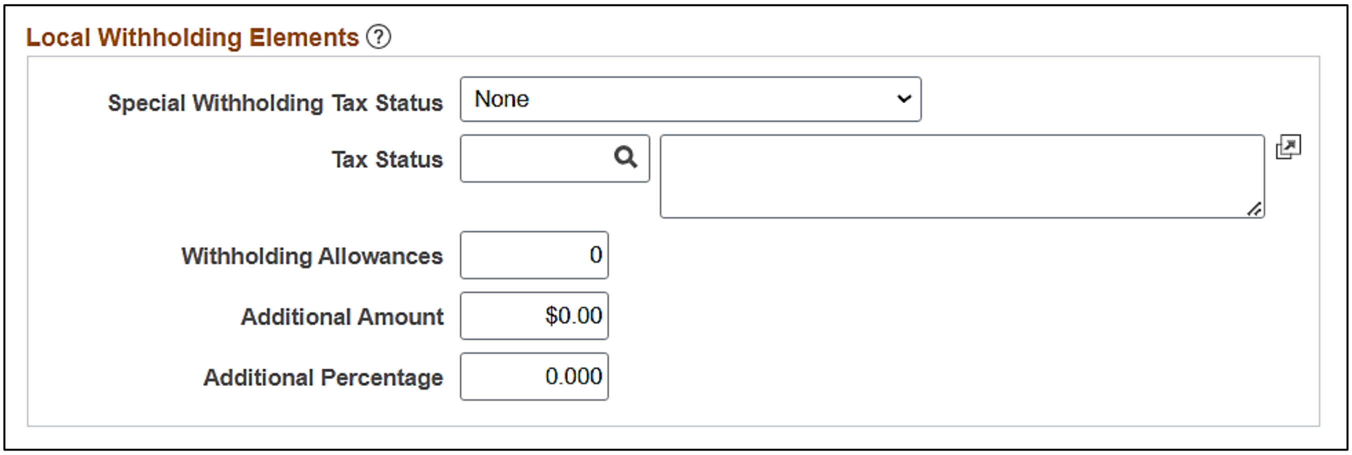
Local Information section screenshot:



Local Information fields:

Field	Required	Description	Comments
Locality	Y	Used to select the applicable Locality	Pre-populates based on the previous row. Update as needed using the **Look Up** icon. **Note**: If Local Tax Information needs to be added for an employee for an additional Locality, click the **Add a New Row** icon within the **Local Information** section.
Other Work Locality	N	Used to select another work locality when the employee has more than one work tax for a given locality. The entry in this field is used to link to another local work tax code.	When this field is populated, a new row must be inserted in the **Local Information** section to add that Locality information.
Resident	N	Used to denote whether the employee is a resident of the Locality	Pre-populates based on the previous row. Update as needed

Local Withholding Elements section screenshot:

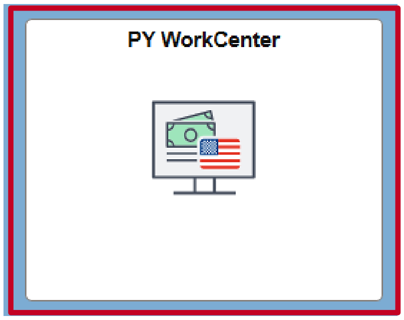


Local Withholding Elements fields:

Field	Required	Description	Comments
Special Withholding Tax Status	N	Identifies whether the employee has a Special Withholding Tax Status	Pre-populates based on the previous row. Update as needed based on the employee's form
Tax Status	N	Used to denote whether the employee is claiming a withholding (Married) **X** = Claiming exemption from withholding **N** = Not applicable	Pre-populates based on the previous row. Update as needed
Withholding Allowances	N	Denotes the number of withholding allowances the employee is claiming	Enter the number of withholding allowances as applicable based on the employee's form
Additional Amount	N	Used to enter an additional amount that the employee is electing to pay	Enter as a dollar amount when applicable
Additional Percentage	N	Used to enter an additional percentage that the employee is electing to pay	Enter as a percentage when applicable

Once all required updates are made, click the **Save** button.

Updating Tax Distribution Information

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1.</td><td>Navigate to the Update Tax Distribution page by clicking the PY WorkCenter tile.

</td></tr>
<tr><td></td><td>For information about WorkCenters, see the Job Aid titled Overview of the Cardinal HCM WorkCenters located on the Cardinal website in Job Aids under Learning.</td></tr>
<tr><td>2.</td><td>Use the following navigation path in the WorkCenter: Links > Employee Data Maintenance > Employee Tax Distribution
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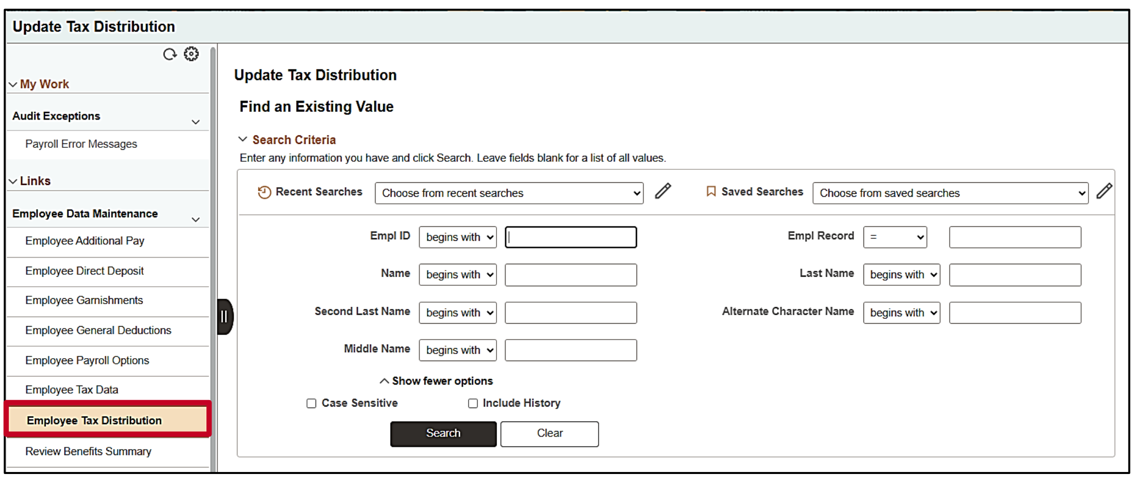
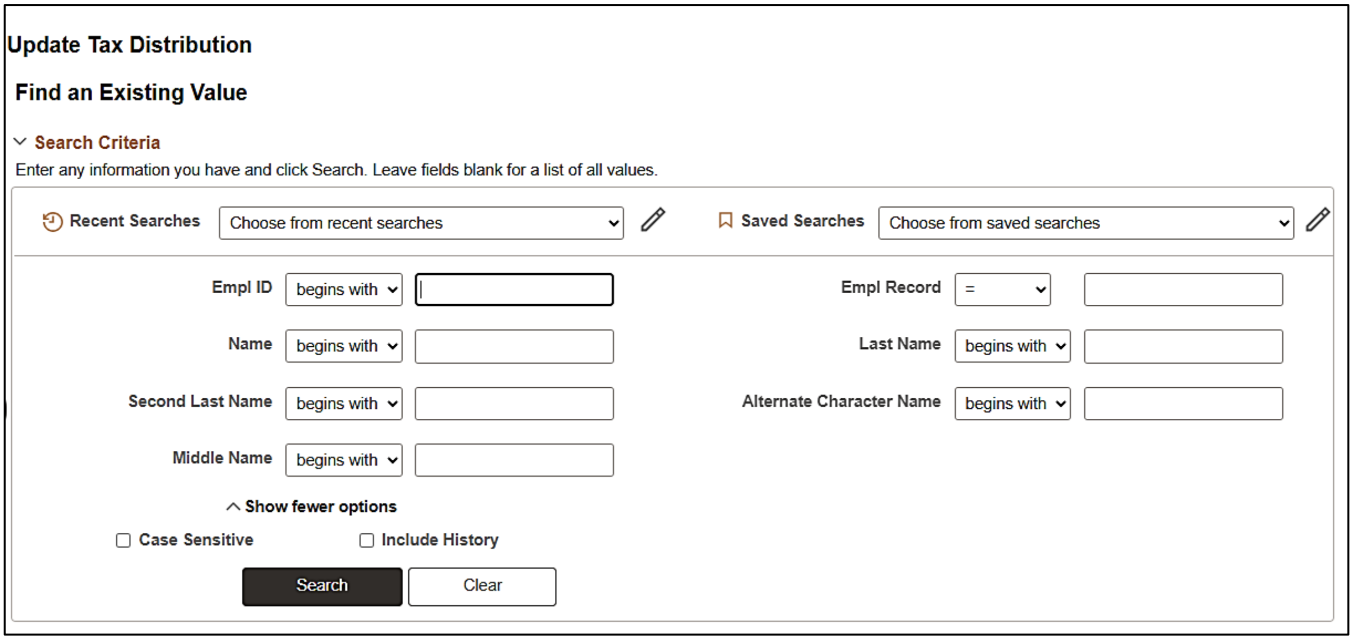
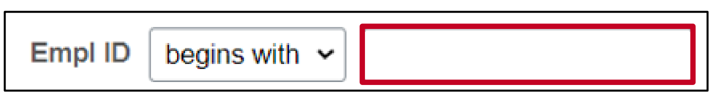
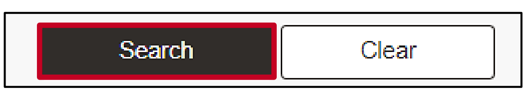
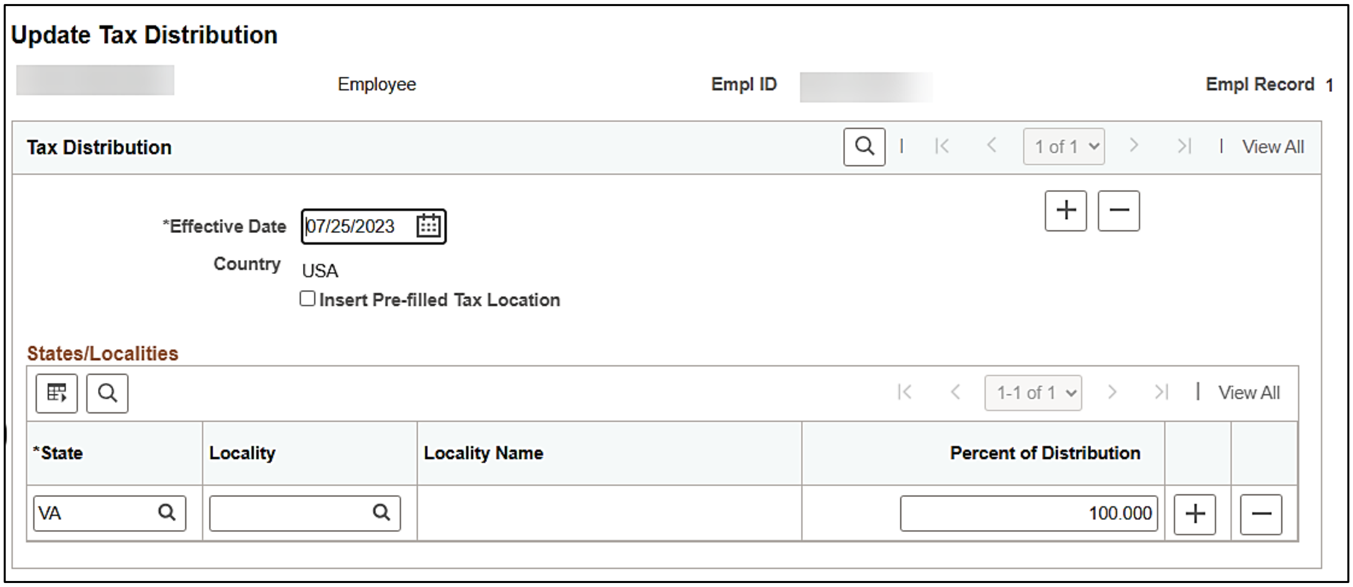

</td></tr>
<tr><td></td><td>Users can also access the Update Tax Distribution page using the following navigation path:
NavBar > Menu > Payroll for North America > Employee Pay Data USA > Tax Information > Update Tax Distribution</td></tr>
</table>

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td colspan="2">The Update Tax Distribution Find an Existing Value Search page displays.

</td></tr>
<tr><td></td><td>For more information pertaining to the Cardinal HCM Search pages, refer to the Job Aid titled Overview of the Cardinal HCM Search Pages. This Job Aid is located on the Cardinal website in Job Aids under Learning.</td></tr>
<tr><td>3.</td><td>Enter the employee's Employee ID in the Empl ID field.

Note: Users can also search for the applicable employee using the various Name fields if the Employee ID is not known. However, it is recommended to use the Employee ID as every employee will have a unique Employee ID.

</td></tr>
<tr><td>4.</td><td>Click the Search button.

</td></tr>
</table>

Step	Action

The **Update Tax Distribution** page displays.

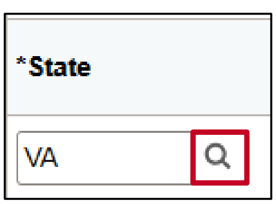


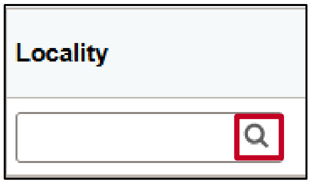
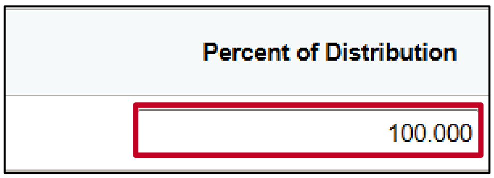
The information on this page defaults based on the employee's tax location (defined on the Job Record). If the **Tax Location Code** field is changed on the employee's Job Data, a new effective dated row is added (with that same effective date from Job Data) on the employee's tax distribution page even if the State does not change.

If an employee has two jobs within the same company, there will be two tax distribution records, one for each employee record.

The Tax Distribution for a Salaried employee can be split across multiple states but must equal 100%. The **Tax Data** page and **Tax Distribution** page must reflect the same effective date. Hourly employees cannot be split across multiple states.

5. Review the **State** field to confirm that it displays the state in which the employee works. If this field needs to be updated, use the **Look up** icon to select the correct state.



Step	Action
6.	Review the **Locality** field. This field indicates the taxing locality as applicable for the state in which the employee works. If this field is incorrect, using the **Look up** icon to select the appropriate locality. 
7.	Review the **Percent Distribution** field. This value should always display as **100.00**. If this field is incorrect, remove any entries and enter **100.00**. 
8.	Click the **Save** button to save any changes.