



Santa Clara County Office of Education

Jon R. Gundry  
County Superintendent of Schools

# Informational Bulletin

For Santa Clara County Districts

## District Business & Advisory Services

Kolvira Chheng, Director - DBAS: 408-453-6510

Bulletin: 15-007

Date: August 12, 2014

To: District Chief Business Officers  
District Fiscal Directors  
Human Resource/Payroll Personnels

From: Nghia Do, Advisor

Re: Additional Federal Income Tax (FIT) and State Income Tax (SIT) Incorrectly Set-up in Employees' W-4 Screen

The purpose of this bulletin is to make you aware of an issue associated with setting up additional amounts for FIT and SIT to be taken out from employees' normal gross pay.

An employee who chooses to have additional amounts of FIT and SIT to be taken out of his/her normal gross pay should always be set up as deductions in the employee's PD screen using the following Vol Ded codes:

- 8600 (Excess State Tax)
- 8700 (Excess Federal Tax)

<input type="checkbox"/> Edit Ded <input type="checkbox"/> Add Ded <input type="checkbox"/> Copy Ded <input type="checkbox"/> Copy Selected <input type="checkbox"/> Delete Ded <input type="checkbox"/> Reset Ded <input type="checkbox"/> Delete All <input type="checkbox"/> Reset All <input type="checkbox"/> Hold All Ded														
Ln	DS	Code	Code Name	Plan	Employee	Employer	T	RL	B	F	S	vb	Minimum	Maximum
1	12	8700	EXCESS FEDERAL TAX		50.00	0.00							0.00	0.00
2	12	8600	EXCESS STATE TAX		50.00	0.00							0.00	0.00

Please do not use the additional taxes field in the W-4 screen to set up for the additional amounts of FIT and SIT to be deducted. This causes the tax liability to be posted to different object codes other than the ones used for the state and federal taxes. As a result, there is a shortage in the payment to the Internal Revenue Services (IRS) and the California State Board of Equalization (BOE), which will result in penalties and interests (Please refer to page 22 of Payroll/Retirement Handout for more details).

Please note that Districts will be responsible for paying any penalty and interest assessed by the IRS and the BOE for incorrectly using the W-4 screen as illustrated below to deduct additional amounts of FIT and SIT from an employee's normal gross pay.

EXEMPT														
Status	Exemptions	Tax-CC	Y	A	N	Special Tax P/ten	Additional	Hold/Ignore	Deduction Schedule					
Federal:	5	02 00	00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0.00	<input checked="" type="checkbox"/> 50.00						
State:	5	02 00	05	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0.00	<input checked="" type="checkbox"/> 50.00						
County:				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>								

Please distribute this information within your District as deemed appropriate.



Santa Clara County Office of Education

Mary Ann Dewan, Ph.D.  
Interim County Superintendent of Schools

## Informational Bulletin

*For Santa Clara County Districts*

### District Business & Advisory Services

Kolvira Chheng: Director- DBAS: 408-453-6510

Bulletin: 15-003

Date: July 29, 2014

To: District Chief Business Officers  
District Fiscal Directors  
Human Resource and Payroll Personnel  
Charter School Administrators

From: Nghia Do, Advisor

Re: Prior Fiscal Year Adjustments/Retro Pays for State Teachers' Retirement System (STRS)

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The purpose of this bulletin is to inform Districts of an issue associated with the STRS' rate change in the QCC system.

Currently, the QCC payroll and retirement modules in 2014-15 are unable to calculate two different rates. If Districts issue earnings and/or make adjustments that belong to a prior fiscal year, the employee and employer contributions for STRS will be calculated using the new rate 8.15% and 8.88% instead of the old rate of 8.00% and 8.25% respectively. This will cause an error when the contributions are posted in STRS because it is calculated using the current STRS rate for the earnings rather than the rate for prior fiscal years.

While waiting for QSS to develop an enhancement to support different STRS rates, we require the following solution:

1. Use VolDed code 8112 in PD screen to refund or collect the contribution difference caused by the rate change for both employee and employer.
2. Provide DBAS staff a list of all employees who have salary adjustments and/or retro pay from prior fiscal year so we can adjust in the QCC retirement module

Please note that the VolDed code 8112 should ONLY be used for this type of situation, where it involves the reporting of prior fiscal years. If you are doing a correction that involves backing out a pay line from a prior fiscal year and re-reporting it due to an incorrect Ret/base, pay code, contribution code or date, you don't have to collect or refund any contributions. DBAS staff will have to adjust the rate and contributions on the final report.

If you need further assistance, please contact DBAS accounting specialist for your District

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