

September 2024

Processing Out-of-State Employees in HRMS

Agenda

- OFM project overview
- Manual vs automated tax processing
- Data definitions
- Tax infotypes
- Separations and Transfers between agencies
- Paying and reporting OOS taxes
- Example scenarios
- Moving from manual to automated tax processing
- Resources



OFM Presenters

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- **Statewide
Payroll
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- **HR
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- **IT
App
Developer**

OFM Project Goals

- Where able, provide resources to agencies for consistent application of other state laws and regulations.
 - ✓ Provided access to Thomson Reuters Check Point for state tax law research.
 - ✓ Maintain current online resources on OFM website and HRMS Support Hub.
- Configure HRMS address fields for enhanced tracking of out-of-state workers.
 - ✓ Increased data integrity for tracking and reporting where employees are working.
- Configure Oregon and Idaho payroll taxes in HRMS.
 - ✓ Covers most out-of-state employees; 85% of employees with OOS taxes in HRMS are for Oregon and Idaho.





OFM Project Scope

In Scope

- Enhance HRMS functionality to allow for more automated processing of taxes for Oregon and Idaho.

Out of Scope

- Agency policies and processes for out-of-state work
- Other states' laws, rules, policies, or processes
- Identifying tax liability or responsibility
- Higher education institutions and other state agencies that don't use HRMS



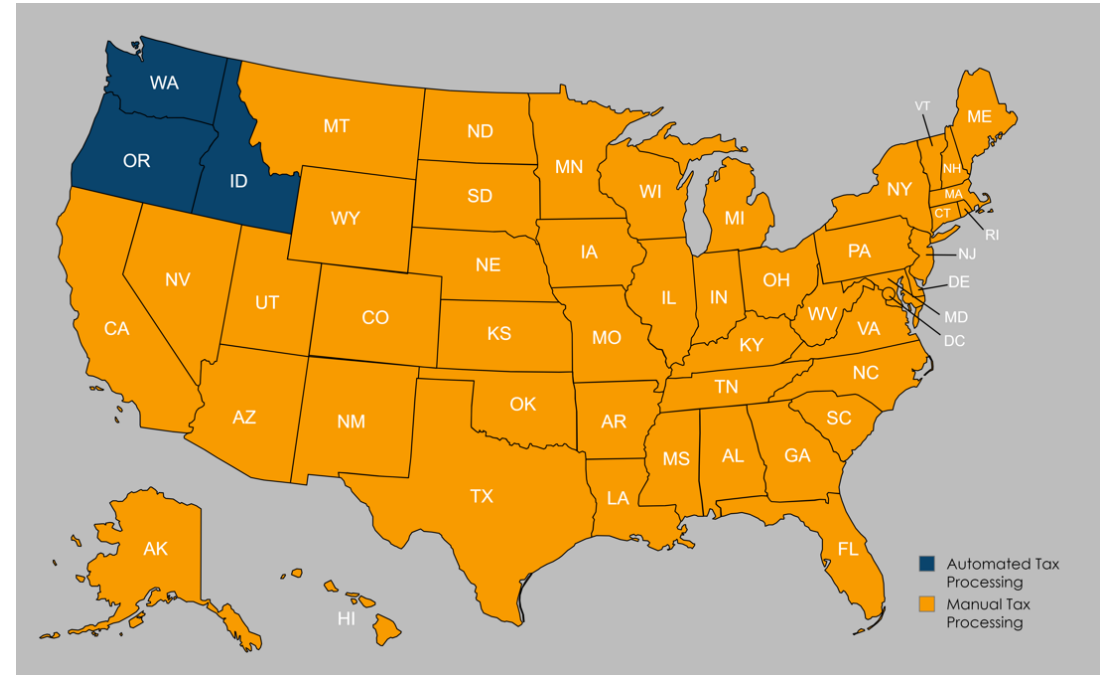
OFM Project Highlights

HRMS configuration of automated tax processing for Oregon and Idaho includes:

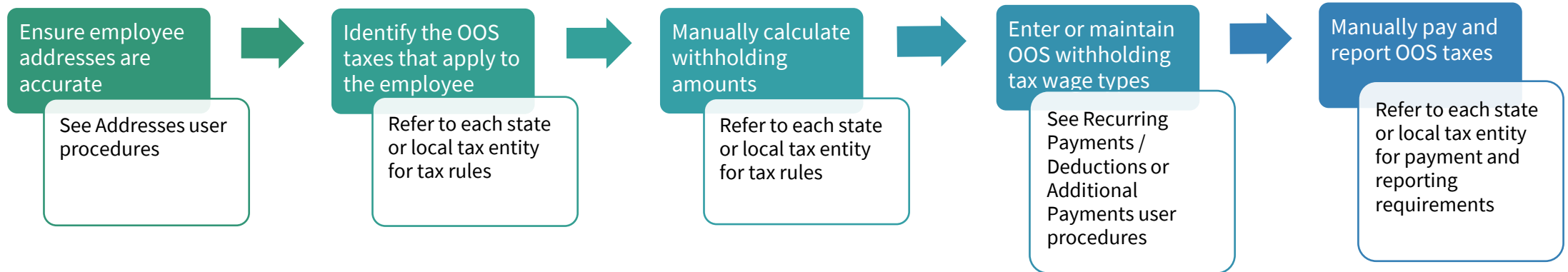
- 14 new tax types (12 for Oregon and 2 for Idaho)
- New tax infotypes and changes to existing tax infotypes
- New and revised reports
- New and revised resources
- Employees will remain with existing tax configuration until agencies take action to update each employee's tax infotypes.
- HRMS is configured assuming that all Washington state agency employers will be reimbursing employers for Oregon and Idaho unemployment insurance. Meaning no taxes will be collected, but wages will be accumulated for reporting.
- HRMS is configured assuming workers compensation is covered in the same state as unemployment insurance. If workers comp is covered in a different state, then manual processing may be required.

Manual Tax Processing

HRMS is configured to systematically process Federal, Idaho, Oregon, and Washington taxes. All other states' taxes will continue to be processed manually by agencies.



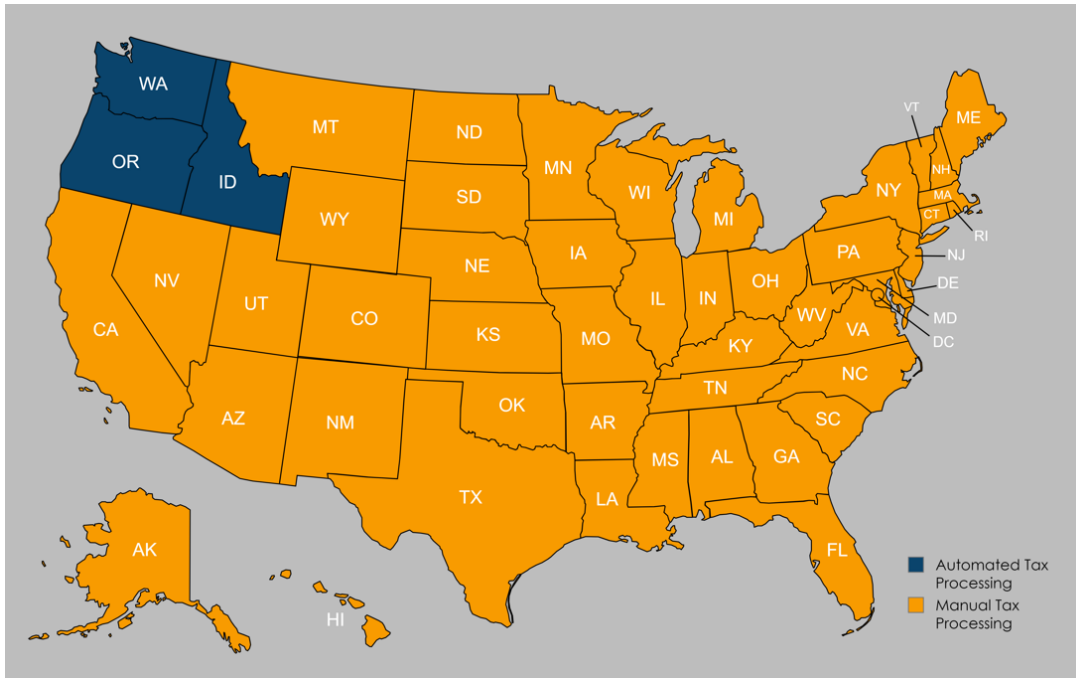
Manual Tax Processing



Manual Tax Processing

- Agencies need to manually calculate employee taxes and enter those amounts in HRMS using the established out-of-state withholding tax wage types. Refer to:
 - [Recurring Payments/Deductions](#) user procedure
 - [Additional Payments](#) user procedure
 - [HRMS Other State Tax Wage Types spreadsheet](#)
- To include the other state's taxes on the employee's Form W-2, submit the agency's employer ID number, obtained from the other state's tax entity, to the OFM Helpdesk at HereToHelp@ofm.wa.gov. Refer to:
 - The laws in each state for their reporting requirements.
 - [Employer State ID Form](#)

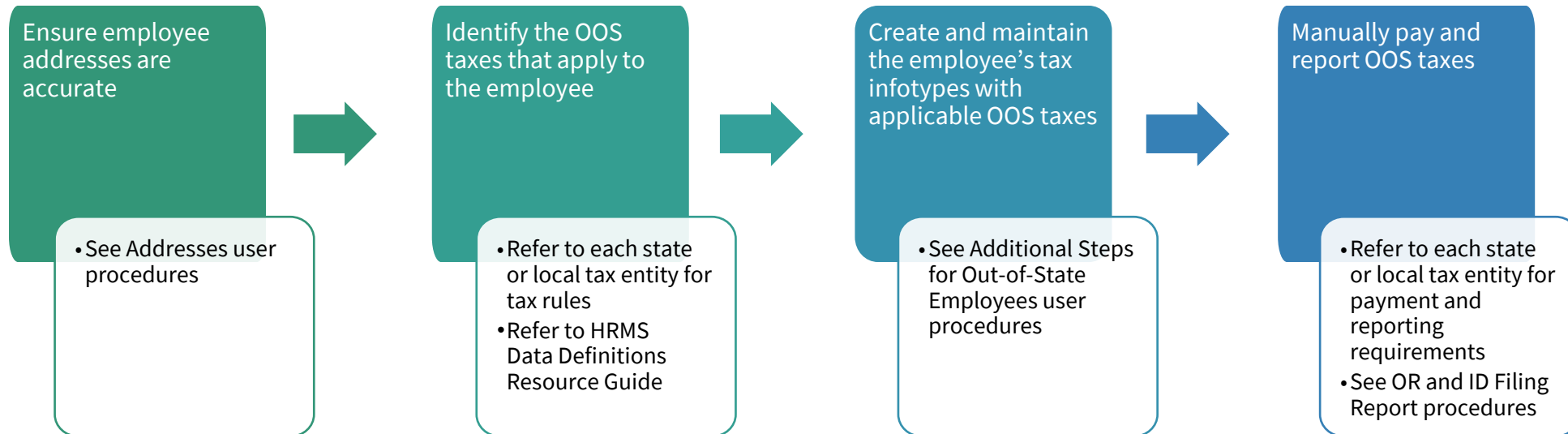
Automated Tax Processing



HRMS is configured to systematically process Federal, Idaho, Oregon, and Washington taxes.

Agencies are responsible for determining which taxes apply to which employees and setting up the employee so that the applicable taxes are collected in HRMS.

Automated Tax Processing in HRMS



Data Definitions

- Employer Identification Number
- Tax Company
- Tax Area
- Tax Authority
- Tax Type
- Address Type
 - Permanent Residence
 - Out of State Work Location





Employer Identification Number

Definition: a unique number assigned to an employer by a tax entity upon registering as an employer in that jurisdiction.

- May also be referred to as business identification number or tax identification number.
- Each agency must work directly with any state or local tax entity for which they collect or pay taxes to obtain an employer ID number.
- EINs are added to HRMS and are necessary for automated tax processing.



Tax Company

Definition: a legal entity for tax reporting purposes.

- Tax companies are assigned to combinations of personnel areas and personnel subareas in HRMS.
- An agency may have one or more tax companies.
- Tax companies can be assigned employer identification numbers in HRMS for each applicable tax authority and tax type.
- Having EINs assigned to tax companies is necessary:
 - Prior to beginning system automated tax collection.
 - When manually collecting out-of-state taxes and the agency would like to have the state's tax information listed on the employee's form W-2.



Tax Area

Definition: A set of tax authorities that levy taxes upon an employee and/or employer.

- The tax area identifies the tax authorities and subsequent tax types that apply to the employee based on where they live and work.
- The tax area may consist of a combination of federal, state, or local tax authorities.
 - Example: Portland Tri-met Authority (OR01) tax area will include Oregon (OR), and Portland Tri-met Authority (OR01) tax authorities.
- Prior to setting a tax area for an employee, the employee's tax company must be configured with an EIN.

Tax Authority

Definition: Identifies the tax authority; a government agency authorized to levy taxes upon employees and/or employers.

- Tax authority is linked to each of the tax types. A tax type may have one or more tax authorities.
 - Example: Withholding Tax (001) tax type has Federal (FED), Idaho (ID), and Oregon (OR) tax authorities.
- On some infotypes, processors will enter a tax area which will determine the tax authorities. On other infotypes, processors will directly enter a tax authority.
- Prior to setting a tax authority for an employee, the employee's tax company must be configured with an EIN.



Tax Type

Definition: Identifies the type of tax levied upon an employee or employer by a tax authority.

- Each tax type generates tax wage types used for tax collection and wages accumulation.
 - Example: Withholding (001) generates /301, /401, /601, /701
- Tax types are “turned on” based on the tax area and tax authority selections entered on various tax infotypes in HRMS.
- All tax types configured in HRMS are set to apply to all employees once assigned, unless systematically excluded or manually exempted.



Address Type

Definition: Identifies the type of address entered for an employee.

- **Permanent residence (1):** The physical address of the employee's permanent residence; typically, their primary domicile.
- **Mailing address (5):** The address where the employee receives mail if different than their permanent residence address.
- **Out of State Work Location (9):** The physical address where the employee is working when they have been approved to work outside of Washington.

Employee Addresses – Permanent Residence

- The permanent residence record should reflect the physical address of the employee’s permanent residence; typically, their primary domicile.
 - Agency HR offices may make exceptions if the employee does not have a physical address.
- The permanent residence address is used when creating a Residence Tax Area (0207) infotype record.
- The permanent residence record requires a 2-digit county code. If an out-of-state address is entered, the county code should be entered as Out of State (40).
- HRMS does not support out of country addresses for permanent residence (and mailing address) records.



Employee Addresses – Permanent Residence

- It is important that employers know where their employees are living.
- Employees can update their permanent residence address record on the My Addresses tile in MyPortal.
- Employees must notify their employer of an address change when the move affects benefits availability, tax liability, or when specified in agency policy.
- Consider developing a business process to monitor for address changes made by employees in MyPortal – an employee updating MyPortal is not considered employer notification of address change.



Employee Addresses – Out of State Work Location

- It is important that employers know (and approve) where their employees are working, and it becomes even more important when that work takes place in other states.
- All employees who have been approved to work outside of the state of Washington require an Out of State Work Location address record.
 - This applies to all employees working outside of Washington, not just those in Oregon or Idaho.
- Ensure you have a process in place to maintain this address record as an employee's work/telework location changes.



Employee Addresses – Out of State Work Location

- The out-of-state work location record should reflect the physical address where the employee is working when they have been approved to work outside of Washington.
- If the employee is working out-of-state at their permanent residence, then that address should be entered under both the Permanent residence (1) and Out of State Work Location (9) address types.
- The out-of-state work location address is used when creating a Work Tax Area (0208) infotype record.
- The out-of-state work location record requires a 3-digit county code.
- The out-of-state work location address is the only address type in HRMS that will support an out-of-country address.



Tax Infotypes

- Residence Tax Area (0207)
- Work Tax Area (0208)
- Unemployment State (0209)
- Withholding Info W4/W5 US (0210)
- Add. Withh. Info. US (0234)
- Other Taxes US (0235)



Tax Infotypes

Infotypes that “turn on” taxes:

Residence Tax Area (0207)

Work Tax Area (0208)

Unemployment State (0209)

Tax Infotypes

Tax Description	Tax Authority	Controlling Infotype
Federal Income Tax Federal Medicare Taxes Federal Social Security Taxes	Federal (FED)	Residence Tax Area (0207)
Idaho Income Tax	Idaho (ID)	Residence Tax Area (0207) and Work Tax Area (0208)
Idaho Unemployment Insurance	Idaho (ID)	Unemployment State (0209)
Oregon Income Tax Oregon Statewide Transit Tax	Oregon (OR)	Residence Tax Area (0207) and Work Tax Area (0208)
Oregon Paid Leave Oregon Unemployment Insurance Oregon Workers Compensation	Oregon (OR)	Unemployment State (0209)
Oregon Local Transit Taxes	City of Canby (OR06) Eugene-Springfield Ltd Auth. (OR02) Portland Tri-met Authority (OR01) Sandy Transit System (OR05) Wilsonville Transit District (OR04)	Work Tax Area (0208)
Washington Long Term Care / WA Cares Washington Paid Family & Medical Leave Washington Unemployment Insurance Washington Workers Compensation	Washington (WA)	Unemployment State (0209)

Residence Tax Area (0207)

The Residence Tax Area (0207) infotype is used to identify the tax area and tax authorities applicable to the employee based on where they live/reside.

- This infotype is automatically created during a new hire action and defaults to Washington (WA).
- An active record is required for payroll to process.
- When creating a new record, HRMS will suggest a tax area based on the employee's permanent residence address entered on the Addresses (0006) infotype.
 - Processors can set a different residence tax area if the default value is not correct.

- Prior to setting a tax area for an employee, the employee's tax company must be configured with an EIN.
- Residence-based taxes are assessed when wages are paid. The effective dates of this infotype should reflect actual check dates.

Resident Data

Tax area State of Oregon

Tax Authorities in Area

Tax Auth.	Tax Authority Name	Tax Level	Description
FED	Federal	A	Federal
OR	Oregon	B	State

Residence Tax Areas

Tax Area	Tax Authority	Tax Type
State of Idaho (ID)	Federal (FED)	Withholding Tax (001) Employee Social Security Tax (003) Employer Social Security Tax (004) Employee Medicare Tax (005) Employer Medicare Tax (006)
	Idaho (ID)	Withholding Tax (001)
State of Oregon (OR)	Federal (FED)	Withholding Tax (001) Employee Social Security Tax (003) Employer Social Security Tax (004) Employee Medicare Tax (005) Employer Medicare Tax (006)
	Oregon (OR)	Withholding Tax (001) Statewide Transit Tax (096)
State of Washington (WA) *Also use the WA residence tax area for employees residing in a state other than WA, OR, or ID to turn on federal taxes and then manually collect any additional residency-based taxes.	Federal (FED)	Withholding Tax (001) Employee Social Security Tax (003) Employer Social Security Tax (004) Employee Medicare Tax (005) Employer Medicare Tax (006)
	Washington (WA)	No WA residency-based taxes

Work Tax Area (0208)

The Work Tax Area (0208) infotype is used to identify the tax area and tax authorities applicable to the employee based on where they are working.

- When creating this infotype, HRMS will suggest a tax area based on the employee's out-of-state work location address entered on the Addresses (0006) infotype.
 - Processors can set a different work tax area if the default value is not correct.
- A Work Tax Area (0208) record is needed when an employee is living and/or working in Oregon or Idaho.
 - An active record is not needed for employees living and working in Washington only.

- Work-based taxes are assessed when wages are earned. The effective dates of this infotype should reflect pay period dates.
- If the employee is working in one location, set the Allocation field to 100%.

Work Tax Data			
Tax Area	OR01	Portland Tri-met Authority	
Allocation	100.00	%	
Predominant Tax Area	No	▼	
Source Tax Authority			

Tax Authorities in Area			
Tax Auth.	Tax Authority Name	Tax Level	Description
OR	Oregon	B	State
OR01	Portland Tri-met Authority	F	Other

Work Tax Area (0208)

Employees can have more than one Work Tax Area record, and HRMS will attribute the amount of time worked to each tax area based upon the allocation entered for each.

- If the employee is working in multiple locations consistently, you can calculate the percentage of time spent in each location and enter the percentages in the Allocation field for each location.
- The combined work tax area allocation percentages for an employee must add up to 100%.
- If the employee is working in multiple locations irregularly, you can enter a work tax area override in CATS.
- Do not change the default values for the Predominant Tax Area or Source Tax Authority fields.
- Prior to setting a tax area for an employee, the employee's tax company must be configured with an EIN.

Work Tax Data

Tax Area	OR04	Wilsonville Transit District
Allocation	60.00 %	
Predominant Tax Area	No	
Source Tax Authority		

Tax Authorities in Area

Tax Auth.	Tax Authority Name	Tax Level	Description
OR	Oregon	B	State
OR04	Wilsonville Transit District	F	Other

Work Tax Data

Tax Area	WA	State of Washington
Allocation	40.00 %	
Predominant Tax Area	No	
Source Tax Authority		

Tax Authorities in Area

Tax Auth.	Tax Authority Name	Tax Level	Description
WA	Washington	B	State

CATS Work Tax Area Override

If an employee is working in more than one tax area within the pay period, entries can be made in CATS to override the employee's Work Tax Area (0208) infotype record. Creating this type of Work Tax Area override may be necessary when the employee is working in a different tax area for a portion of a pay period and entering an allocation split on the employee's Work Tax Area (0208) record is not desired.

- Use the Tax area field in CATS to override the employee's Work Tax Area for various wage types entered.
 - Refer to the HRMS Data Definitions Resource Guide for the list of Work Tax Areas configured in HRMS.
 - The Tax area field is available in both SOW-1 and SOW-2 data entry profiles of the time sheet.
 - Hours entered into CAT2 will automatically transfer from CATS to Employee Remuneration Info (2010) infotype every evening of payroll processing for the current period. If you prefer to immediately transfer the override hours from CATS to Employee Remuneration Info (2010) infotype so the hours are visible on a payroll simulation, complete a Transfer Time Data to HR Time Management (ZCAT6).

Data Entry Area																					
LT	A/AType	Wage Type	Position	Tax area	MU	05/16	05/17	05/18	05/19	05/20	05/21	05/22	05/23	05/24	05/25	05/26	05/27	05/28	05/29	05/30	05/31
					H	8	8	0	0	8	8	8	8	8	0	0	0	8	8	8	8
Σ					H	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<input type="checkbox"/>		1222		OR01	HR					8.0	8.0	8.0	8.0	8.0							
<input type="checkbox"/>																					

Work Tax Areas

Tax Area	Tax Authority	Tax Type
State of Idaho (ID)	Idaho (ID)	Withholding Tax (001)
State of Oregon (OR)	Oregon (OR)	Withholding Tax (001) Statewide Transit Tax (096)
City of Canby Ltd (OR06)	City of Canby Ltd (OR06)	Transit District Excise Tax (035)
	Oregon (OR)	Withholding Tax (001) Statewide Transit Tax (096)
Eugene-Springfield Ltd Auth. (OR02)	Eugene-Springfield Ltd Auth. (OR02)	Transit District Excise Tax (035)
	Oregon (OR)	Withholding Tax (001) Statewide Transit Tax (096)
Portland Tri-met Authority (OR01)	Portland Tri-met Authority (OR01)	Transit District Excise Tax (035)
	Oregon (OR)	Withholding Tax (001) Statewide Transit Tax (096)
Sandy Transit (OR05)	Sandy Transit System (OR05)	Transit District Excise Tax (035)
	Oregon (OR)	Withholding Tax (001) Statewide Transit Tax (096)
Wilsonville Transit District (OR04)	Wilsonville Transit District (OR04)	Transit District Excise Tax (035)
	Oregon (OR)	Withholding Tax (001) Statewide Transit Tax (096)
State of Washington (WA)	Washington (WA)	No WA work-based taxes

Unemployment State (0209)

The Unemployment State (0209) infotype is used to identify the tax authority applicable to the employee based on where their work is localized.

- An active Unemployment State (0209) record is required for payroll to process.
- When the tax authority is set to Washington, the Worksite field should reflect the employee's primary work location.
- When the tax authority is set to Idaho or Oregon, there is only one valid Worksite selection.
- Unemployment taxes are assessed when wages are earned. The effective dates of this infotype should reflect pay period dates.

Unemployment data		
Tax authority	WA	Washington
Worksite	34	Thurston County

Unemployment data		
Tax authority	ID	Idaho
Worksite	01	Idaho Generic

Unemployment State Tax Authorities

Tax Authority	Worksite	Tax Type
Idaho (ID)	Idaho generic	Employer Unemployment Tax (010)
Oregon (OR)	Oregon generic	Employer Unemployment Tax (010) Employer Worker Compensation Tax (030) Employee Worker Compensation Tax (040) EE PFML Tax State Plan (117) ER PFML Tax State Plan (118)
Washington (WA) *For employees whose work is localized in a state other than Washington, Oregon, or Idaho, set their tax authority to Washington, then exempt all WA taxes (on the Other Taxes US (0235) infotype) and manually collect any applicable out-of-state taxes.	Enter the 2-digit county code in Washington, or Out of State (40) or Out of Country (41)	Employer Unemployment Tax (010) Employer Accident Fund Tax (032) Employer Medical Aid Fund Tax (033) Employer Supplemental Pension Tax (034) Employee Supplemental Pension Tax (042) Employee Medical Aid Fund Tax (043) Employee Family Leave Insurance Tax (087) Employee Medical Leave Insurance Tx (099) Employer Medical Leave Insurance Tx (100) WA Cares Fund LTC Tax – EE (113)

Tax Infotypes

Infotypes that set amounts, overrides, and exemptions:

Withholding Info W4/W5 US (0210)

Add. Withh. Info. US (0234)

Other Taxes US (0235)

Withholding Info W4/W5 US (0210)

The Withholding Info W4/W5 US (0210) infotype is used to identify an employee's withholding elections.

- All employees must have a Federal (FED) Withholding Info W4/W5 US (0210) record.
- Create an Oregon (OR) or Idaho (ID) Withholding Info W4/W5 US (0210) record for employees subject to Oregon or Idaho income tax and who have submitted an Oregon or Idaho state form W-4, indicating their elections.
- For employees subject to Oregon or Idaho income tax who do not submit an Oregon or Idaho form W-4, HRMS will withhold based on their Federal (FED) Withholding Info W4/W5 US (0210) record.
 - **It is strongly recommended that employees submit an Oregon or Idaho form W-4 to ensure withholding amounts are correct.**
- A withholding exemption is also entered here, if appropriate.

The screenshot shows the 'Withholding Info W4/W5 US (0210)' form. It is divided into several sections:

- Status:** Tax authority: OR (Oregon), Tax Level: B (State), Filing Status: 01 (Single).
- Exemptions:** Allowances: 1, Tax exempt indicator: Not exempt, IRS mandates:
- Withholding adjustments:** Add.withholding: 100.00 USD
- Additional Information:** Check here if the last name differs from that shown on the Social Security card
- Overrides (from infotype 234):** A table with columns: From date, End Date, Supplemental method, Tax override, Certificat... (The table is currently empty).

Add. Withh. Info. US (0234)

The Add. Withh. Info. US (0234) infotype is used to enter a federal, Oregon, or Idaho withholding override or to enter a Washington workers' compensation risk classification.

- Having an active Federal (FED) Add. Withh. Info. US (0234) record is required for employees covered under Washington's workers' compensation program.
 - HRMS requires a valid Washington risk classification entered in the Employee Override Group field; this field determines the employee's WA workers' comp premium rates.
- Employees covered under Oregon's or Idaho's workers' compensation program do not need an active Add. Withh. Info. US (0234) record unless they require a federal, Oregon, or Idaho withholding override amount.

Overrides	
Tax authority	FED Federal
Supplemental method	
Override amount	0.00
Override percentage	0.0000 <input type="checkbox"/> No Tax
Empl.override group	0031 1050-4902-00 Admin & clerical
Common Paymaster	
<input type="checkbox"/> Common Paymaster	

Overrides	
Tax authority	ID Idaho
Supplemental method	
Certificate status	
Override amount	500.00
Override percentage	<input type="checkbox"/> No Tax

Other Taxes US (0235)

The Other Taxes US (0235) infotype is used to exempt an employee from certain state or federal taxes.

- Certain individuals may be exempt from some taxes because they don't meet the definition of employee, due to the nature of the work they do, or their work is considered not localized to Washington, Oregon, or Idaho.
- Some groups of employees are systematically exempted from certain taxes. Exempt individuals who are not systematically exempted will need to be exempted on their Other Taxes US (0235) record.

Tax type exceptions

Tax authority **WA** Washington Tax level **B** State

Other Taxes

Ta...	Tax Type Description	D..	Default Formula Text	F...	Override Formula Text	Exempt
088	Employee Family Leave Ins-vol Tax	01EE	FAMILY LEAVE			
090	Employer Stay At Work Program Tax	01ER	STAY AT WORK			
091	Employee Stay At Work Program Tax	01EE	STAY AT WORK			
098	Employer Family Leave Insurance Tax	01ER	FAMILY LEAVE			
099	Employee Medical Leave Insurance Tx	01EE	MEDICAL LEAV			Y
100	Employer Medical Leave Insurance Tx	01ER	MEDICAL LEAV			Y

Tax Types Exempted on Other Taxes US (0235)

Tax Authority	Tax Description	Tax Type
Idaho (ID)	Unemployment Insurance	Employer Unemployment Tax (010)
Oregon (OR)	Paid Leave Oregon	EE PFML Tax State Plan (117) ER PFML Tax State Plan (118)
	Unemployment Insurance	Employer Unemployment Tax (010)
	Workers Compensation	Employer Worker Compensation Tax (030)
		Employee Worker Compensation Tax (040)
Washington (WA)	Paid Family and Medical Leave	Employee Family Leave Insurance Tax (087)
		Employee Medical Leave Insurance Tx (099)
		Employer Medical Leave Insurance Tx (100)
	Unemployment Insurance	Employer Unemployment Tax (010)
	WA Cares / Long Term Services & Supports (LTSS)	WA Cares Fund LTC Tax – EE (113)
Workers Compensation	Employer Accident Fund Tax (032)	
	Employer Medical Aid Fund Tax (033)	
Federal (FED)	Medicare	Employer Supplemental Pension Tax (034)
		Employee Supplemental Pension Tax (042)
Federal (FED)	Social Security	Employee Medical Aid Fund Tax (043)
		Employee Medicare Tax (005)
Federal (FED)	Social Security	Employer Medicare Tax (006)
		Employee Social Security Tax (003)
Federal (FED)	Social Security	Employer Social Security Tax (004)

5 Minute Break



Separating and Transferring OOS Employees

- **Losing agencies need to delimit out-of-state records and revert to Washington tax areas and tax authorities upon separation or change in business area.** Then the gaining agency should create new out-of-state records if applicable.
 - The only exception is if the gaining agency has communicated to the losing agency that the employee will continue living and/or working out-of-state and the gaining agency is fully configured for the applicable OOS taxes and has requested the employee's OOS tax infotype records remain active.
- **Upon transfer or rehire, the tax company at the gaining agency must be fully set-up to process out-of-state taxes for the employee.**
 - If an employee with OOS tax infotypes transfers to an agency whose tax company is not set-up for OOS tax processing, the employee will redline.



Mid-Period Transfers

- **Be cautious when transferring out-of-state employees across different business areas mid-period.**
- Out-of-state taxes process similarly to other items in HRMS where the costs for the full pay period are rolled over to the gaining agency.
- Because of this, the employee will redline if the losing agency has out-of-state taxes turned on for their portion of the pay period and the gaining agency is not set-up for out-of-state tax processing.
- To remedy this scenario, **the losing agency should end all out-of-state taxes as of the last full pay period or paycheck with that agency**; then manual adjustments can be entered for the partial pay period as needed.

Paying Out-of-State Taxes

- HRMS has been configured to pay some Oregon taxes via Automated Clearing House (ACH) each pay period. ACH payment will be sent to Oregon Department of Revenue for the Oregon Combined payment.
- For Idaho state taxes and the remaining Oregon local transit taxes (not included in the Oregon Combined payment), agencies will need to send payment via warrant.

Tax Authority	Tax Description	Payment Type	Payment Process
Idaho (ID)	Income Tax Withholding	Warrant	Warrant returned to agency
Oregon (OR)	Income Tax Withholding Paid Leave Oregon Statewide Transit Tax Workers Compensation	ACH	HRMS automatically sends payment
Portland Tri-met Authority (OR01)	Portland Tri-Met Transit Tax	ACH	HRMS automatically sends payment
Eugene-springfield Ltd Auth. (OR02)	Lane County Mass Transit District Tax	ACH	HRMS automatically sends payment
City of Canby Ltd (OR06)	Canby Area Transit (CAT) Tax	Warrant	Warrant returned to agency
Sandy Transit System (OR05)	Sandy Area Metro (SAM) Tax	Warrant	Warrant returned to agency
Wilsonville Transit District (OR04)	South Metro Area Regional Transit (SMART) Tax	Warrant	Warrant returned to agency

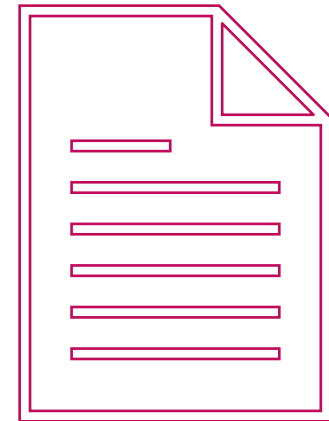


Reporting Out-of-State Taxes

- **HRMS will not automatically generate or send any filing reports or forms for Oregon or Idaho taxes.**
- Agencies are responsible for satisfying all employer reporting requirements related to employees living and/or working in Oregon and Idaho.
 - Including any additional reporting requirements within Washington as well, such as Washington Labor & Industries workers compensation program special reporting requirements for out-of-state workers.
- Refer to each state or local tax entity's reporting requirements for details on how to file/report, what information is required, due dates, etc.

Reporting Out-of-State Taxes

- HRMS will add Oregon and Idaho withholding information to employees' W-2s for taxes collected systematically through the new OOS automated process.
- Taxes collected using the manual wage types entered on Recurring Payments/Deductions (0014) and Additional Payments (0015) records will still require manual year-to-date adjustments to be added to employees' W-2s.



Reporting Out-of-State Taxes

- Out-of-State Tax Authority Locator Report (ZHR_TAXFINDER)
- Federal/State/Local EIN Report (ZHR_RPTPY061)
- Preemptive Basic Data Check Report (ZHR_RPTPYN06)
- Payroll Simulation (PCOO_M10_CALC_SIMU)
- Payroll Journal (ZHR_RPTPYN33)
- Payroll Posting (ZHR_RPTPY126)
- Oregon Filing Report (ZHR_RPTPYN37)
- Idaho Filing Report (ZHR_RPTPYN38)
- Payroll Reconciliation Report (PC00_M10_REC)
- Earnings and Deductions Statement (ZHR_RPTPY711)

Reporting Out-of-State Taxes

Out-of-State Tax Authority Locator Report

(ZHR_TAXFINDER)

- Use this report to identify the tax area and tax authorities that may be applicable to an OOS employee based on where they are living and/or working, prior to setting up an employee's out-of-state taxes infotypes.
- This report will also check whether the employee's tax company is set up for system automated tax collection of each tax authority and tax type.

Out-of-State Tax Authority Locator

Employee Name : TURNER PAIGE
Effective Date : 06/10/2024

Address Read from Employee Permanent Address

Address 1 : 31360 NW COMMERCIAL ST
Address 2 :
City : NORTH PLAINS
County : Out of State
State : OR
Zip : 97133

Tax Authorities Based on Residence Tax Area

R/W	Tax Authority	Description	County	Tax Type	Wage Type	Description
R	FED	Federal		001	/401	Withholding Tax
R	FED	Federal		003	/403	Employee Social Security Tax
R	FED	Federal		005	/405	Employee Medicare Tax
R	OR	Oregon		001	/401	Withholding Tax
R	OR	Oregon		096	/496	Statewide Transit Tax

Tax Authorities Based on Work Tax Area

R/W	Tax Authority	Description	County	Tax Type	Wage Type	Description
R	FED	Federal		001	/401	Withholding Tax
R	FED	Federal		003	/403	Employee Social Security Tax
R	FED	Federal		004	/404	Employer Social Security Tax
R	FED	Federal		005	/405	Employee Medicare Tax
R	FED	Federal		006	/406	Employer Medicare Tax
W	OR	Oregon		001	/401	Withholding Tax
W	OR	Oregon		010	/410	Employer Unemployment Tax
W	OR	Oregon		030	/430	Employer Worker Compensation Tax
W	OR	Oregon		040	/440	Employee Worker Compensation Tax
W	OR	Oregon		096	/496	Statewide Transit Tax
W	OR	Oregon		117	/4B7	EE PFML Tax State Plan
W	OR	Oregon		118	/4B8	ER PFML Tax State Plan

Messages returned from TaxLocator

Message Code Message Text

1119 NO MATCH FOUND FOR [NORTH PLAINS] IN COUNTY [OUT OF STATE].

Tips for State:

Use OR (Oregon) as the tax area for infotype 0207.
Effective date of the new IT0207 record is based on when paid, use the actual check date.
Use OR as the tax area for infotype 0208.
The effective date of infotype 0208 is based on when worked.
Infotype 0209 should be OR if employee is localized to Oregon

Validate Business Numbers for Tax Company: 1050

1050	OR	001	01768717-5	Registration Number Configured
1050	OR	096	01768717-5	Registration Number Configured
1050	OR	010	01768717-5	Registration Number Configured
1050	OR	030	01768717-5	Registration Number Configured
1050	OR	040	01768717-5	Registration Number Configured
1050	OR	117	01768717-5	Registration Number Configured
1050	OR	118	01768717-5	Registration Number Configured

Tax Company 1050 Is fully configured for all tax authorities / tax types

Reporting Out-of-State Taxes

Federal/State/Local EIN Report (ZHR_RPTPY061)

- Use this report to view federal, state, and local Employer ID Numbers for any tax company.
- EINs must be set-up in HRMS prior to beginning system automated tax collection for Oregon and Idaho.

State of Washington - HRMS Employer Identification Numbers							
Report ID: ZHR_RPTPY061							
Date: 08/15/2024							
Tax company	Description	Registration Number	Tax Authority	Tax Authority Text	Tax Type	Tax Type Text	
1790	WASH ST Dept of Enterprise Services	45-2096870	FED	Federal	001	Withholding Tax	
1790	WASH ST Dept of Enterprise Services	45-2096870	FED	Federal	002	Earned Income Credit Payment	
1790	WASH ST Dept of Enterprise Services	45-2096870	FED	Federal	003	Employee Social Security Tax	
1790	WASH ST Dept of Enterprise Services	45-2096870	FED	Federal	004	Employer Social Security Tax	
1790	WASH ST Dept of Enterprise Services	45-2096870	FED	Federal	005	Employee Medicare Tax	
1790	WASH ST Dept of Enterprise Services	45-2096870	FED	Federal	006	Employer Medicare Tax	
1790	WASH ST Dept of Enterprise Services	45-2096870	FED	Federal	010	Employer Unemployment Tax	
1790	WASH ST Dept of Enterprise Services	006060016	ID	Idaho	001	Withholding Tax	
1790	WASH ST Dept of Enterprise Services	006060016	ID	Idaho	010	Employer Unemployment Tax	
1790	WASH ST Dept of Enterprise Services	01839300-7	OR	Oregon	001	Withholding Tax	
1790	WASH ST Dept of Enterprise Services	01839300-7	OR	Oregon	010	Employer Unemployment Tax	
1790	WASH ST Dept of Enterprise Services	01839300-7	OR	Oregon	030	Employer Worker Compensation Tax	
1790	WASH ST Dept of Enterprise Services	01839300-7	OR	Oregon	040	Employee Worker Compensation Tax	
1790	WASH ST Dept of Enterprise Services	01839300-7	OR	Oregon	096	Statewide Transit Tax	
1790	WASH ST Dept of Enterprise Services	01839300-7	OR	Oregon	117	EE PFML Tax State Plan	
1790	WASH ST Dept of Enterprise Services	01839300-7	OR	Oregon	118	ER PFML Tax State Plan	
1790	WASH ST Dept of Enterprise Services	01839300-7	OR01	Portland Tri-met Authority	035	Transit District Excise Tax	
1790	WASH ST Dept of Enterprise Services	000433311000	WA	Washington	010	Employer Unemployment Tax	
1790	WASH ST Dept of Enterprise Services	217,070-00	WA	Washington	032	Employer Accident Fund Tax	
1790	WASH ST Dept of Enterprise Services	217,070-00	WA	Washington	033	Employer Medical Aid Fund Tax	

Reporting Out-of-State Taxes

Preemptive Basic Data Check Report (ZHR_RPTPYN06)

- This report is used to identify employees with missing infotype records in order to eliminate errors due to missing master data during payroll processing.
- Use the three new OOS infotype checkboxes to identify employees who have out-of-state tax areas or tax authorities entered on any of those three infotype records and the employee's tax company is not set up to process out-of-state taxes. This can occur if the employee changes business areas and the gaining agency is not set up to process out-of-state taxes.

Infotypes Selection

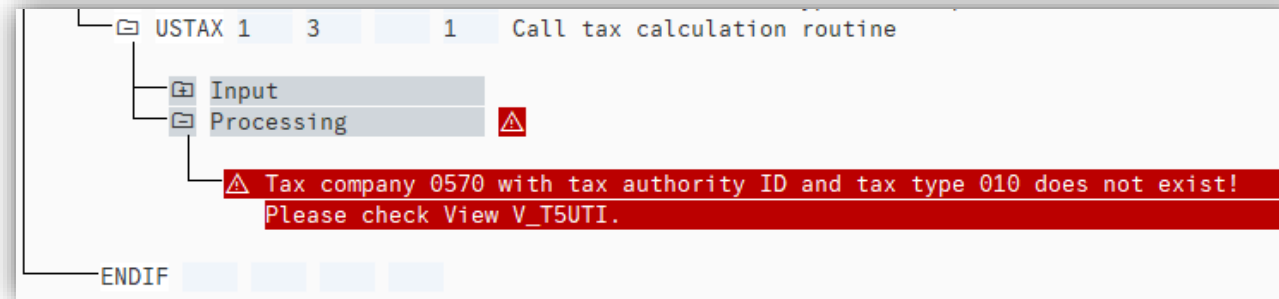
<input type="checkbox"/> Infotype 0001 - Organizational Assignment	<input type="checkbox"/> Infotype 0002 - Personal Data
<input type="checkbox"/> Infotype 0006 - Addresses	<input type="checkbox"/> Infotype 0007 - Planned Working Time
<input type="checkbox"/> Infotype 0008 - Basic Pay	<input type="checkbox"/> Infotype 0009 - Bank Details
<input type="checkbox"/> Infotype 0027 - Cost Distribution	<input type="checkbox"/> Infotype 0041 - Date Specifications
<input type="checkbox"/> Infotype 0103 - Bond Purchase	<input type="checkbox"/> Infotype 0167 - Health Plans
<input type="checkbox"/> Infotype 0168 - Insurance Benefits	<input type="checkbox"/> Infotype 0169 - Savings Plan
<input type="checkbox"/> Infotype 0171 - General Benefits Info	<input type="checkbox"/> Infotype 0207 - Residence Tax Area
<input type="checkbox"/> Infotype 0208 - Work Tax Area	<input type="checkbox"/> Infotype 0209 - Unemployment State
<input type="checkbox"/> Infotype 0210 - Withholding Info W/4/W5 US	<input type="checkbox"/> Infotype 0234 - Add'l Withholding Info. US
<input type="checkbox"/> Infotype 0235 - Other taxes	

<input type="checkbox"/> Out of State Infotype 0207 - Residence Tax Area	
<input type="checkbox"/> Out of State Infotype 0208 - Work Tax Area	
<input type="checkbox"/> Out of State Infotype 0209 - Unemployment State	

Reporting Out-of-State Taxes

Payroll Simulation (PCOO_M10_CALC_SIMU)

- Run a payroll simulation to verify employee's OOS taxes are processing correctly.
- A new redline has been added: *Tax company XXXX with tax authority XX and tax type XXX does not exist! Please check View V_T5UTI.*



- This redline indicates that an employee has out-of-state tax areas or tax authorities entered on any of their tax infotype records and the employee's tax company is not set up to process out-of-state taxes. This can occur if the employee changes business areas and the gaining agency is not set up to process out-of-state taxes.

Reporting Out-of-State Taxes

Payroll Simulation (PCOO_M10_CALC_SIMU)

- When viewing the results table, there is a two-digit indicator to the right of the tax wage types that can be used to identify the tax authority.

* /401 TX Withhold 01	843.85
* /401 TX Withhold 02	382.57
* /403 TX EE Socia 01	329.68
* /404 TX ER Socia 01	329.68
* /405 TX EE Medic 01	---
* /406 TX ER Medic 01	
* /487 TX EE Famil 03	
* /496 TX Statewid 02	
* /499 TX EE Medic 03	
* /4A0 TX ER Medic 03	

Tax split	Tax company	Tax level	Tax auth	Status	Res auth	Wrk auth	UI auth
01	1050	A	FED	01	X		X
02	1050	B	OR	01	X	X	
03	1050	B	WA	01			X

- These indicators aren't directly tied to specific tax authorities. Instead, use the tax table to view the legend for each payroll simulation. To find the tax table, follow the path in the payroll log for the period:

USPS Payroll > Final processing USA > EXPRT > Input > TAX

Reporting Out-of-State Taxes

Payroll Journal (ZHR_RPTPYN33)

- This report has been updated to show employee out-of-state tax deductions.
- The out-of-state portion of the employee's total tax deductions will appear on a second line.

Report ID: ZHR_RPTPYN33		State of Washington - HRMS										Run Date: 07/23/2024	
User		Payroll Journal										Page : 1	
Business Area: 1790 - Dept of Enterprise Services													
Pay Period End Date : 07/15/2024				Personnel Area : 1790 - Dept of Enterprise Services				Org Key :				Pay Date : 07/25/2024	
Personnel#	Name	ESG Warrant#	Hours	Gross Pay	W/H Tax	OASDI	Medicare	Med Aid	PFML	LTSS	Retire	Deductions	Net Pay
20021299	RITA BOOK	01 AU58719	88.00	5,206.00	584.01	312.21	73.02	0.00	31.24	0.00	331.10	292.60	3,581.82
Out of State Deductions included in above					295.23				31.24			5.45	
Sub Total for Personnel Area : 1790			88.00	5,206.00	584.01	312.21	73.02	0.00	31.24	0.00	331.10	292.60	3,581.82
and Entire Org Key :													
Out of State Deductions included in above					295.23				31.24			5.45	
"I hereby certify that to the best of my knowledge amounts listed in this payroll, associated with my agency, are true and correct charges and that employees holding a position covered by Chapter 41.06 RCW or other applicable employment contract, have been employed in accordance with the rules, regulations, and orders issued thereunder."													

Reporting Out-of-State Taxes

- Tax Authority code and text fields are now included in several reports, including **Payroll Posting** (ZHR_RPTPY126), **Earnings Statements**, and **GAP files**.
 - Consider adding the new tax authority fields to your saved report layouts.
 - To request the new tax authority fields in GAP 7, email the OFM Helpdesk HereToHelp@ofm.wa.gov and request to begin receiving the new file layout.

State of Washington - HRMS
Payroll Posting Report

Report ID: ZHR_RPTPY126
Date: 08/09/2024
Period: From 07/01/2024 To 07/15/2024
Payroll Period: 14 . 2024
Payroll Area: 11
Run type: Simulation

Auth	Description	WT	Wage Type Long Text	Number	Amount	Crcy	Retro	P Docnum	Sequence	Run Number	RT Line	AATyp	SymAc
FED	Federal	/401	TX Withholding Tax	0.00	231.10-				429			F	767F
ID	Idaho	/401	TX Withholding Tax	0.00	213.00-				429			F	767F
FED	Federal	/403	TX EE Social Security Tax	0.00	311.41-				429			F	767S
FED	Federal	/404	TX ER Social Security Tax	0.00	311.41-				429			F	767S
FED	Federal	/405	TX EE Medicare Tax	0.00	72.83-				429			F	767M
FED	Federal	/406	TX ER Medicare Tax	0.00	72.83-				429			F	767M
WA	Washington	/487	TX EE Family Leave Insur	0.00	18.47-				429			F	1880
WA	Washington	/499	TX EE Medical Leave Insur	0.00	8.99-				429			F	1880
WA	Washington	/4A0	TX ER Medical Leave Insur	0.00	10.98-				429			F	1880

Reporting Out-of-State Taxes

- There are two new reports available in HRMS to help agencies gather wages, hours, and taxes associated with the Oregon and Idaho tax types:
 - **Oregon Filing Report** (ZHR_RPTPYN37)
 - **Idaho Filing Report** (ZHR_RPTPYN38)
- These reports are continuing to be developed in preparation for quarterly reporting.

State of Washington - HRMS
Oregon Filing Report - Period Remittance

Report ID: ZHR_RPTPYN37
User: 01088436
Date: 09/09/2024
Payroll Period: 02.2024
Oregon BIN: 0807364-8

Quarter	In Period	Pay Date	Oregon BIN	Personnel Number	Withholding	State Transit	WBF Remittance	PFML Remittance	Portland Tri-met	Eugene-springfiel...	Wilsonville Transit	Sandy Transit	Canby Transit
01.2024	202402	01/25/2024	0807364-8		210.75	2.98	1.60	33.64	0.00	0.00	14.89	0.00	0.00
01.2024	202402	01/25/2024	0807364-8		0.00	0.00	0.00	1.24	0.00	0.00	0.00	0.00	0.00
01.2024	202402	01/25/2024	0807364-8		162.92	2.32	1.60	25.87	18.91	0.00	0.00	0.00	0.00
01.2024	202402	01/25/2024	0807364-8		187.27	2.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01.2024	202402	01/25/2024	0807364-8		146.57	2.34	0.80	25.37	0.00	0.00	0.00	0.00	0.00
01.2024	202402	01/25/2024	0807364-8		0.00	1.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00
					707.51	11.75	4.00	86.12	18.91	0.00	14.89	0.00	0.00

Reporting Out-of-State Taxes

Payroll Reconciliation Report (PC00_M10_REC)

- This report is used to assist in reconciling payroll results.
- The Payroll Reconciliation Report is commonly used for quarterly 941 reconciliations but can also be used for out-of-state tax reconciliations.
- Consider using the Payroll Period, Tax Company, Tax Authority, and/or Wage Type fields on the selection screen to assist in getting only the information needed in your report results.

Payroll Reconciliation Report										
Selection Period		07/25/2024 - 07/25/2024								
Run Date/Time		09/09/2024 / 16:40:03								
Wage Type Selections		Wage Type Application								
FI/Tax Reporter View		FI								
ALV Layout										
TxCo	Auth	Pers.No.	Payroll Results	WT	Wage Type Text	Current Pe	Current Pe	± Current Pe	± Current ...	M-T
2350	FED		Normal Period Results	/701	RE Withholding Tax	14.24-14.24	07/25/2024		3,521.66	
2350	OR		Normal Period Results	/701	RE Withholding Tax	14.24-14.24	07/25/2024		3,521.66	
2350	FED		Normal Period Results	/703	RE EE Social Security Tax	14.24-14.24	07/25/2024		3,815.00	
2350	FED		Normal Period Results	/704	RE ER Social Security Tax	14.24-14.24	07/25/2024		3,815.00	
2350	FED		Normal Period Results	/705	RE EE Medicare Tax	14.24-14.24	07/25/2024		3,815.00	
2350	FED		Normal Period Results	/706	RE ER Medicare Tax	14.24-14.24	07/25/2024		3,815.00	
2350	OR		Normal Period Results	/710	RE ER Unemployment Tax	14.24-14.24	07/25/2024		3,985.50	
2350	OR		Normal Period Results	/730	RE ER Worker Compesatn Tx	14.24-14.24	07/25/2024		3,985.50	
2350	OR		Normal Period Results	/740	RE EE Worker Compensation	14.24-14.24	07/25/2024		3,985.50	
2350	OR		Normal Period Results	/796	RE Statewide Transit	14.24-14.24	07/25/2024		3,521.66	
2350	OR		Normal Period Results	/7B7	RE EE PFML Tax State Plan	14.24-14.24	07/25/2024		3,985.50	
2350	OR		Normal Period Results	/7B8	RE ER PFML Tax State Plan	14.24-14.24	07/25/2024		3,985.50	

Reporting Out-of-State Taxes

Sample Earnings Statement: manual tax processing

Total Earnings				5,054.50	65,708.50
Allowances				Amount	YTD
Total Allowances				0.00	0.00
Taxable Noncash Earnings				Amount	YTD
Total Taxable Noncash Earnings				0.00	0.00
Employee Mandatory Deductions				Amount	YTD
/401	FED	Federal	TX Withholding Tax	271.94	3,535.22
/403	FED	Federal	TX EE Social Security Tax	302.80	3,936.50
/405	FED	Federal	TX EE Medicare Tax	70.81	920.63
Total Employee Mandatory Deductions				645.55	8,392.35
Employee Deductions				Amount	YTD
2125			MetLife Insurance	40.12	521.68
2143			LTD	23.76	308.88
2256			Deferred Comp	50.55	657.15
2266			P2 PERS 2	321.47	4,179.11
2531			Uniform Pre-Tax	170.50	2,216.50
2670			Oregon Transit Tax	5.05	65.65
2674			Other St. Unemp.	30.33	394.27
2682			Oregon St W/H Tax	184.59	2,399.67
Total Employee Deductions				826.37	10,742.91
Employer Contributions				Amount	YTD
/404	FED	Federal	TX ER Social Security Tax	302.80	3,936.50
/406	FED	Federal	TX ER Medicare Tax	70.81	920.63
2366			P2 ER Pers Plan 2	481.69	6,261.97
2550			PEBB Funding Rate	585.00	7,455.00
Total Employer Contributions				1,440.30	18,574.10

Sample Earnings Statement: automated tax processing

Total Earnings				5,206.00	70,914.50
Allowances				Amount	YTD
Total Allowances				0.00	0.00
Taxable Noncash Earnings				Amount	YTD
Total Taxable Noncash Earnings				0.00	0.00
Employee Mandatory Deductions				Amount	YTD
/401	FFD	Federal	TX Withholding Tax	288.78	3,824.00
/401	OR	Oregon	TX Withholding Tax	295.23	295.23
/403	FED	Federal	TX EE Social Security Tax	312.21	4,248.71
/405	FED	Federal	TX EE Medicare Tax	73.02	993.65
/440	OR	Oregon	TX EE Worker Compensation	0.80	0.80
/496	OR	Oregon	TX Statewide Transit	4.65	4.65
/4B7	OR	Oregon	TX EE PFML Tax State Plan	31.24	31.24
Total Employee Mandatory Deductions				1,005.93	9,398.28
Employee Deductions				Amount	YTD
2125			MetLife Insurance	40.12	561.80
2143			LTD	24.47	333.35
2256			Deferred Comp	52.06	709.21
2266			P2 PERS 2	331.10	4,510.21
2531			Uniform Pre-Tax	170.50	2,387.00
2670			Oregon Transit Tax	0.00	65.65
2674			Other St. Unemp.	0.00	394.27
2682			Oregon St W/H Tax	0.00	2,399.67
Total Employee Deductions				618.25	11,361.16
Employer Contributions				Amount	YTD
/404	FED	Federal	TX ER Social Security Tax	312.21	4,248.71
/406	FED	Federal	TX ER Medicare Tax	73.02	993.65
/430	OR	Oregon	TX ER Worker Compesatn Tx	0.80	0.80
/435	OR01	Portlnd TriMet	TX ER Transit District Ex	37.86	37.86
/4B8	OR	Oregon	TX ER PFML Tax State Plan	20.82	20.82
2366			P2 ER Pers Plan 2	470.10	6,732.07
2550			PEBB Funding Rate	585.00	8,040.00
Total Employer Contributions				1,499.81	20,073.91

OOS SCENARIOS

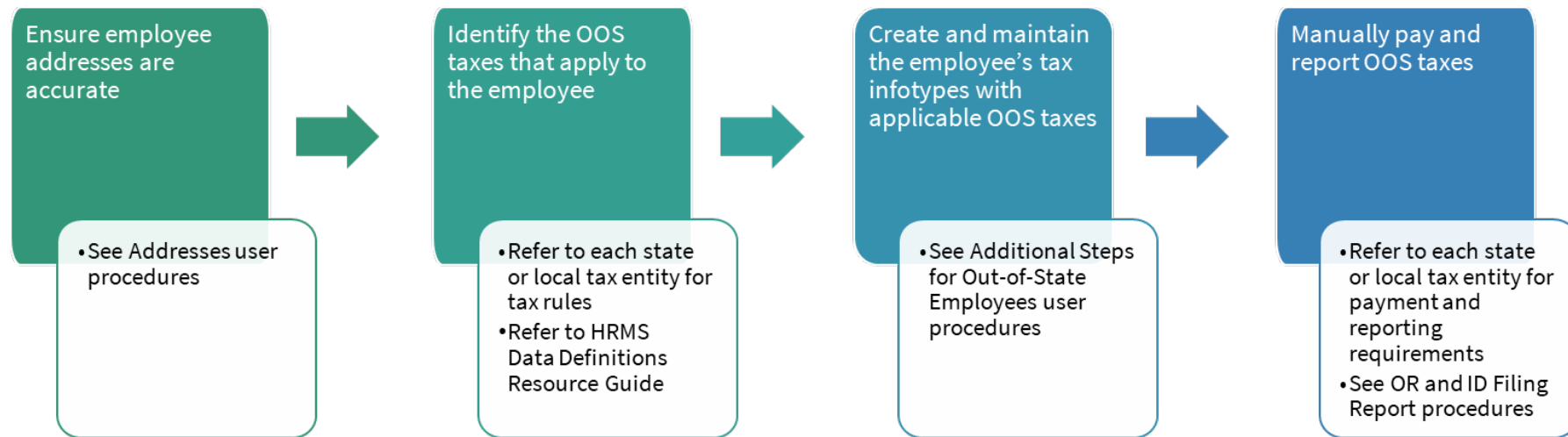
- **OOS Scenario 1:** Employee works remotely from home in Idaho
- **OOS Scenario 2:** Employee lives in Oregon and splits time working in both Washington and Oregon



OOS Scenario 1

- Employee works remotely from home in Idaho
- Agency has determined:
 - ✓ Employee is a resident of Idaho
 - ✓ Employee fully works from home in Idaho
 - ✓ Employee's work is localized to Idaho
 - ✓ Employee submitted an Idaho Form W-4 indicating their filing status and number of allowances
 - ✓ Employee will be set-up for automated tax processing beginning with the September 25, 2024 pay date.

OOS Scenario 1



- ✓ Employee's tax company is fully set-up to allow for automated collection of out-of-state taxes.
- ✓ Agency verified employee's permanent residence and out of state work location address records are correct.
- ✓ Agency identified the taxes that apply to the employee: all federal taxes, Idaho income tax, and Idaho unemployment.

OOS Scenario 1

Residence Tax Area (0207)

- 09/25/2024 – 12/31/9999
- State of Idaho (ID)
 - Federal (FED)
 - Employee Medicare Tax (005)
 - Employee Social Security Tax (003)
 - Employer Medicare Tax (006)
 - Employer Social Security Tax (004)
 - Withholding Tax (001)
 - Idaho (ID)
 - Withholding Tax (001)

Resident Data				
Tax area		ID	State of Idaho	
Tax Authorities in Area				
Tax Auth.	Tax Authority Name	Tax Level	Description	
FED	Federal	A	Federal	
ID	Idaho	B	State	

OOS Scenario 1

Work Tax Area (0208)

- 09/01/2024 – 12/31/9999
- State of Idaho (ID)
 - Idaho (ID)
 - Withholding Tax (001)
- 100%

Unemployment State (0209)

- 09/01/2024 – 12/31/9999
- Idaho (ID)
 - Employer Unemployment Tax (010)
- Idaho Generic (01)

Work Tax Data

Tax Area	ID	State of Idaho
Allocation	100.00	%
Predominant Tax Area	No	▼
Source Tax Authority		

Tax Authorities in Area

Tax Auth.	Tax Authority Name	Tax Level	Description
ID	Idaho	B	State

Unemployment data

Tax authority	ID	Idaho
Worksite	01	Idaho Generic

OOS Scenario 1

Withholding Info W4/W5 US (0210)

- 09/25/2024 – 12/31/9999
- Idaho (ID)
 - Based on employee's form ID W-4



Form ID W-4 Employee's Withholding Allowance Certificate

WITHHOLDING STATUS (see information above)

A (Single) B (Married) C (Married, but withhold at Single rate)

1. Total number of Idaho allowances you're claiming
2. Additional amount (if any) you need withheld from each paycheck (Enter whole dollars)

Your Social Security number (required) 123-45-6789	
Your first name and initial Paige	Last name Turner

Status					
Tax authority	ID	Idaho	Tax level	B	State
Filing Status	02	Married			
Exemptions					
Allowances	1				
		<input type="checkbox"/> IRS mandates			
Tax exempt indicator	Not exempt				
Withholding adjustments					
Add.withholding					USD
Additional Information					
<input type="checkbox"/> Check here if the last name differs from that shown on the Social Security card					
Overrides (from infotype 234)					
From date	End Date	Supplemental method	Tax override	Certificat...	



OOS Scenario 1

- **Add. Withh. Info. US (0234)**
 - Record not needed – no Idaho withholding override
- **Other Taxes US (0235)**
 - Record not needed – no tax exemptions
- **CATS Work Tax Area Override (CAT2)**
 - Entry not needed – no work tax area override this period

OOS Scenario 1

Run a **Payroll Simulation** (PCOO_M10_CALC_SIMU) on the employee to validate the taxes are processing correctly.

* /401 TX Withhold 01	Federal Withholding	189.88
* /401 TX Withhold 02	State of Idaho Withholding	199.00
* /403 TX EE Socia 01	Employee Social Security	201.59
* /404 TX ER Socia 01	Employer Social Security	201.59
* /405 TX EE Medic 01	Employee Medicare	47.15
* /406 TX ER Medic 01	Employer Medicare	47.15

Table TAX

Tax split	Tax company	Tax level	Tax auth	Status	Res auth	Wrk auth	UI auth
01	3150	A	FED	04	X		X
02	3150	B	ID	02	X	X	X

- The /4XX series of wage types on a Payroll Simulation or Stored Payroll Results table represent the employee and employer share of taxes.
- OOS employees will have two /401 Withholding lines, the top line is federal withholding and second is state tax withholding.
- Use the TAX table to identify the tax authority for each of the tax wage types.



OOS Scenario 1

- **Pay Idaho taxes**

- Agency will receive warrant for Idaho taxes withheld and will need to mail warrant to Idaho State Tax Commission, along with any required payment details.

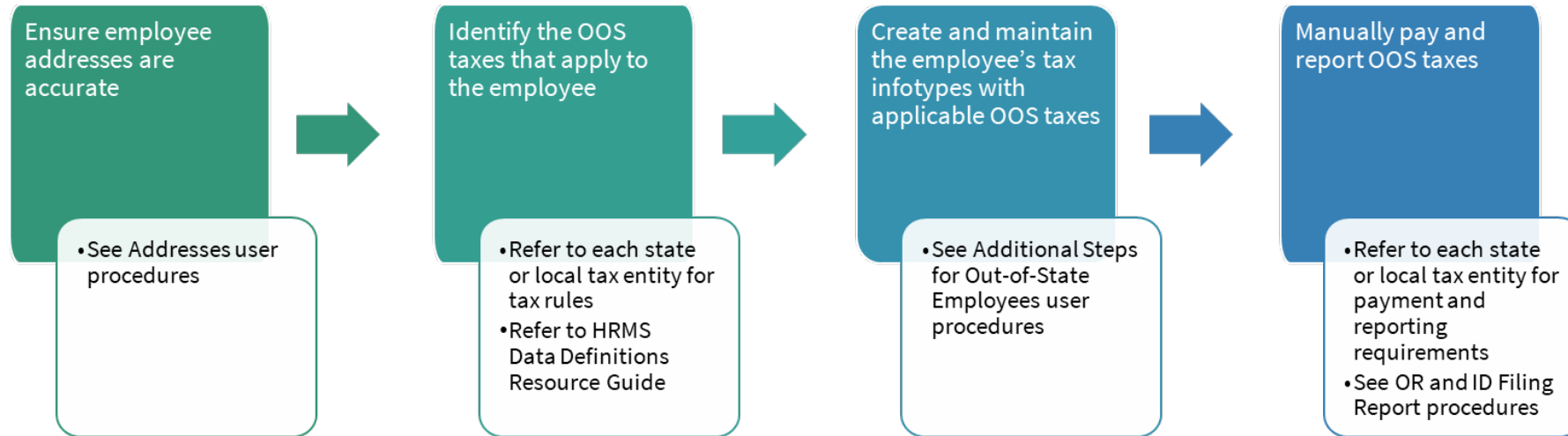
- **Report Idaho taxes**

- Agency will need to follow any reporting requirements for employees living and working in Idaho.
 - Consider using the Idaho Filing Report (ZHR_RPTPYN38) to help gather wages, hours, and taxes associated with the Idaho tax types.

OOS Scenario 2

- Employee lives in Oregon and mostly works in Washington with occasional telework from home
- Agency has determined:
 - ✓ Employee is a resident of Oregon
 - ✓ Employee works primarily from a Vancouver, WA office and occasionally teleworks from home
 - ✓ Employee's work is localized to Washington
 - ✓ Employee submitted an Oregon Form W-4 indicating their filing status and number of allowances
 - ✓ Employee provided exemption approval letter from ESD showing a conditional exemption from WA Cares due to primary residence in Oregon.
 - ✓ Employee will be set-up for automated tax processing beginning with the January 10, 2025 pay date.

OOS Scenario 2



- ✓ Employee's tax company is fully set-up to allow for automated collection of out-of-state taxes.
- ✓ Agency verified employee's permanent residence and out of state work location addresses records are correct.
- ✓ Agency identified the taxes that apply to the employee: all federal taxes, Oregon income tax and statewide transit tax, Portland Tri-met transit tax (for time worked in the district), and Washington unemployment, PFML, and workers' compensation taxes.

OOS Scenario 2

Residence Tax Area (0207)

- 01/10/2025 – 12/31/9999
- State of Oregon (OR)
 - Federal (FED)
 - Withholding Tax (001)
 - Employee Social Security Tax (003)
 - Employer Social Security Tax (004)
 - Employee Medicare Tax (005)
 - Employer Medicare Tax (006)
 - Oregon (OR)
 - Withholding Tax (001)
 - Statewide Transit Tax (096)

Resident Data				
Tax area		OR	State of Oregon	
Tax Authorities in Area				
Tax Auth.	Tax Authority Name	Tax Level	Description	
FED	Federal	A	Federal	
OR	Oregon	B	State	

OOS Scenario 2

Work Tax Area (0208)

- 12/16/2024 – 12/31/9999
- State of Washington (WA)
 - There aren't any WA work-based taxes that are turned on with this infotype; however, when an employee is living in one state and working in a different state then a work tax area is needed to properly assign and calculate taxes for the employee.

Work Tax Data			
Tax Area	WA	State of Washington	
Allocation	100.00	%	
Predominant Tax Area	No	▼	
Source Tax Authority			

Tax Authorities in Area			
Tax Auth.	Tax Authority Name	Tax Level	Description
WA	Washington	B	State

OOS Scenario 2

Unemployment State (0209)

- 12/16/2024 – 12/31/9999
- Washington (WA)
 - Employer Unemployment Tax (010)
 - Employer Accident Fund Tax (032)
 - Employer Medical Aid Fund Tax (033)
 - Employer Supplemental Pension Tax (034)
 - Employee Supplemental Pension Tax (042)
 - Employee Medical Aid Fund Tax (043)
 - Employee Family Leave Insurance Tax (087)
 - Employee Medical Leave Insurance Tx (099)
 - Employer Medical Leave Insurance Tx (100)
 - WA Cares Fund LTC Tax – EE (113)
- Clark County (06)

Unemployment data		
Tax authority	WA	Washington
Worksite	06	Clark County

OOS Scenario 2

Withholding Info W4/W5 US (0210)

- 01/10/2025 – 12/31/9999
- Oregon (OR)
 - Based on employee's form OR-W-4

2024 Form OR-W-4
 Page 1 of 1, 150-101-402 Oregon Department of Revenue 19612401010000
 (Rev. 08-18-23, ver. 01)

Oregon Withholding Statement and Exemption Certificate

Office use only

First name Paige	Initial P	Last name Turner	Social Security number (SSN) 123 - 45 - 6789	<input type="checkbox"/> Redetermination
Address 123 Sesame Street		City Portland	State OR	ZIP code 97005

Note: Your eligibility to claim a certain number of allowances or an exemption from withholding may be subject to review by the Oregon Department of Revenue. Your employer may be required to send a copy of this form to the department for review.

- Select one:** Single Married Married, but withhold at the higher single rate.
Note: Select "Single" if you're married but legally separated or your spouse is a non-U.S. citizen without permanent resident status.
- Allowances.** Total number of allowances you're claiming on line **A4, B15, or C5.**
See worksheets in the instructions. If you skip the worksheets and aren't exempt, enter 0..... 2.
- Additional amount,** if any, you want withheld from each paycheck..... 3.

Status					
Tax authority	<input type="text" value="OR"/>	Oregon	Tax level	<input type="text" value="B"/>	State
Filing Status	<input type="text" value="01"/>	Single			
Exemptions					
Allowances	<input type="text" value=""/>				<input type="checkbox"/> IRS mandates
Tax exempt indicator	<input type="text" value="Not exempt"/>				
Withholding adjustments					
Add.withholding	<input type="text" value=""/>				USD
Additional Information					
<input type="checkbox"/> Check here if the last name differs from that shown on the Social Security card					
Overrides (from infotype 234)					
From date	End Date	Supplemental method	Tax override	Certificat...	

OOS Scenario 2

Add. Withh. Info. US (0234)

- 01/10/2025 – 12/31/9999
- Federal (FED)
 - Admin & clerical

Overrides

Tax authority Federal Tax level Federal

Supplemental method

Override amount

Override percentage No Tax

Empl.override group 1050-4902-00 Admin & clerical

Common Paymaster

Common Paymaster

Other Taxes US (0235)

- 01/10/2025 – 12/31/9999
- Washington (WA)
 - 113 WA Cares Fund LTC Tax – EE Exempt, reportable (R)

Tax type exceptions

Tax authority Washington Tax level State

Other Taxes

T...	Tax Type Description	D.. Default Formula ...	F... Override Formula...	Exempt
100	Employer Medical Leave Insurance Tx	01 ER MEDICAL LEAV		
101	Employer Family Leave Ins-vol Tax	01 EMPLOYER FAMIL...		
102	Employee Medical Leave Ins-vol Tax	01 EMPLOYEE MEDI...		
103	Employer Medical Leave Ins-vol Tax	01 EMPLOYER MEDI...		
113	WA Cares Fund LTC Tax - EE	01 WA CARES FUND L		R
114	WA Cares Fund LTC Tax - ER	01 WA CARES FUND L		

OOS Scenario 2

CATS work tax area override (CAT2 – SOW-2)

- Portland Tri-met Authority (OR01)
 - Portland Tri-met Authority (OR01)
 - Transit District Excise Tax (035)
 - Oregon (OR)
 - Withholding Tax (001)
 - Statewide Transit Tax (096)

Data Entry Area																						
LT	A/...	Wa...	Position	Tax area	MU	12/16	12/17	12/18	12/19	12/20	12/21	12/22	12/23	12/24	12/25	12/26	12/27	12/28	12/29	12/30	12/31	
⌚					H	9	9	9	9	8	0	0	9	9	0	9	0	0	0	9	9	
Σ					H	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<input type="checkbox"/>		1222		OR01	HR					8.0												

OOS Scenario 2

Run a **Payroll Simulation** (PCOO_M10_CALC_SIMU) on the employee to validate the taxes are processing correctly.

1003 Pay Period 01				81.00	5,063.87
1222 Reg Hours W01	01	1222 OR Override	62.52	8.00	500.13
1223 Salary Hour01				89.00	
9100 FLSA Salary01				89.00	
9110 Holiday Hou01				9.00	
9801 TSDIVIPart 01				89.00	

- The 1222 override hours will be present within the pay period breakdown section of the Payroll Simulation or Stored Payroll Results. This shows the hours and pay associated with the override.

OOS Scenario 2

- The /4XX series of wage types on a Payroll Simulation or Stored Payroll Results table represent the employee and employer share of taxes.

* /401 TX Withhold	01	Federal Withholding	880.26
* /401 TX Withhold	02	State of Oregon Withholding	395.84
* /403 TX EE Socia	01	Employee Social Security	339.73
* /404 TX ER Socia	01	Employer Social Security	339.73
* /405 TX EE Medic	01	Employee Medicare	79.45
* /406 TX ER Medic	01	Employer Medicare	79.45
* /432 TX ER Accid	04	Employer Accident Fund (WA WC)	8.03
* /433 TX ER Medic	04	Employer Medical Aid (WA WC)	1.93
* /434 TX ER Suplml	04	Employer Suplmtal Pen (WA WC)	6.38
* /435 TX ER Trans	03	TriMet Transit Tax	3.75
* /442 TX EE Suplml	04	Employee Suplmtal Pen (WA WC)	6.38
* /443 TX EE Medic	04	Employee Medical Aid (WA WC)	1.93
* /487 TX EE Famil	04	Employee Family Leave (WA PFML)	19.78
* /496 TX Statewid	02	Statewide Transit Tax	5.13
* /499 TX EE Medic	04	Employee Medical Leave (WA PFML)	9.63
* /4A0 TX ER Medic	04	Employer Medical Leave (WA PFML)	11.76

Table TAX

Tax split	Tax company	Tax level	Tax auth	Status	Res auth	Wrk auth	UI auth
01	1050	A	FED	01	X		X
02	1050	B	OR	01	X	X	
03	1050	F	OR01	01		X	
04	1050	B	WA	01		X	X

- OOS employees will have two /401 Withholding lines, the top line is federal withholding and second is state tax withholding.
- Use the TAX table to identify the tax authority for each of the tax wage types.

OOS Scenario 2

- **Pay Oregon taxes**

- HRMS will send ACH payment for Oregon combined tax payment.
 - Oregon combined payment includes the Portland Tri-met transit tax in addition to Eugene/Lane County Transit tax.
 - If there were any local transit taxes not under the Oregon combined payment, the agency would receive a warrant to mail to the appropriate tax entity.
- Agency is responsible for submitting any additional payment details, if required.

- **Report Oregon taxes**

- Agency will need to follow any reporting requirements for employees living/working in Oregon.
 - Including any required reporting in Washington for employees temporarily working in Oregon.
 - Consider using the Oregon Filing Report (ZHR_RPTPYN37) to help gather wages, hours, and taxes associated with the Oregon tax types.

Moving from Manual to Automated Tax Processing

Functionality to support automated tax processing for Oregon and Idaho was implemented in HRMS on July 9, 2024.

- Because of the complexity of this project, we implemented a slow start.

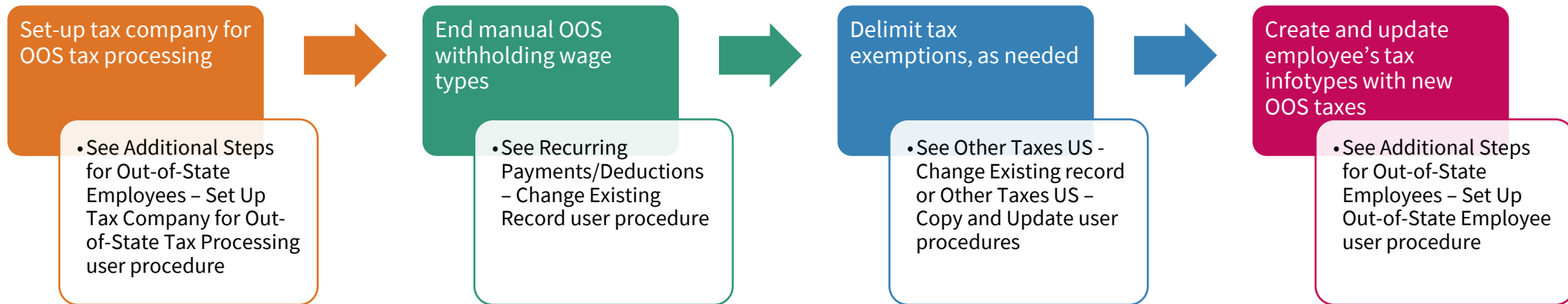
Two agency payroll offices participated in an initial pilot launch over four pay periods: July 25, August 10, August 25, and September 10.

A few items were discovered and corrected during this period, and we are now ready for remaining agencies to begin using the new functionality.

Moving from Manual to Automated Tax Processing

- Remaining agencies who have registered as an employer with Oregon and/or Idaho tax entities can begin setting up employees living and/or working in Oregon and Idaho beginning September 11, for the September 25 pay date - or anytime after.
- Agencies can choose to wait until the 4th quarter 2024 or 1st quarter 2025 if desired.
- If moving to automated tax processing mid-quarter and mid-year, pay attention to year-to-date adjustments for manual transactions. Don't wait until December to reconcile your year-to-date adjustments.

Moving from Manual to Automated Tax Processing



Moving from Manual to Automated Tax Processing

You will not be able to update employee records unless their tax company is fully configured with all applicable Employer ID Numbers.

- Run the Federal/State/Local EIN Report (ZHR_RPTPY061) to view all EINs assigned to your tax company.
- If your agency has multiple tax companies, ensure that all tax companies have EINs assigned as needed.
- If one or more tax companies are not yet fully configured with their EINs, submit a completed Employer State ID Form to: HereToHelp@ofm.wa.gov.

WASHINGTON STATE		Employer State ID Form - Idaho and/or Oregon		
OFM		Use this tab to identify your agency's ID numbers for any tax entities that you have registered with in Idaho and/or Oregon.		
Office of Financial Management				
The state of Idaho will assign one account number to be used for all Idaho taxes when you register as an employer (refer to Idaho Business Registration application).				
The state of Oregon will assign one business ID number to be used for all Oregon taxes that are administered by the Oregon Department of Revenue (refer to Oregon Combined Employer Registration). For agencies subject to Canby Area Transit, Sandy Area Metro, or Wilsonville South Metro Area Regional Transit taxes, register separately with each applicable city.				
Tax Entity	ID Number	Tax Company*	Agency Name	
Oregon Combined	13644642	1050	OFM	EXAMPLE
City of Wilsonville, Oregon	801-1980-3	1400	Dept of Revenue	EXAMPLE



Resources

Important Resources for processing out-of-state employees in HRMS:

- [HRMS Support Hub](#)
 - [Additional Steps for Out-of-State Employees user procedures](#)
 - [Report Procedures](#)
 - [Payroll Out-of-State Employee Tax Resources](#)
 - [Out-of-State Tax Processing in HRMS Guidance](#)
 - [HRMS Other State Tax Wage Types](#)
- [HRMS Data Definitions](#)
 - [HRMS Data Definitions Resource Guide](#)
 - [Out-of-State Employee Coding Reference Guide](#)



Resources

Helpful **Washington** Tax Links

- [Department of Labor and Industries](#)
 - [Out-of-State Employers and Out-of-State Workers](#)
- [Employment Security Department](#)
 - [Employer Resources](#)
- [Paid Family and Medical Leave](#)
- [WA Cares Fund](#)

Helpful **Idaho** Tax Links

- [Tax Commission](#)
- [Department of Labor](#)

Helpful **Oregon** Tax Links

- [Department of Revenue](#)
- [Department of Consumer and Business Services](#)
- [Employment Department](#)
- [Paid Leave Oregon](#)
- [Portland TriMet Transit Tax](#)
- [Lane Transit District Tax](#)
- [City of Canby Transit Tax](#)
- [City of Sandy Transit Tax](#)
- [City of Wilsonville Transit Tax](#)

The background of the image is a photograph of the Washington State Capitol building at dusk. The building's central dome is illuminated from within, casting a warm glow. The sky is a clear, deep blue. In the foreground, several large, leafy green trees are visible, some of which are also illuminated from below. The overall scene is a mix of natural and artificial light, creating a serene yet official atmosphere.

For more information:

HereToHelp@ofm.wa.gov