Overview

The procedures described in this section are to be used when completing and updating a UC W-4/DE 4 form (also referred to as W-4 for simplicity).

Policy Summary

- Employee completes a UC W-4/DE 4 form. The University form is a combination of the Federal IRS W-4 form and the State DE4 form. It must be signed and dated. There can be no alteration to the form W4 the employee submits to the department for updating.

- If the employee makes an indication, either verbally or in writing, that the information on the W-4 form is not valid, the certificate becomes invalid and the department cannot accept it. The employee must complete a new W-4 form. Until a new form is submitted, the employee will continue to be taxed using existing allowances.

- Each new W-4 form completely supersedes any previous W-4 forms on file. This is why it is important for the employee to complete the W-4 form in full.

- Emails or Phone requests are not acceptable if the employee requests a change to the existing W-4 form. Employee either needs to complete a new paper W-4 form or make changes on line At Your Services On Line on UCOP website.
  
  https://atyourserviceonline.ucop.edu/ayso/

- Non-Resident Aliens must complete the UC W-4 NR / DE 4 Form (available on the Payroll website under “Alien Information”)

When processing a W-4 for an existing employee, it is important to check his/her citizen and visa status.

- Prepare information for data entry.
Accessing XTAX

1. Log on to the Payroll/Personnel System.
2. At the Next Func field, type EEDB and press Enter.
3. Type XTAX, employee ID number, and then press Enter.

The Tax Information function (XTAX) is displayed.

Completing the XTAX Function

THE XTAX (TAX INFORMATION - DEPARTMENTS) FUNCTION

Notes and Tips

- Any field left blank will default to S 000. If employee wishes to claim single 0 for Federal or State withholding, skipping over the fields will default to single 0.
- Use F1 Help for field-level and function-level on-line help.
- If employee is claiming Exempt, they cannot enter allowances on the W-4 form.
- IMPORTANT: Departments cannot alter an employee’s W-4 form.
- Departments can only update this function with a signed and dated W-4 form. Refer to the appropriate XTAX procedures following based on sections of the W-4 form the employee has completed.

XTAX Procedure – Employee claiming withholding allowances

- Employee completes Sections I and II of W-4 form

Federal Tax Filing Status and Allowances

<table>
<thead>
<tr>
<th>Marital Status:</th>
<th>Enter S or M, depending on what employee has checked.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Allowances:</td>
<td>Enter number given on UCW-4/DE4 in Section 1, box 2.</td>
</tr>
</tbody>
</table>

State Tax Filing Status and Allowances
**State Tax Filing Status and Allowances**

<table>
<thead>
<tr>
<th>Marital Status:</th>
<th>Enter S, M or H, depending on what employee has checked.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Allowances:</td>
<td>Enter number given on UCW-4/DE 4 in Section II, box 2.</td>
</tr>
<tr>
<td>Itemized Deductions:</td>
<td>Enter number given on UCW-4/DE 4 in Section III, box 3.</td>
</tr>
</tbody>
</table>

**XTAX Procedure -- Employee claiming exemption from California income tax withholding**

- Employee completes **Section II, box 2** with **997**

Employees **must** meet the following criteria:

- Nonresident of the state of California AND
- University employment takes place outside the state of California

**Federal Tax Filing Status and Allowances**

<table>
<thead>
<tr>
<th>Marital Status:</th>
<th>Leave blank. System will default to S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Allowances:</td>
<td>Enter <strong>998</strong></td>
</tr>
</tbody>
</table>

**State Tax Filing Status and Allowances**

<table>
<thead>
<tr>
<th>Marital Status:</th>
<th>Leave blank. System will default to S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Allowances:</td>
<td>Enter <strong>997</strong></td>
</tr>
<tr>
<td>Itemized Deductions:</td>
<td>Leave blank.</td>
</tr>
</tbody>
</table>

**XTAX Procedure -- Employee claiming exemption from tax withholding**

- Employee completes **Section III** of W-4 form
- Sections I, II and IV **MUST NOT** be completed
- Exemption from withholding automatically expires February 15th of the following year. An employee must complete a new W-4 form claiming exemption during the first week in January or taxes will be withheld at Single with Zero allowances.

### Federal Tax Filing Status and Allowances

<table>
<thead>
<tr>
<th>Marital Status:</th>
<th>Leave blank. System will default to S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Allowances:</td>
<td>Enter <strong>998</strong></td>
</tr>
</tbody>
</table>

### State Tax Filing Status and Allowances

<table>
<thead>
<tr>
<th>Marital Status:</th>
<th>Leave blank. System will default to S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Allowances:</td>
<td>Enter <strong>998</strong></td>
</tr>
<tr>
<td>Itemized Deductions:</td>
<td>Leave blank.</td>
</tr>
</tbody>
</table>
XTAX Procedure -- Employee claiming additional tax withholding

- Employee completes Section IV of W-4 form
- Additional withholding is a flat dollar amount that will be withheld in addition to the taxes withheld in accordance with the number of allowances they are claiming (Sections I and II)
- The employee must complete the entire W-4 form even if the only change is to additional withholding. Additional withholding can only be added, changed or canceled from a W-4 form.
- Additional withholding will continue to be deducted until the employee cancels the deduction by completing (in full) a new W-4 form.

<table>
<thead>
<tr>
<th>Additional Tax Withholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Federal Tax Withholding: Enter dollar amount to two decimal places for new or changed deduction. Enter an asterisk (*) to cancel</td>
</tr>
<tr>
<td>Additional State Tax Withholding: Enter dollar amount to two decimal places for new or changed deduction. Enter an asterisk (*) to cancel</td>
</tr>
</tbody>
</table>

UC W-4/DE 4 Processing Information
(Note: These fields are NOT updateable.)

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Processor ID:</td>
<td>PPS: on-line entry WEB: UC For Yourself entry Date the data was entered PPS Preparer UserID or first three letters of employee’s last name (if entered via WEB)</td>
</tr>
<tr>
<td>W-4 Process Date:</td>
<td>Date of federal withholding change</td>
</tr>
<tr>
<td>DE4 Process Date:</td>
<td>Date of state withholding change</td>
</tr>
</tbody>
</table>

Review

1. Make sure you have completed all the required data elements.
2. Review all entered data for accuracy and consistency.

Updating the Employee Database

Press F5 Update.

Consistency Edits

If there are consistency edits, the Consistency Edit (ECON) function is automatically displayed. Review all error messages and make necessary corrections.

How to Correct Consistency Errors

From the ECON function you may:
Universal Actions

- Correct errors directly on the ECON function.
- **F3 Return** to the last data entry function, make any corrections, then do one of the following:
  - Press **F5 Update**.
  - Press **F2 Cancel** twice to cancel the update and leave the EDB unchanged.

See *Consistency Edit Messages (ECON)* in *Section 1.6, System Messages* for more information and instructions.

If There are no Errors

If there are no consistency errors you will receive the message:

U0007 UPDATE PROCESS COMPLETE

Accessing IMSG

1. To access the Message Report Function go to the **Next Function** field, type IMSG and press **Enter**.
2. When the IMSG function is displayed, review any remaining messages and take the appropriate action.

Office of Record

All W-4 forms must be forwarded to the Payroll office immediately after updating the employee database with your initials and OEU stamped.

UC W-4/DE 4 Excessive Withholding

**Definition:**

1. Claiming more than 10 withholding allowances, or
2. Claiming exemption from withholding and wages would normally exceed $200.00 per week.

Effective April 14, 2005 routine submission of W-4 to IRS is not required however, the IRS may request forms W-4 under specific criteria. Thus it no longer necessary for units to forward “excessive withholding” W-4 forms to the Payroll Office.