Year-End Grossup Processing FAQ's

1. **My Household Goods and Final Trip Expenses came out as taxable. Why?**
   If you entered that the move was less than 50 miles, everything is taxable.

2. **Do I need to enter Resident State Wages or does it default to Medicare Wages?**
   There is no default. You need to enter wages for the state separately.

3. **Why am I getting a negative Federal Taxes number in my year-end calculation?**
   You have to put wages greater than 0 for the Federal/Annual wages if you are using Tax Return method for Yearend. The calculation deducts exemptions and standard/itemized deductions from the wages.

4. **The system calculated 0 for the OASDI/Soc Security gross-up. What can cause this?**
   3 things to check:
   a.) Are the YTD Medicare wages over the cutoff limit?
   b) Is the policy set up to calculate SS gross-up?
   c) Did you override the SS gross-up on the salary screen?

5. **I am getting a gross-up for State Disability Insurance (SDI), and the state wages are over the limit.**
   The local gross-up calculation looks at the Local Wages, not the State wages.

6. **What if my pay-period posted numbers don't match what payroll has at year-end?**
   You can go into the Pay-period YTD form, and adjust the various buckets manually.

7. **When would I check the "Moving Expenses Included in Wages" box?**
   If you have processed expenses and gross-ups throughout the year and sent the numbers to payroll on a regular basis, then verify with payroll that those numbers will be reflected in the final wages passed to you by payroll. If you are processing a year-end true-up, the system will back those numbers out of the wages to calculate taxes before the move to get a true tax bracket for the employee.

8. **My employee indicated that their filing status is "Qualified Widow/er". That is not a choice.**
   If the person is a qualifying widow **without** a dependent child, then they should use a filing status of SINGLE.

If the person is a qualifying widow **with** a dependent child(ren), then they should use a filing status of MARRIED FILING JOINT.

-If they have 1 dependent child, then on the salary screen make certain that the use a filing status of MARRIED FILING JOINT w/NO additional dependents/exemptions because they already receive 2 for the MARRIED FILING JOINT status in the system. The dependents column for qualifying widow with dependent(s) will always be one less than the total children because the MARRIED FILING JOINT status in the system already gives calculates 2 exemptions.

-If the child or children are under 17, then put the correct amount of children in that field to receive the correct Child Tax Credit.

9. **Our gross-up policy uses Supplemental Rates for the calculation. Do I really need to input Salaries at the Federal and State level?**

   At the Federal level, the system will always use 25%, so a Federal salary will not affect the rate. However, there are many states that actually have brackets for supplemental rates, so you will need to input their ytd or annual wages in the State income field so the correct rate is used.

10. **Why were my exemption and/or itemized deductions lower after the move?**

    The Federal government and some states employ phase-outs for high income earners. As your income goes up, you start losing some of your write-offs. Moving expenses often kick-in the phase-out calculations.

11. **The employee is moving to a state with no income taxes; however they are able to take a deduction for sales tax. How can I get the system to recognize this deduction?**

    There is a field on the salary screen where you can input an itemized deduction dollar amount, rather than using averages. Most will use an average here as well, since the actual number will not be known until tax return time.