

Deduction Code Setup Request Form

The configuration of deduction codes has a significant impact on tax calculations and reporting for both your employees and your organization. Please allow at least 2 business days to set up a new code to ensure all configurations are applied appropriately.

	Company Code & Company Name	Contact Name	For use on check date	
	Deduction Code (6-character code abbreviation)	Description/Display Name (15 characters)	Type (view drop down) See page 2 for deduction type taxability and definitions	
Code 1				
Code 2				
	Settings and configuration		Code 1	Code 2
	Create GL Account?	Answer "Yes" if SDP generates a custom general ledger report for your company and provide GL account mapping information in the notes section. If you use the GL module within SDP Connect, please select "N"	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>
	Include in special scripting?	If you have custom scripting that will be affected by the addition of this code (shift differential, fringe benefits, union, etc.) please describe in notes section below.	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>
	Include in agency remittance?	"Agency payments" are payments made to a third party on behalf of an entire company, a group of company employees, or individual employees of the company. Agency payments can be made via paper check or direct deposit. Include third party payment information in notes if applicable.	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>

Notes:

- Please verify calculations and taxability are set up as desired on the first payroll where new codes are used.
- Employers are responsible for ensuring the correct tax treatment for its specific circumstances as SDP does not provide legal or tax advice. Client will be responsible for the full cost of amendments and adjustments if SDP is not notified within 5 business days of first use that a code was set up contrary to desired settings.

Signature:

Date:

See page 2 for the deduction type & taxability key which defines W-2 reporting and taxability for each deduction type. If your deduction will require a custom tax setup, please provide details above in the notes section.

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Deduction type & taxability key

Type	Taxability	W2 Box
Add – Reimbursement	After-tax basis reimbursement added to the net of the check	None
Regular Deduction	After-tax deduction with no special considerations	None
125 – Cafeteria Plan	Pre-Tax (Exempt from all Federal ,CA, & TX taxes) *subject to State and taxes in some states.	14
125 Dep- Dependent care benefits	Pre-Tax (Exempt from all Federal ,CA, & TX taxes) *subject to State and Local level taxes in some states.	10
125 HSA - Health savings account	Pre-Tax (Exempt from all Federal ,CA, & TX taxes) *subject to State and Local level taxes in some states.	12W
401kLoan	After-tax deduction with no special considerations	None
401k – ER sponsored deferred comp plan	Exempt from Federal and State Income taxes only	12D
403b - ER sponsored deferred compensation plan	Exempt from Federal and State Income taxes only	12E
457b - ER sponsored deferred compensation plan	Exempt from Federal and State Income taxes only	12G
FSA – Flexible Spending Account	Pre-Tax (Exempt from all Federal ,CA, & TX taxes) *subject to State and Local level taxes in some states	None
Roth 401k	After-tax basis	12AA
Roth 403b	After-tax basis	12BB
Roth 457b	After-tax basis	12EE
Roth IRA	After-tax basis	
Simple IRA – ER Sponsored deferred compensation plan	Exempt from Federal and State Income taxes only	12S