



9300 Imperial Highway, Downey, California 90242-2890 • (562) 922-6111

Debra Duardo, M.S.W., Ed.D., *Superintendent*

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TO: Business, Payroll, and Personnel Administrators
Los Angeles County School and Community College Districts, Charter Schools and
Other Local Educational Agencies

FROM: Raymond Bribiesca, Payroll Systems Coordinator
District Personnel Information Services
Division of School Financial Services

SUBJECT: California Employee's Withholding Allowance Certificate (DE-4)

California Employee's Withholding Allowance Certificate (DE-4), updated in December 2021, is for California Personal Income Tax (PIT) withholding purposes only. The DE-4 is used to compute the amount of taxes to be withheld from wages, by the employer, to accurately reflect the state tax withholding obligation.

- Beginning January 1, 2020, Employee's Withholding Allowance Certificate (IRS Form W-4) from the Internal Revenue Service (IRS) will be used for federal income tax withholding purposes only. Please file the state form Employee's Withholding Allowance Certificate (DE-4) to determine the appropriate California PIT withholding.
- If an employee does not provide the district with a withholding certificate, the employer must use "Single" and "0" for allowance calculation.
- The DE-4 Worksheet helps employees determine the number of withholdings to consider based on their situation. Here is a link to the worksheet https://www.edd.ca.gov/pdf_pub_ctr/de4.pdf.

Claiming Exempt on DE-4

Employees claiming "exempt" on their state withholdings, must complete and submit both an IRS form W-4 and the state DE-4 exemption claim form. Employees who choose to claim exempt for multiple years, must complete and submit new forms every year by February 15th. Employees who do not submit new forms, should select "Single" and "0" for exemption purposes.

Entering Exempt in HRS

Exempt tax status is entered on Screen 30 in HRS.

- Marital Status = Filing Status
- Reg. Allow = 99
- Additional Withholding – employees claiming exempt from state withholding cannot have additional state tax withholding

Entering Exempt in HCM

Exempt tax status is entered on the TAX parameter document in the Deduction Management (DEDM) activity folder

- Tax Class = F: Enter 'F' to withhold federal income tax only
- Marital Status = Filing Status
- Additional Withholding – employees claiming exempt from state withholding cannot have additional state tax withholding

Should you have questions regarding this bulletin, please contact the SFS Payroll Unit at SFS_Payroll_Manager@lacoedu.edu.

For more information regarding the DE-4, please visit the links below.

https://www.edd.ca.gov/pdf_pub_ctr/de4.pdf

https://edd.ca.gov/pdf_pub_ctr/de44.pdf

Approved:

Yumeka Seabrooks, Project Management Officer
School Financial Services

RB:sm

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