

Vertex Payroll Tax Address Cleansing

Automatically cleanse employee-provided addresses to improve accuracy across the HR function – from payroll tax withholdings, to W2 and 1099 statements. You'll improve data quality, reduce withholding errors, and improve employee satisfaction.

Start at Employee Onboarding

When onboarding new employees, the identification of the correct tax jurisdictions can be a challenge. Oftentimes, there are several possibilities because a five-digit ZIP code can include multiple taxing jurisdictions (see pg 2). This can result in incorrect tax withholdings for the employee, extra work for the Payroll department, and unnecessary time spent by HR staff on data management.

Vertex Payroll Tax Address Cleansing takes the address provided at employee onboarding, cleanses and corrects it, and adds tax-specific details. This improves accuracy in multiple areas of the HR process:

- tax jurisdiction assignment during the onboarding process
- payroll tax withholdings in employee paychecks
- employee W2 or 1099 statements

The solution can be added to a Vertex Payroll Tax engine* or licensed standalone to correct addresses throughout the HR process.

How It Works

The cloud-based solution takes an employee-provided U.S. street address and:

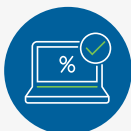
- cleanses and corrects inaccuracies in street, city, and ZIP code
- assigns ZIP+4
- assigns a single Vertex GeoCode** (if integrated with a Vertex Payroll Tax engine)
- assigns a single Political Subdivision code (PSD)
- assigns a Township
- assigns a School District code (for PA and OH)

These granular details enable tax jurisdiction to be assigned at the “side of street” level for even greater accuracy when calculating payroll withholdings.

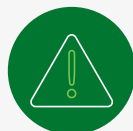
* Address Cleansing is not available for Vertex Payroll Tax Q Series deployed on-premise.

**Not all addresses may be resolved to a single GeoCode.

Benefits



Improved Accuracy



Reduced Risk



Streamlined Processes



Employee Satisfaction

Why Is Tax Jurisdiction Identification Difficult?

The biggest reason that tax jurisdiction assignment can be problematic is that street addresses don't follow the same rules as jurisdictional boundaries. For instance, street addresses use a USPS ZIP code system to aggregate groups of addresses into specific regions for postal delivery. Taxing jurisdictions, however, can cross multiple zip codes,

and vice versa. For example, the ZIP code 43512 in Ohio consists of one city and seven townships, each with their own set of payroll tax withholding rates and rules. This makes tax withholdings highly complex for addresses that fall into this ZIP code.

Example: Address Cleansing Increases Accuracy

Below is a common type of address that an employee would provide to HR during the onboarding process. However, this information does not provide enough detail to accurately identify the proper taxing jurisdiction in order to accurately calculate payroll tax withholdings.

Original Address	Gold
900 High Land Rd Abbington, PA 19001	<i>Below is the more detailed address after processing through Vertex Payroll Tax Address Cleansing:</i> 900 Highland Ave Abington, PA 19001-4534 Vertex GeoCode: 390919537 PSD Code: 460101 School District Code: 46030

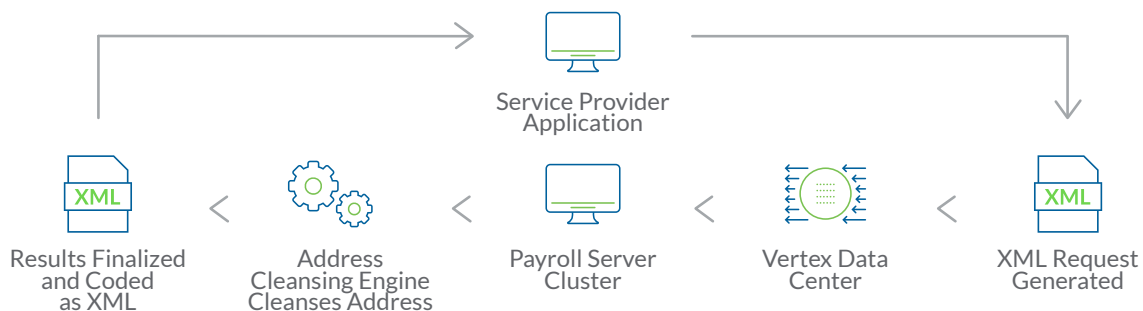
The Address Cleansing solution corrected the following elements:

- incorrect street name
- city name misspelling

In addition, the solution delivered the precise codes needed for more accurate tax jurisdiction assignment including:

- a single Vertex GeoCode
- Political Subdivision code
- School District code

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