

# Vertex Payroll Tax

## Automating Complex Payroll Tax Calculations

When it comes to payroll tax calculations, employers and employees alike expect thoroughness and accuracy. The complexity of these tax calculations requires a robust combination of tax content and powerful technology. Vertex applies 40 years of tax technology experience to the latest SaaS-based payroll tax calculation engine that streamlines payroll processes and improves customer/employee satisfaction.

### Powerful, Integrated Payroll Tax Solution

Vertex Payroll Tax is a powerful automated tax engine that integrates with HCM and Staffing applications to provide gross-to-net, gross up, and vacation pay payroll tax calculations for the U.S. and Canada. Comprehensive tax content, including locals and reciprocity agreements, along with robust and flexible calculation technology enables users to:

- Ensure the correct taxing jurisdiction when onboarding new employees.
- Improve tax accuracy in dynamic scenarios where employees work in multiple jurisdictions during pay periods.
- Maintain compliance with ever-changing payroll tax rules, rates, and locations.

### Start at Employee Onboarding

Vertex automates tax jurisdiction assignment when it's needed most – at the employee onboarding stage. For each employee address, the system assigns a unique “Geocode” based on the city, state, and county of each address. This enables more accurate tax jurisdiction assignment than ZIP codes. The GeoCode identifies the taxing jurisdiction for the employee’s residence and work locations for country, state, county, city, and township tax.

### Address Cleansing Improves Accuracy

To ensure even more precise tax jurisdiction assignment, add Address Cleansing\* to scrub every U.S. address, correcting inaccuracies in street, city, and ZIP code, and assigning:

- ZIP+4
- Political Subdivision code (PSD)
- Township
- 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.

**>23M employees rely on Vertex for accurate payroll tax calculations.**

### Reliable Integration

Vertex Payroll Tax provides you with a powerful tax calculation engine that contains all the required logic and flexibility needed to integrate with your host HCM/Payroll system or internal payroll processes. The engine interfaces directly with your HCM Platform, allowing for the easy transmission of the required data to calculate and return the appropriate taxes that can be displayed directly to your clients to view. It's embedded in leading HR and payroll HCM applications, as well as payroll service provider applications. Vertex Payroll Tax incorporates modern technology for seamless program and data updates along with REST APIs for straightforward software integrations.

## Features



### Comprehensive Tax Content

Automatically stay up to date with the latest payroll tax rates, payroll formulas, and payroll regulations at the federal, state, and local level for United States, U.S. territories, and Canada, including reciprocity agreements.



### Calculation Reference Guides

Access to our payroll tax calculation reference guides that provide in-depth explanations of the applicable taxes, calculation methods, and calculation examples for each country, state, province, and local jurisdiction in the U.S. and Canada.



### Complex Calculations

Ensure accuracy for complex scenarios like multiple work locations, reciprocity agreements, and payroll tax calculations for 'Gross to Net', 'Gross Up', and Vacation pay.



### Tax Jurisdiction Accuracy

Vertex Geocodes add greater tax jurisdiction accuracy than ZIP codes for work and home addresses to enable more accurate withholding even for multiple work addresses.



### Address Cleansing

Optional add-on capability\* corrects U.S. addresses and assigns ZIP+4, PSD codes, and School District codes for improved tax accuracy.



### Streamlined Integration

Simple, streamlined integration to HCM and Staffing systems via REST or SOAP APIs to deliver payroll tax calculations in real time.



### SaaS Deployment

Cloud-delivered technology for fast startup, minimal IT infrastructure, and reduced system maintenance needs. Available option to run on-premise within a docker container. SOC 2 Type 2 Certification.

## Tax Solutions from the Industry Leader

Payroll tax solutions from Vertex deliver confidence. We pioneered indirect tax calculation technology, and have spent 40+ years developing new solutions that integrate with a range of financial transaction systems to enable businesses to improve tax accuracy. Our research department maintains a proprietary content database including over 300 million data-driven effective tax rules supporting tax compliance in more than 19,000 jurisdictions worldwide. Headquartered in North America, and with offices in South America and Europe, Vertex employs over 1,100 professionals and serves companies around the world including 50%+ of the Fortune 500.

\* Address Cleansing is available with an additional license and fee

To learn more, visit [VertexInc.com](https://VertexInc.com).



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