

ACT 32 Guidelines

For Employers who have locations in Pennsylvania

What you will find in this pamphlet:

- 1) Cover page
- 2) Instructions for ALL employees
- 3) Local Earned Income Tax Residency Certification Form

Act 32 Basics:

Pennsylvania has enacted legislation that will require all employers in Pennsylvania to withhold the higher tax rate of an employee's work municipality or the municipality in which they reside. Act 32 does not apply to City of Philadelphia work locations.

All employers will be required to remit local tax regardless of whether their work location has enacted a tax or not. If your work location rate is zero, you must still remit for employees who have a tax where they live.

To comply with the new requirement, you must obtain a completed Residency Certification Form from all existing employees and new hires working in PA, non Philadelphia work locations. The form must be completed fully, kept by the employer, and a copy submitted to Pay USA for existing employees and when a new employee is added to your payroll. You must retain the original form in your employee records. A blank form is enclosed and available on our website at www.payusa.com. Click on Forms, New Client Forms.

Each employee's municipality PSD code must be listed in the quarterly tax filing. Failure to provide this information to Pay USA may result in tax penalties for non-compliance.

For more information please visit www.newpa.com. Click on Get Local Gov't Support.

First, complete the middle section “Employer Information – employment location” for each PENNSYLVANIA LOCATION you have. This will allow you to have a TEMPLATE for EACH LOCATION. Make photo copies and distribute to your employees for completion. This form is also on our website at www.payusa.com. Act 32 does not apply to Philadelphia work locations. You do not have to complete the residence form for any employees working 100% in Philadelphia.

For ALL (current and new) EMPLOYEES working in PA, except Philadelphia:

- 1) Complete Section 1 “Employee Information – Residence Location.”
- 2) Complete Section 3 “Certification” and SIGN.
- 3) Return to the payroll manager.

EMPLOYERS will need to retain the completed certificate in the employees’ file and SEND a copy to PAY USA.

- **fax** 610-337-2072

- **email** support@payusa.com

- **mail** *Pay USA, 680 American Avenue, # 103, King of Prussia, PA 19406*



LOCAL EARNED INCOME TAX RESIDENCY CERTIFICATION FORM

TO EMPLOYERS/TAXPAYERS:

This form is to be used by employers and/or taxpayers to report essential information for the collection and distribution of Local Earned Income Taxes. This form must be utilized by employers when a new employee is hired or when a current employee notifies employer of a name and/or address change.

EMPLOYEE INFORMATION - RESIDENCE LOCATION			
NAME (Last, First, Middle Initial)			SOCIAL SECURITY NUMBER
FIRST LINE OF ADDRESS (If PO Box, please include actual street address)			
SECOND LINE OF ADDRESS			
CITY	STATE	ZIP CODE	DAYTIME PHONE NUMBER
MUNICIPALITY (City, Borough, Township)			
COUNTY	PSD CODE <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		TOTAL RESIDENT EIT RATE

EMPLOYER INFORMATION - EMPLOYMENT LOCATION			
EMPLOYER NAME (Use Federal ID Name)			EMPLOYER FEIN
FIRST LINE OF ADDRESS (If PO Box, please include actual street address)			
SECOND LINE OF ADDRESS			
CITY	STATE	ZIP CODE	PHONE NUMBER
MUNICIPALITY (City, Borough, Township)			
COUNTY	PSD CODE <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		MUNICIPAL NON-RESIDENT EIT RATE

CERTIFICATION	
SIGNATURE OF EMPLOYEE	DATE
PHONE NUMBER	EMAIL ADDRESS

For information on obtaining the appropriate MUNICIPALITY (City, Borough, Township), PSD CODES and EIT (Earned Income Tax) RATES, please refer to the Pennsylvania Department of Community & Economic Development website:

www.newPA.com
 Select Get Local Gov Support, >Municipal Statistics