**Company K Taxation Policies and Deductions**

**1. Purpose**

This document outlines Company K’s taxation policies and employee deductions. The objective is to provide clarity on how taxes are handled, ensure compliance with tax regulations, and inform employees about applicable deductions.

**2. Scope**

This policy applies to all employees of Company K, including full-time, part-time, temporary, and contract workers.

### **3. Taxation Policies**

**3.1 Income Tax Withholding**

* **Federal Income Tax**: Company K withholds federal income tax from employee wages based on the employee’s W-4 form and current IRS tax tables.
* **State Income Tax**: State income tax is withheld according to the employee’s state of residence and the applicable state tax laws.
* **Local Taxes**: Any local taxes, such as city or county taxes, are withheld based on the employee’s location and local tax regulations.

**3.2 Social Security and Medicare Taxes**

* **Social Security**: Company K withholds Social Security taxes from employee wages as required by the Federal Insurance Contributions Act (FICA).
* **Medicare**: Medicare taxes are also withheld according to FICA requirements.

**3.3 Tax Filing and Reporting**

* **Form W-2**: Employees will receive a Form W-2 at the end of each year, detailing their total earnings and taxes withheld for the year.
* **Form 1099**: Independent contractors and freelancers will receive Form 1099 for tax reporting purposes, if applicable.

### **4. Employee Deductions**

**4.1 Mandatory Deductions**

* **Income Taxes**: Withheld as outlined in the taxation policies.
* **Social Security and Medicare**: Withheld according to FICA requirements.

**4.2 Voluntary Deductions**

* **Benefits**: Deductions for employee benefits, including health insurance premiums, retirement contributions, and other benefit programs.
* **Flexible Spending Accounts (FSAs)**: Employee contributions to FSAs for medical and dependent care expenses.
* **Charitable Contributions**: If offered by the company, deductions for employee contributions to approved charitable organizations.

**4.3 Garnishments**

* **Legal Orders**: Deductions required by court orders, such as wage garnishments for child support or other legal obligations.
* **Repayment Plans**: Deductions related to repayment plans for any loans or advances provided by the company.

### **5. Tax Benefits and Credits**

**5.1 Retirement Contributions**

* **401(k) Plan**: Employee contributions to the 401(k) retirement plan are deducted pre-tax and may be eligible for tax benefits.
* **Roth 401(k)**: Contributions to Roth 401(k) accounts are deducted after-tax, with potential tax-free withdrawals in retirement.

**5.2 Health Savings Accounts (HSAs)**

* **Contributions**: Pre-tax contributions to HSAs for qualified medical expenses, as per IRS guidelines.

**5.3 Education Assistance**

* **Tax-Free Assistance**: Educational assistance provided by the company may be tax-free up to certain limits, as outlined by IRS regulations.

### **6. Compliance and Reporting**

**6.1 Tax Compliance**

* **Adherence**: Company K adheres to all federal, state, and local tax regulations and ensures accurate withholding and reporting of taxes.
* **Updates**: The company stays updated with changes in tax laws and adjusts policies and procedures as necessary.

**6.2 Employee Responsibilities**

* **Accuracy**: Employees must provide accurate and up-to-date information on their W-4 forms and other tax-related documents.
* **Reporting Changes**: Employees are responsible for reporting any changes in their tax status or withholding preferences to the HR department.

### **7. Contact Information**

For questions or assistance regarding taxation policies and deductions, employees should contact:

* **HR Department**: hr-support@companyk.com
* **Payroll Department**: payroll@companyk.com
* **Phone**: [HR or Payroll Department Phone Number]