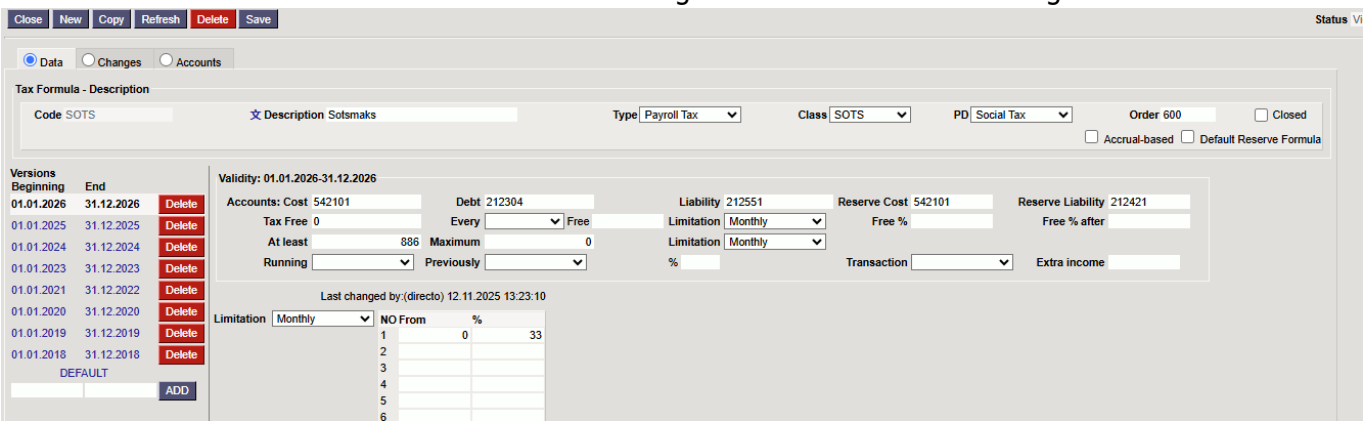
Sisukord

Tax Formulas 3
Tax formula fields 3

Tax Formulas

With tax formulas, you define which taxes Directo calculates on employees' wages (for example income tax, social tax, unemployment insurance and funded pension contributions), at which rate and to which accounts Directo posts the taxes. When the tax formulas are set up correctly, Directo calculates the taxes itself and you do not need to check them manually.

You can find the tax formulas in the menu `Settings → Personnel Settings →` **`Tax Formulas`**.



Tax formula fields

- **Code** - the code of the tax formula.
- **Description** - the name of the tax formula.
- **Type** - the options are employee tax, **Payroll Tax** (employer's tax), additional tax and fringe benefit. You use the additional tax, for example, for the trade union fee. If you select fringe benefit, Directo does not show this tax formula on the wage calculation.
- **Class** - the class of the tax formula. You can define the classes in the setting `System settings > Wage Tax Formula Classes`.
- **PD** - the TSD section to which the tax calculated with this tax formula goes (for example **Social Tax**).
- **Order** - the order in which Directo calculates the taxes. Employee taxes have lower numbers and employer taxes higher numbers.
- **Closed** - select this checkbox if you no longer use this tax formula. Directo shows a closed tax formula in red on the employee card.
- **Accrual-based** - defines how Directo calculates the minimum social tax obligation. If the checkbox is selected, Directo calculates the minimum social tax by the calculation period. If the checkbox is not selected, Directo calculates it by the month code of the calculation. If none of the social tax formulas has **Accrual-based** selected, you cannot change the social tax period on the wage calculation and payment documents.
- **Default Reserve Formula** - select this checkbox if Directo must use this tax formula when calculating the holiday reserve taxes.

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