To: All Faculty and Staff

From: Payroll Services Department

Subject: Payroll News for 2011

The Tax Relief Act of 2010 (TRA 2010)

The Tax Relief Act of 2010 was signed into law on Friday, December 17 and has many changes that may affect your pay in 2011. Some of those changes are summarized below:

- Tax rates for Individuals – Under the TRA 2010 the current tax rates (10%, 15%, 25%, 28%, 33%, and 35%) have been extended for two years, through December 31, 2012. The TRA 2010 also extends the marriage penalty relief that set the standard deduction for married individuals filing jointly at double that for single individuals.
- Reduction in employee social security tax rate – The most significant change is the reduction in the amount of social security taxes withheld from employee’s pay. The employee’s share of social security taxes is reduced from 6.2% to 4.2% for the first $106,800 of wages paid in 2011. The change is for one year and expires on December 31, 2011.
- Parity for mass transit benefit – The maximum pre-tax transportation benefit of $230/month has been extended for one year, through December 31, 2011.
- Employer provided educational assistance – The income exclusion for up to $5,250 for undergraduate and graduate educational assistance is extended for two years, through December 31, 2012.

New Benefit Rates Take Effect in January 2011

New benefit deduction rates and/or open enrollment changes for health and welfare benefits take effect in January 2011. These rates will be reflected in the pay dated January 7, 2011 for biweekly paid employees and January 31, 2011 for monthly paid employees. It is very important that you take the time to verify that the deduction amounts are correct and reflect any changes made during open enrollment. If they do not, immediately contact Benefit Administration at 1-888-449-8236 or email benefits@gwu.edu.

You can also visit http://financeoffice.gwu.edu/taxpayrollbenefits/benefits/Announcements.html for detailed information regarding your 2011 benefit plans, including instructions on how to access temporary benefit cards, information on the new GW Medical Plan Provider (UnitedHealthcare), the new 2011 flexible spending account service provider (PayFlex), changes to over the counter medicines eligible for reimbursement from your Health FSA, and additional year-end resources and reminders.
**Employee Self-Service Options**

Your 2010 Form W-2 will be available on-line through employee self-service by going to GWeb Information and checking the consent box on the Electronic W-2 Consent screen. Instructions can be found at: [http://financeoffice.gwu.edu/taxpayrollbenefits/payroll/forms/Electronic_W2_Instructions.pdf](http://financeoffice.gwu.edu/taxpayrollbenefits/payroll/forms/Electronic_W2_Instructions.pdf)

Accessing your Form W-2 electronically is secure and keeps your personal information from being sent via regular postal mail. If you consented last year, you do not need to consent again for 2010.

You can also update your direct deposit information through employee self-service. Instructions can be found at: [http://financeoffice.gwu.edu/taxpayrollbenefits/payroll/forms/Update_Direct_Deposit_Instructions.pdf](http://financeoffice.gwu.edu/taxpayrollbenefits/payroll/forms/Update_Direct_Deposit_Instructions.pdf).

**Verify Your Personal Information**

**Avoid the hassle of your W-2 being lost in the mail!**

Review your current pay advice to verify your name is spelled correctly and it reflects your correct mailing address. Don’t forget to check the zip code and apartment number, if applicable. It is very important to maintain a correct W-4 address. It is used by Benefits Administration and the benefit vendors to communicate benefit and retirement information to you throughout the year.

The address reflected on your pay advice is your Form W-4 address and is where your 2010 Form W-2 will be mailed if you haven’t opted to receive your W-2 on-line. If this address needs to be changed, you must complete a new Form W-4 that reflects the new address and the number of allowances you wish to claim. You may obtain a Form W-4 from the Faculty Staff Service Center (FSSC) located on the 1st floor of Rice Hall or on the Payroll Services web site, [http://financeoffice.gwu.edu/taxpayrollbenefits/payroll/payroll_forms.html](http://financeoffice.gwu.edu/taxpayrollbenefits/payroll/payroll_forms.html).

*Please remember, if your state of residence changes you must also complete a new state tax withholding form.*

**SmarTrip and SmartBenefit Vouchers Deduction Options**

The monthly allowable pre-tax transportation amount will remain at $230 per month for 2011. You may elect payroll deductions in $10 increments starting at $40 per month. Enrollment/Change Forms are available at the FSSC located on the 1st floor in Rice Hall or on the web at: [http://financeoffice.gwu.edu/taxpayrollbenefits/payroll/payroll_forms.html](http://financeoffice.gwu.edu/taxpayrollbenefits/payroll/payroll_forms.html).

**Reminder:** In accordance with IRS regulations, the University is not allowed to refund SmarTrip benefits that have not been claimed by the last day of each month.

In addition to Metrorail, the SmarTrip card is now accepted on Metrobus, DASH, Ride On, Fairfax Connector, CUE, Loudoun County Transit, ART, DC Circulator and PRTC. Contact Jon Lantz at 703-726-8508 for more information.
Pre-Tax Parking Benefit (Off Campus Parking)

The maximum deduction for the pre-tax parking benefit remains at $230 per month for 2011. Enrollment forms for the off campus parking program are available at the FSSC or on the Payroll Services website, http://financeoffice.gwu.edu/taxpayrollbenefits/payroll/payroll_forms.html.

Pre-Tax Parking Benefit (On Campus Parking)

On campus parking rates are also changing effective February 2011 as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>Non-Carpool</th>
<th>Carpool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Campus</td>
<td>$230.00</td>
<td>$195.00</td>
</tr>
<tr>
<td>Mount Vernon</td>
<td>$140.00</td>
<td>$110.00</td>
</tr>
<tr>
<td>Hall on Virginia Ave</td>
<td>$170.00</td>
<td>NA</td>
</tr>
</tbody>
</table>

Information about on-campus parking can be found at the Parking Services website http://www.gwu.edu/~parking/ or by contacting the Office of Parking Services at 202-994-7275.

Social Security and Medicare Tax Changes for 2010

The Social Security Administration announced that the Social Security wage base for 2011 will remain at the first $106,800 of earnings. Medicare taxes will continue to be based on all earned income. The tax rate for the employee’s portion of social security has been reduced to 4.2% for 2011. Medicare will remain the same in 2011 at 1.45%.

Review Your Current Federal and State Withholding

Now is a good time to review the federal and state withholding allowances you are currently claiming. Your current withholding allowances can be found in GWeb Information or on your pay stub. If you need to change your filing status and/or number of exemptions, you must complete a new Form W-4. The IRS recently announced that the personal exemption amount for 2011 will be $3,700.

Employees Claiming Exempt from Federal Tax Withholding

Employees that filed a form W-4 in 2010 claiming exemption from federal withholding taxes will have to file a new Form W-4 no later than February 15, 2011. If a new Form W-4 is not submitted, the IRS requires the University to withhold based on the withholding status of single and zero (0) exemptions.

Employees Claiming Exempt from State Tax Withholding

If you claimed exempt from state withholding taxes, you must renew that exemption each year. If Payroll Services doesn’t receive a new state withholding form requesting “exempt”, your withholding status will be changed to single and zero (0) exemptions.
Advantages of Direct Deposit

If you are currently not being paid by direct deposit, it is highly recommended that you sign up for this program. Direct deposit can benefit you in many ways:

- No waiting for your check on payday. The money is already in your account and available on payday.
- If you miss work on payday or you’re on vacation, your money is in the bank and available to you no matter where you are.
- No worrying over losing a paycheck or having it stolen before you can get it to the bank. *The University does not reissue checks that have been stolen and cashed.*
- Via electronic direct deposit notification, you can view your pay stub on-line and print at your convenience while you are at work or home.
- Supports sustainability by eliminating paper checks.
- You can have your pay sent to different accounts and/or different financial institutions.
- Avoid long lines at the bank on payday.
- It will be easier for the University to pay you if there is a catastrophic event.

If you have questions or concerns, please call the Payroll Department to discuss how safe and easy it is to have your pay direct deposited into your checking and/or savings account anywhere in the United States. Please do not hesitate to call at 703-726-4463.

Direct Deposit Enrollment Forms are located at the FSSC or on the web at, http://financeoffice.gwu.edu/taxpayrollbenefits/payroll/payroll_forms.html.