To: All Faculty and Staff

From: Payroll Services Department

Subject: Year End Information and Changes for 2010

**New Benefit Rates Take Effect in January 2010**

Changes to your health and welfare benefits that you made during open enrollment (if any) will take effect on January 1, 2010. The new benefit deduction rates will be reflected in the pay dated January 8, 2010 for biweekly paid employees and January 29, 2010 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 888-449-8236. Please remember, beginning in January 2010, all of your health and welfare contributions will now be deducted based on your pay frequency.

**New Employee Self-Service Options in 2010**

Your 2009 Form W-2 will be available on-line through the University's employee self-service program by going to the GWeb Information website (https://banweb.gwu.edu) and, after logging in, checking the consent box on the Electronic W-2 Consent screen. More detailed instructions will be available on or about December 30, 2009 at www.gwu.edu/~payroll/news.html. This is a faster, more convenient and secure way for you to receive your Form W-2. If you choose this option by January 15, 2010, your W-2 will not be mailed to you.

Starting in January 2010 you will also be able to update your direct deposit information through the employee self-service program. Instructions will be available on or about December 30, 2009 at www.gwu.edu/~payroll/news.html.

**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 current mailing address. Don’t forget to check the zip code and apartment number, if applicable. It is very important to maintain a correct 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 2009 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 as soon as possible that reflects the new address and the number of allowances you wish to claim. You may obtain a Form W-4 from the Foggy Bottom Payroll Office located at the Academic Center, Rome Hall – Room 101, or the Payroll Services website, www.gwu.edu/~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 Internal Revenue Service announced that the monthly allowable pre-tax amount will remain at $230 per month for 2010. You may elect payroll deductions in $10 increments starting at $40 per month. Enrollment/Change Forms are available at the Foggy Bottom Payroll Office located at the Academic Center, Rome Hall - Room 101 or on the web at www.gwu.edu/~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 Shelley Rich at 202-994-7714 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 2010. Enrollment forms for the off campus parking program are available at the Foggy Bottom Payroll Office located at the Academic Center, room 101 or on the Payroll Services website, www.gwu.edu/~payroll/forms.html.

**Pre-Tax Parking Benefit (On Campus Parking)**

On campus monthly parking rates for full time faculty and staff are changing effective January 2010 as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>Non-Carpool</th>
<th>Carpool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Campus</td>
<td>$220.00</td>
<td>$195.00</td>
</tr>
<tr>
<td>Mount Vernon</td>
<td>$130.00</td>
<td>$110.00</td>
</tr>
<tr>
<td>Hall on Virginia Ave</td>
<td>$160.00</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. You will also find information about the University’s new partnership with “NuRide,” a flexible and free ride sharing program that encourages and rewards carpooling.
Social Security and Medicare Tax Changes for 2010

The Social Security Administration announced that the Social Security wage base for 2010 will remain at the first $106,800 of earnings. Medicare taxes will continue to be based on all earned income. The tax rates for Social Security and Medicare will remain the same in 2010, 6.2% for Social Security and 1.45% for Medicare.

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 want 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 2010 will remain at $3,650. The standard deduction amounts will remain at $11,400 for married couples filing jointly and $5,700 for single taxpayers. Changes generally take affect the following pay period.

The Federal “Making Work Pay” Tax Credit

The Making Work Pay tax credit ($400 for eligible single tax payers and $800 for eligible married couples), which is part of the American Recovery and Reinvestment Act of 2009 (ARRA), continues through 2010. This credit will be factored over the full calendar year in 2010.

This tax credit will phase out if your adjusted gross income is in excess of $75,000 for single taxpayers and $150,000 for married couples filing jointly.

This credit can cause under withholding, especially if you have multiple jobs and/or if you are married and your spouse is working. You may want to visit the tax calculator located on the IRS website, at, http://www.irs.gov, to assist you in determining the proper amount of withholding for the year.

Employees Claiming Exemption from Federal Tax Withholding

Employees who filed a form W-4 in 2009 claiming exemption from federal withholding taxes will have to file a new Form W-4 no later than February 16, 2010. If a new Form W-4 is not received, the IRS requires the University to withhold based on the withholding status of “single,” with zero (0) exemptions.

Employees Claiming Exemption from State Tax Withholding

See information provided below if you are currently claiming exemption from state withholding, or you completed a District of Columbia Form D-4A claiming non residency status.

District of Columbia – Renewal of exempt status must be accomplished by completing a new Form D-4A and submitting it to Payroll Services no later than January 4, 2010. If a new Form D-4A is not received, the University will be required to change your withholding status to “single,” with zero (0) exemptions.
If you are claiming non-resident status and are not currently having taxes withheld for another state, you must renew your status by completing a new Form D-4A. If a new form is not received by January 4, 2010, the University will be required to begin withholding D.C. tax based on the withholding status of "single," and zero (0) exemptions.

Maryland – Renewal of exempt status must be accomplished by completing a new Form MW 507 and submitting it to Payroll Services no later than February 16, 2010. If a new MW 507 is not received, the University will be required to change your withholding status to "single," with one exemption.

Virginia – Renewal of exempt status must be accomplished by completing a new Form VA-4 and submitting it to Payroll Services no later than January 4, 2010. If a new Form VA-4 in not received, the University will be required to change your withholding status to "single," with zero (0) exemptions.

Copies of the Federal, District of Columbia, Maryland, and Virginia forms referenced above are available online at http://www.gwu.edu/~payroll/forms.html.

**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._
- You can view your pay stub on-line and print at your convenience while you are at work or home.
- 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 either Payroll Office or online at, http://www.gwu.edu/~payroll/forms.html.