

# State of the Payroll Address – 2011

Payroll & Benefits Office  
December 2011

## SOCIAL SECURITY NUMBER & NAME MATCH

The name on your Social Security card and the Form W-2 must match in the following manner: first name, middle initial, last name. An example: If Mary Ann Jones is on the SS card, then the Form W-2 must read Mary A. Jones.

If you are currently using a name that does not match your Social Security card due to marriage, divorce, citizenship change, or for any other reason, you need to obtain a new card with your correct name from the Social Security Administration. This can be done by mailing Form SS-5, available on the SSA Website: [www.socialsecurity.gov](http://www.socialsecurity.gov).

To correct your name on the payroll, please contact the Human Resources Office in Room 313 in the Administration Building. ☺

## STUDENTS! CLAIMING EXEMPT? NEW FORM W-4 REQUIRED

**A Form W-4 claiming exemption from withholding is valid for only one calendar year.**

If you claimed exempt from federal withholding on your Form W-4 for 2011, the form expires on

January 1, 2012. You have a grace period until February 15, 2012, to submit a new form to the Payroll Office.

If a new form is not received by that date, the IRS regulations require payroll to change your

allowances to “zero” and your filing status to “Single” until a new form is received.

W-4 Forms for 2012 may be obtained at the Payroll Office, Rm 321, in the Administration Building after January 1. ☺

## 2011 W-2 FORMS

**January, but no later than January 31 as required by the IRS.**

You will be able to view and print your W-2 information online using PayInfo. However, printouts from PayInfo are not considered official copies of

your Form W-2.

If you do not receive your W-2 or need a duplicate copy, please contact the Payroll Office after February 1. You will need to provide us with your name, SSN and EMPLID (employee ID). ☺

## Year-End Checklist ✓

The end of the calendar year is approaching and now is a good time to review your 2011 information and prepare for 2012.

Here is a check list to help you get ready for tax time:

- Verify your mailing address on your pay check.** This is the address where your W-2 Form will be sent. Report any corrections/changes to the Human Resources Office **before** 12/12/11.
- Retain your final pay advice dated 12/23/11.** This contains your year-to-date totals for your deductions, gross pay, etc.
- If you are participating in a flexible spending account (**HCSA and/or DCAP**), don't forget to **use up your funds**. Any unused funds in these accounts are forfeited.
- Check your TSA and/or SMART Plan deduction.** Does it need to be adjusted so you won't exceed the limit? Or, do you need to re-activate your deduction? See the article on the reverse for more information.

Your W-2 reflects only your taxable income—not your EARNINGS!

**The State Comptroller's Office will begin mailing W-2 forms around mid-**

## TSA'S (403B PLANS) & THE STATE DEFERRED COMPENSATION (SMART) PLAN

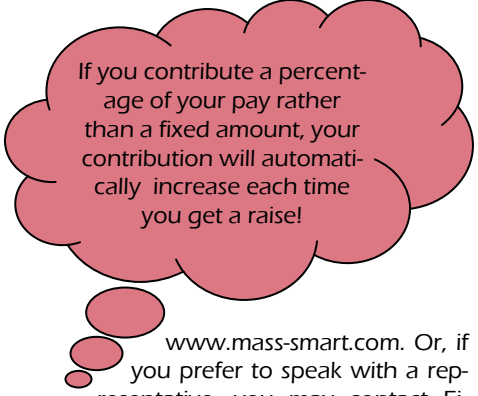
**Effective for calendar year 2012, the IRS has increased the limit on the annual amount you are allowed to contribute to your TSA and/or SMART Plan to \$17,000 (\$22,500 if you are age 50 or older).**

It is always a good idea to review your contribution amounts each year to make sure you stay within the legal limits and maximize your tax savings. To be on the safe side, consult with your

plan representative before requesting any increases to your contribution amount.

For further information on TSA's and the SMART Plan, visit the Payroll Office website and click on the Benefits & Deductions link on the left. You can view the list of eligible vendors, print out a *Salary Reduction Agreement* and see if any vendors will be visiting the campus.

You can now enroll in the SMART Plan online! For information, please visit



If you contribute a percentage of your pay rather than a fixed amount, your contribution will automatically increase each time you get a raise!

[www.mass-smart.com](http://www.mass-smart.com). Or, if you prefer to speak with a representative, you may contact Eileen Neubert at 877-457-1900, #2, X20083. ☺

## HCSA/DCAP GRACE PERIOD

**The IRS requires that any unused funds in the two flexible spending accounts — HCSA and DCAP — at Plan Year-end be forfeited.**

However, the IRS provides a 2½ month "grace period" in which you can spend down unused plan year contributions.

For instance, if you have \$100 left

over in your HCSA at the end of the year, you may still incur eligible expenses until March 15 that may be applied to your remaining prior year HCSA balance of \$100. If you use your HCSA debit card or submit a paper claim form for eligible expenses incurred during the grace period, these expenses will be deducted from the prior plan year first, and then from the new plan year.

The deadline to submit all receipts you incurred during the current plan year, including claims incurred during the grace period, is April 15.

After April 15, your account will be closed for the prior plan year.

Contact Benefit Strategies at 1-877-353-9442. ☺

## MEDICARE TAX, STATE TAXES & STATE RETIREMENT

**Employees of the Commonwealth are not subject to Social Security tax in accordance with a Section 218 agreement entered into by the Commonwealth and US Secretary of Health and Human Services in 1952.**

However, certain employees are subject to the Medicare portion of that tax for hospital insurance coverage. Anyone hired on or after April 1, 1986, is entitled to participate in Medicare health insurance coverage and is required to contribute the Medicare portion of the FICA tax — 1.45% of your gross salary. Students who are working at a school in which they are enrolled and attending classes are exempt from contributing the Medicare tax.

This deduction appears on your pay advice (pay stub) as "MED EE".

**Under Mass Law, the first \$2000 of combined retirement and Medicare withholdings is pre-tax for State Withholding purposes.**

Have you ever noticed that your state taxes suddenly change during the year when you have not made any changes to them? This law is the reason. At some point during the year—when your combined retirement and Medicare tax contribution YTD total reaches \$2000—your retirement deduction becomes taxable income for state tax purposes. Therefore, your state tax deduction becomes higher and your net pay is less.

So, remember, your net pay in your first paycheck in 2012 will be more than your last paycheck in 2011 because your YTD totals were set back to zero, and you are starting all over again with pre-tax retirement. ☺

### WEBSITES

#### PayInfo:

[www.payinfo.state.ma.us](http://www.payinfo.state.ma.us)

#### Pay Calendars & Pay Dates

are on the Payroll Office website:

[www.worcester.edu/payroll](http://www.worcester.edu/payroll)

#### IRS forms/information

can be obtained at:

[www.irs.gov](http://www.irs.gov)