

2015 - 2016 Year End Payroll Reminders

There are a number of upcoming events that may impact your pay or may be of interest to you as we approach the end of calendar year 2015 and begin the new calendar year 2016. In pay period 1603 (1/10/16 – 1/23/16), a variety of payroll changes will be implemented, including any authorized 2016 pay raises, if applicable. The following are items for consideration:



Leave Year

The 2015 leave year ends January 9, 2016. The 2016 leave year includes 26 pay periods, beginning on January 10, 2016 and ending on January 7, 2017.

Calendar Tax Year

The 2016 taxable earnings year is from the pay period that began December 13, 2015 through the pay period ending December 10, 2016. Note that the pay period that began December 13, 2015 is part of the 2016 tax year.

Form W-2

Form W-2, Wage and Tax Statement, will be available for viewing and printing in Employee Express (EEX) at: www.employeeexpress.gov by January 12, 2016. In addition, hard copy Form W-2s will be mailed no later than February 1, 2016, for all employees who did not elect to turn off the hard copy Form W-2. Any corrections or changes to addresses should have been completed by December 11, 2015, to ensure receipt of hard copy Form W-2. The address may be verified by reviewing the latest electronic Earnings and Leave Statement in EEX.

Voluntary Tax Allotments

The amount of “estimated” tax deductions withheld through a Voluntary Tax Allotment will be reflected on the Form W-2 in Box 14 as item 8 - Estimated Local Tax. The amount was remitted to the locality on the employee’s behalf. Since the amount is only an estimate, the reconciliation will occur when the employee files an applicable tax return with the locality.

Form W-4

The Internal Revenue Service (IRS) requires that a Form W-4, Employee’s Withholding Allowance Certificate, claiming exemption from withholding is valid for only 1 calendar year. To continue to be exempt from withholding in 2016, the employee must complete a new Form W-4 claiming exempt status by February 16, 2016. If a new Form W-4 has not been entered in EEX between January 1 and February 16, 2016, your Federal tax withholding status will be changed to single and no withholding allowances in pay period ending February 20, 2016. If this applies to you and you do not file a new Form W-4, you will not be exempt from withholding in 2016.

State and Local Taxes

We encourage you to review your Earnings and Leave Statement to ensure taxes are being withheld for the correct state and/or locality. If taxes are being withheld for the incorrect state or locality, you should log into EEX at: www.employeeexpress.gov to correct it. If you are unable to correct this in EEX, you should contact the Payroll Team at the NASA Shared Services Center (NSSC).

Social Security Old-Age, Survivors, and Disability Insurance (OASDI) Tax

The 2016 Social Security wage base for OASDI remains at \$118,500.00. There is no wage base limit for Medicare tax.

- For 2016, the Social Security and Medicare tax rates remain the same for all wages, at 6.2 percent and 1.45 percent respectively.
- Individuals with earned income of more than \$200,000.00 pay an additional 0.9 percent in Medicare taxes.

Occupational Privilege Tax

Certain localities require that an Occupational Privilege Tax be taken from employees in their jurisdiction. The Occupational Privilege Tax is levied when working within a specific district. While some localities withhold the tax in the first full pay period of the year, the actual deduction will depend on the locality's withholding requirements.

Combined Federal Campaign (CFC)

CFC deductions for the 2016 campaign year will begin on January 10, 2016 with the pay period starting December 27, 2015, and will end on the pay period ending January 7, 2017.

Transportation (Commuting) Benefits

For 2016, the monthly limit on the amount that may be excluded from an employee's income for qualified parking benefits has been increased to \$255.00. The combined monthly limit for transit passes and vanpooling expenses for 2016 remains \$130.00. They may be viewed at:

<https://www.irs.gov/pub/irs-news/IR-15-119.pdf>

Federal Benefits Information

• Health Benefits

Health benefit coverage authorized in 2015 will continue without action by the employee. Coverage under a new health plan will be effective the first day of the pay period beginning on or after January 10, 2016. For NASA employees, this will be January 10, 2016 (pay period 1603). Enrollees will remain covered and receive the 2015 benefits of the old plan until coverage under the new plan becomes effective.

• Dental and Vision Benefits

Dental and vision coverage authorized in 2015 will continue without action by the employee. It should be noted, however, that the premium may change for 2016. To view the new rates or to obtain more information, go to: www.benefeds.com.

• Flexible Spending Accounts (FSA)

Pre-tax deductions for the FSA Program will also automatically stop after pay period 1526 unless re-authorized by the employee. A new FSA election will have to be made during Open Season (November 9 through December 14, 2015) for pre-tax deductions to occur in 2016. Elections may also start following a Qualifying Life Event.

• Thrift Savings Plan (TSP) – Traditional and Roth Contributions

The 2016 elective deferral limit for TSP contributions will remain at the maximum of \$18,000.00. All employee contributions, whether Regular TSP or Roth, are added together to determine if the elective IRS limit has been reached. The combined total of tax-deferred traditional and Roth after-tax contributions cannot exceed the elective deferral limit in any year. Please note that previously authorized biweekly contribution amounts or percentages will automatically carryover from 2015 into 2016 unless changed or canceled by the

employee. Employees wishing to reach maximum contributions for 2016 should review and adjust deductions. Deductions may be changed at any time in EEX at: www.employeeexpress.gov by selecting the **Thrift Savings Plan/Roth** menu option.

Please note Federal Employees Retirement System (FERS) employees should take special care to ensure deductions are spread out over all 26 pay periods of the tax year. Reaching the \$18,000 maximum in any earlier pay period will result in forfeiture of matching funds the employee would otherwise receive.

- **TSP Catch-up Contributions**

TSP Catch-up Contributions authorized in 2015 ended at the end of pay period 1526 unless reauthorized by the employee for 2016 via EEX. TSP Catch-up Contributions entered into EEX before November 29, 2015 will apply only to the 2015 tax year. TSP Catch-up Contributions are also subject to an annual limit established by IRS. For 2016, TSP Catch-up Contributions will be limited to a maximum of \$6,000.00. Employees wishing to reach maximum contributions for 2016 should review and adjust deductions at: www.employeeexpress.gov.

- **Federal Employees Government Life Insurance (FEGLI)**

Effective January 1, 2016, some FEGLI premium rates will change; however, there will be no changes to the premium rates for Basic Insurance for employees. To view the full list of FEGLI premium rates effective the first pay period beginning on or after January 1, 2016, please click [here](#). For general information about FEGLI life insurance visit: <http://www.opm.gov/insure/life>.

Payroll Schedule

To view a copy of the 2016 payroll schedule, please click [here](#).

For questions concerning this notice, contact:

NSSC Customer Contact Center

1-877-677-2123 (1-877-NSSC123) or nssc-contactcenter@nasa.gov