

2016 – 2017 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 2016 and begin the new calendar year 2017. In pay period 1703 (1/8/17 – 1/21/17), a variety of payroll changes will be implemented, including any authorized 2017 pay raises, if applicable. The following are items for consideration:



Leave Year

The 2016 leave year ends January 7, 2017. The 2017 leave year includes 26 pay periods, beginning on January 8, 2017, and ending on January 6, 2018.

Calendar Tax Year

The 2017 taxable earnings year runs from the pay period that began December 11, 2016, through the pay period ending December 9, 2017.

Form W-2

Form W-2, Wage and Tax Statement, should be available for viewing and printing in Employee Express (EEX) at: www.employeeexpress.gov by January 21, 2017. In addition, hard copy Form W-2s will be mailed no later than January 31, 2017, for all employees who did not elect to turn off the hard copy Form W-2. Any changes to addresses through the U.S. Postal Service should have been completed by December 9, 2016, 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 1095-C

Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, will be available for viewing and printing in EEX no later than January 31, 2017. Employees may elect electronic 1095-Cs in EEX prior to December 28, 2016. For all employees who did not elect to turn off the hard copy, the printed Form 1095-Cs will be mailed to employees’ address of record no later than January 31, 2017. Please note that the Form 1095-C only serves to document that NASA offers health insurance to you. It does not serve as documentation that you have health benefits; that documentation is provided by your health insurance carrier. We recommend checking with your tax preparer for specifics relating to your tax return.

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 2017, the employee must complete a new Form W-4 claiming exempt status by February 15, 2017. If a new Form W-4 has not been entered in EEX or submitted to NSSC Payroll between January 1 and February 15, 2017, your Federal tax withholding status will

be changed to single and no withholding. If this applies to you and you do not file a new Form W-4, you will not be exempt from withholding in 2017.

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 2017 Social Security wage base for OASDI was raised to \$127,200. There is no wage base limit for Medicare tax.

- For 2017, 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 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 2017 campaign year will begin on January 8, 2017, and will end on the pay period ending January 6, 2018.

Transportation (Commuting) Benefits

For 2017, the monthly limit on the amount that may be excluded from an employee's income for qualified parking and transportation benefits will be \$255.

Federal Benefits Information

- **Health Benefits**
Health benefit coverage authorized in 2016 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 1, 2017. For NASA employees, this will be January 8, 2017 (pay period 1703). Enrollees will remain covered and receive the 2016 benefits of the old plan until coverage under the new plan becomes effective.
- **Dental and Vision Benefits**
Dental and vision coverage authorized in 2016 will continue without action by the employee. It should be noted, however, that the premium may change for 2017. To view the new rates or to obtain more information, go to: www.benefeds.com.
- **Flexible Spending Accounts (FSAs)**
Pretax deductions for the FSA Program will also automatically stop after pay period 1626 unless reauthorized by the employee. A new FSA election should have been made during Open Season (November 14 through December 12, 2016) for pretax deductions to occur in 2017. Elections may also start following a Qualifying Life Event (QLE).

- **Thrift Savings Plan (TSP) – Traditional and Roth Contributions**

The 2017 elective deferral limit for TSP contributions will remain at the maximum of \$18,000. All employee contributions, whether traditional 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 carry over from 2016 into 2017 unless changed or canceled by the employee. Employees wishing to reach maximum contributions for 2017 should review and adjust deductions. Deductions may be changed at any time in EEX at: www.employeexpress.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 2016 ended at the end of pay period 1626, unless reauthorized by the employee for 2017 via EEX. Beginning December 1, 2016, employees can re-elect 2017 TSP Catch-up Contributions via EEX. Any TSP Catch-up Contributions transactions entered into EEX before that date will apply only to 2016. For 2017, TSP Catch-up Contributions will be limited to a maximum of \$6,000. Employees wishing to reach maximum contributions for 2017 should review and adjust deductions at: www.employeexpress.gov.

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

FEGLI held an open season in September 2016, its first since 2004. Coverage elected during the open season will be effective the first pay period beginning on or after October 1, 2017. To calculate FEGLI premium rates, please go to: <https://www.opm.gov/retirement-services/calculators/fegli-calculator/>. For general information about FEGLI life insurance, visit: <http://www.opm.gov/insure/life>.

Payroll Schedule

To view a copy of the 2017 payroll schedule, please go to:

<http://www3.ibr.doi.gov/services/hr/payroll/payrolltopics/payrollschedules.cfm>.

For questions concerning this notice, contact:

NSSC Customer Contact Center

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