

## 2017 – 2018 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 2017 and begin the new calendar year 2018. In pay period 1803 (1/7/18 – 1/20/18), a variety of payroll changes will be implemented, including any authorized 2018 pay raises, if applicable. The following are items for consideration:



### Leave Year

The 2017 leave year ends January 6, 2018. The 2018 leave year includes 26 pay periods, beginning on January 7, 2018, and ending on January 5, 2019.

### Calendar Tax Year

The 2017 taxable earnings year runs from the pay period that began December 11, 2016, through the pay period that will end December 9, 2017. The 2018 taxable earnings year runs from the pay period that will begin December 10, 2017, through the pay period ending December 22, 2018.

**Important:** There are 26 pay periods in 2017; the final 2017 payday will be December 19, 2017. There will be 27 pay periods in 2018, and the final payday will be December 31, 2018.

### Form W-2

The target date to view and print Form W-2, Wage and Tax Statement, in Employee Express (EEX) at: [www.employeeexpress.gov](http://www.employeeexpress.gov) is January 13, 2018. To elect electronic Form W-2, please make an election before December 27, 2017. Hard copy Form W-2s will be mailed no later than January 31, 2018, for all employees who have not made the election for electronic forms. Any changes to addresses through the U.S. Postal Service should be completed by December 8, 2017, to ensure receipt of hard copy Form W-2. The address may be verified by reviewing your 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, 2018. Employees may elect electronic 1095-Cs in EEX prior to December 27, 2017. 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, 2018. 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 2018, the employee must complete a new Form W-4 claiming exempt status by February 15, 2018. If a new Form W-4 has not been entered into EEX or the Federal Personnel/Payroll System (FPPS) between January 1 and February 15, 2018, your Federal withholdings status will be changed to single with no withholding allowances. The IRS has not yet updated the 2018 Form W-4, but once available, it may be viewed at <http://www.irs.gov/pub/irs-pdf/fw4.pdf>. The Department of Interior's Interior Business Center (IBC), which handles NASA's payroll, will soon update the Federal Income Tax Withholding Formula for wages paid in 2018; this tool may be viewed on IBC's Web site at <https://www3.ibc.doi.gov/services/hr/payroll/payrolltopics/states/FedTaxFormula.pdf>. Before utilizing the formula, you should subtract any contributing pretax deductions from your biweekly gross pay.

### **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](http://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 2018 Social Security wage base for OASDI was raised to \$128,400. There is no wage base limit for Medicare tax.

- For 2018, the Social Security and Medicare tax rates remain the same for all wages, at 6.2 percent and 1.45 percent, respectively.
- You may find out more about these rates at: [https://www.ssa.gov/policy/docs/quickfacts/prog\\_highlights/index.html](https://www.ssa.gov/policy/docs/quickfacts/prog_highlights/index.html).

### **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)**

Beginning in the fall of 2017, all Federal employees participating in the CFC are directed to one giving system. The Office of Personnel Management has contracted with the Give Back Foundation to develop and deploy a new Web-based system that replaces making CFC pledges in EEX. To sign up, select charities, and set up new donor contributions for 2018, visit <https://cfcgiving.opm.gov/welcome> no later than January 12, 2018.

## Transportation (Commuting) Benefits

For 2018, the monthly limit on the aggregate fringe benefit exclusion amount for qualified parking or transit benefits will be \$260, according to an IRS document posted at:

<https://www.irs.gov/pub/irs-drop/rp-17-58.pdf>.

## Federal Benefits Information

- **Health Benefits**

Health benefit coverage authorized in 2017 will continue without action by the employee, though some premiums may change. Coverage for NASA employees under a new health plan will become effective January 7, 2018 (pay period 1803). Enrollees will remain covered and receive the 2017 benefits of their old plans until coverage under their new plans become effective.

- **Dental and Vision Benefits**

Dental and vision coverage authorized in 2017 will continue without action by the employee. It should be noted, however, that your premium may change for 2018. To view the new rates or to obtain more information, go to: [www.benefeds.com](http://www.benefeds.com).

- **Flexible Spending Accounts (FSAs)**

Pretax deductions for the FSA Program will automatically stop after pay period 1726 unless reauthorized by the employee. A new FSA election should be made during Open Season November 13 through December 11, 2017, for pretax deductions to occur in 2018. Elections also may start following a Qualifying Life Event (QLE). Although there will be 27 pay periods in 2018, the annual authorized deduction amount will be met in the first 26 pay periods, with no deductions in pay period 1827.

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

The IRS raised the 2018 elective deferral limit for TSP contributions to a maximum \$18,500. 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. For the 2018 calendar year, there will be 27 pay periods. Deduction changes for pay period 1801 can be made now through EEX by entering “12/10/2017” in the Future Effective Date field. EEX allows changes to the Effective Date up to 90 days in advance. Employees can change TSP deductions at any time in EEX at <https://www.employeeexpress.gov>. Please note Federal Employees Retirement System (FERS) employees should take special care to ensure deductions are spread out over all 27 pay periods of the tax year. Reaching the \$18,500 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 2017 stopped at the end of pay period 1726, unless reauthorized by the employee for 2018. Beginning December 1, 2017, 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 2017. For 2018, TSP Catch-up Contributions will remain limited to a maximum of \$6,000; employees' contributions will be deducted over the 27 pay periods in the year. Employees wishing to

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reach maximum contributions for 2018 should review and adjust deductions at:  
[www.employeexpress.gov](http://www.employeexpress.gov).

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

There were no changes to FEGLI rates. You may view the FEGLI rates from the OPM Life Insurance Program Information page at <https://www.opm.gov/healthcare-insurance/life-insurance/program-information/>, then click the Premiums for Employees tab.

## **Payroll Schedule**

To view a copy of the 2018 payroll schedule, please go to:  
<https://www.doi.gov/ibc/resources/payroll-calendars>.

For questions concerning this notice, contact:

**NSSC Customer Contact Center**

1-877-677-2123 (1-877-NSSC123) or [nssc-contactcenter@nasa.gov](mailto:nssc-contactcenter@nasa.gov)