

2018 – 2019 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 2018 and begin the new calendar year 2019. In pay period 1902 (1/6/19 – 1/19/19), a variety of payroll changes will be implemented, including any authorized 2019 pay raises, if applicable. The following are items for consideration:



Leave Year

The 2018 leave year ends January 5, 2019. The 2019 leave year begins on January 6, 2019, and ends on January 4, 2020.

Calendar Tax Year

The 2018 taxable earnings year runs from the pay period that began December 10, 2017, through the pay period that ends December 22, 2018. The 2019 taxable earnings year runs from the pay period beginning December 23, 2018, through the pay period ending December 21, 2019.

Important: There are 27 pay periods in 2018; the final 2018 payday will be December 31, 2018. There will be 26 pay periods in 2019, and the final payday will be December 31, 2019.

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 is January 15, 2019. To elect electronic Form W-2, please make an election before December 27, 2018. Hard copy Form W-2s will be mailed no later than January 31, 2019, 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 21, 2018, 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, 2019. Employees may elect electronic 1095-Cs in EEX prior to December 27, 2018. 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, 2019. 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 2019, the employee must complete a new Form W-4 claiming exempt status by February 15, 2019. 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, 2019, your Federal withholdings status will be changed to single with no withholding allowances. When the IRS updates Form W-4 for 2019, it may be viewed at <http://www.irs.gov/pub/irs-pdf/fw4.pdf>. The Interior Business Center (IBC), which handles NASA's payroll, updates the Federal Income Tax Withholding Formula for wages paid each year. This tool may be viewed on IBC's Web site. To locate the tool:

- Visit <https://www3.ibc.doi.gov/>.
- Under the **Human Resources and Payroll** heading, click the **Payroll Operations** link.
- Click the **Payroll Topics** tab.
- Click the **Federal, State and Territorial Income Tax Withholding Formulas** link.

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 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 2019 Social Security wage base for OASDI was raised to \$132,900. There is no wage base limit for Medicare tax.

- For 2019, 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)

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 for employees to make CFC

pledges. To sign up, select charities and set up new donor contributions for 2019, visit <https://cfcgiving.opm.gov/welcome> no later than January 11, 2019.

Transportation (Commuting) Benefits

For 2019, the monthly limit on the aggregate fringe benefit exclusion amount for qualified parking or transit benefits has been raised to \$265.

Federal Benefits Information

- **Health Benefits**

Health benefit coverage authorized in 2018 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 6, 2019 (pay period 1902). Enrollees will remain covered and receive the 2018 benefits of their old plans until coverage under their new plans become effective.

- **Dental and Vision Benefits**

Dental and vision coverage authorized in 2018 will continue without action by the employee. It should be noted, however, that your premium may change for 2019. 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 automatically stop after pay period 1827 unless reauthorized by the employee. A new FSA election should be made during Open Season from November 12 through December 10, 2018, for pretax deductions to occur in 2019. Elections also may start following a Qualifying Life Event (QLE).

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

The IRS raised the 2019 elective deferral limit for TSP contributions to a maximum \$19,000. 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. Unless changed or canceled by the employee, 2018 biweekly contribution amounts or percentages automatically carry over into 2019. As a reminder, for the 2018 calendar year, there are 27 pay periods. This is especially important for Federal Employees Retirement System (FERS) employees who desired to obtain the maximum Government matching contributions each pay period for the 27 pay periods. Employees who reach the IRS maximum contribution limit before the end of the year will not be able to have further employee contributions and may lose any Government matching contributions for the rest of the year, if applicable. Deduction changes for pay period 1901 can be made now through Employee Express by entering “12/23/2018” 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>.

- **TSP Catch-up Contributions**

TSP Catch-up Contributions authorized in 2018 will stop at the end of pay period 1827, unless reauthorized by the employee for 2019. Beginning December 14, 2018, employees can re-elect 2019 TSP Catch-up Contributions via EEX. Any TSP Catch-up Contributions transactions entered into EEX before that date will apply only to 2018. For 2019, TSP Catch-up Contributions will remain limited to a maximum of \$6,000. Employees wishing to

reach maximum contributions for 2019 should review and adjust deductions at:
www.employeexpress.gov.

- **Federal Employees' Group Life Insurance (FEGLI)**

There are no changes to FEGLI rates for 2019. 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 **Premium for Employees** tab.

Payroll Schedule

To view a copy of the 2019 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