

## 2020 – 2021 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 2020 and begin the new calendar year 2021. In pay period 2021-02 (1/03/2021– 1/16/2021), a variety of payroll changes will be implemented, including any authorized 2021 pay raises, if applicable. The following are items for consideration:



### Leave Year

- The 2020 leave year ends Saturday, January 2, 2021. Employees in the 6-hour leave category will get an extra 4 hours in pay period 2020-26, the last full pay period of the calendar year.
- The 2021 leave year is from pay period 2021-02, Sunday, January 3, 2021, through pay period 2022-01, Saturday, January 1, 2022. Employees in the 6-hour leave category will get their extra 4 hours for 2021 in pay period 2021-26, the last full pay period of the calendar year.

### Calendar Tax Year

The 2020 taxable earnings year runs from the pay period that began Sunday, December 22, 2019, through the pay period that ends Saturday, December 19, 2020. The 2021 taxable earnings year runs from the pay period beginning Sunday, December 20, 2020, through the pay period ending Saturday, December 18, 2021.

**Important:** There are 26 pay periods in 2020; the final 2020 payday will be Tuesday, December 29, 2020, but your pay may be deposited as early as Thursday, December 24, 2020. There will be 26 pay periods in 2021, and the final payday will be Tuesday, December 28, 2021.

### Form W-2

The target date to view and print Form W-2, Wage and Tax Statement, in Employee Express (EEX) at: [www.employeecexpress.gov](http://www.employeecexpress.gov) is Wednesday, January 13, 2021. To elect electronic Form W-2, please make an election before Sunday, December 27, 2020. For all employees who have not made the election for electronic forms, hard copy Form W-2s will be mailed to the employee's address of record no later than Sunday, January 31, 2021. The address may be verified by reviewing your latest electronic Earnings and Leave Statement in EEX. Any changes to addresses through the United States Postal Service should be completed by Sunday, December 20, 2020, to ensure receipt of hard copy Form W-2.

### 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 NSEN-3000-0302

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 Sunday, January 31, 2021. Employees may elect electronic 1095-Cs in EEX prior to Sunday, December 27, 2020. 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 Sunday, January 31, 2021. 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 2021, the employee must complete a new Form W-4 claiming exempt status by Thursday, February 18, 2021. If a new Form W-4 has not been entered into EEX or the Federal Personnel/Payroll System (FPPS) between Friday, January 1 and Thursday, February 18, 2021, your Federal withholdings status will be changed to single with no withholding allowances. When the IRS updates Form W-4 for 2021, 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** 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.employeecxpress.gov](http://www.employeecxpress.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 2021 Social Security wage base for OASDI was raised to \$142,800. There is no wage base limit for Medicare tax.

- For 2021, 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 2021, visit <https://cfcgiving.opm.gov/welcome> no later than Tuesday, January 12, 2021.

## **Transportation (Commuting) Benefits**

For 2021, the monthly limit on the fringe benefit exclusion amount for qualified parking or transit benefits remains at \$270.

## **Federal Benefits Information**

- **Federal Benefits Open Season Reminder**

The 2020 Federal Benefits Open Season ends on Monday, December 14, 2020. All changes made to the Federal Employees Dental and Vision Insurance Program (FEDVIP) and Federal Flexible Spending Account (FSAFEDS) Program will be effective Friday, January 1, 2021. The effective date for changes made to the Federal Employees Health Benefits (FEHB) Program is Sunday, January 3, 2021.
- **Health Benefits**

Health benefit coverage authorized in 2020 will continue without action by the employee, though some premiums may change. Coverage for NASA employees under a new health plan will become effective Sunday, January 3, 2021 (pay period 2020-02). Enrollees will remain covered and receive the 2020 benefits of their old plans until coverage under their new plans becomes effective.
- **Dental and Vision Benefits**

Dental and vision coverage authorized in 2021 will continue without action by the employee. It should be noted, however, that your premium may change for 2021. 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 2020-26 unless reauthorized by the employee. A new FSA election should be made during Open Season from Monday, November 9 through Monday, December 14, 2020, for pretax deductions to occur in 2021. Elections also may start following a Qualifying Life Event (QLE).

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

The IRS maximum elective deferral limit for TSP contributions remains \$19,500 for 2021. 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, 2020 biweekly contribution amounts or percentages automatically carry over into 2021. As a reminder, for the 2021 calendar year, there are 26 pay periods. This is especially important for Federal Employees Retirement System (FERS) employees who desire to obtain the maximum Government matching contributions each pay period for the 26 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 2021-02 can be made now through Employee Express by entering “12/20/2020” 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 [www.employeeexpress.gov](http://www.employeeexpress.gov).

- **TSP Catch-up Contributions (TCC) and Roth Savings Catch-up (RSC)**

- Starting in January 2021, if you wish to make catch-up contributions to your TSP account, you will no longer need to make a separate catch-up election. You will add any contribution towards the catch-up limit in EEX at: [www.employeeexpress.gov](http://www.employeeexpress.gov). Your election will carry over each year unless you submit a new one. For more information, visit [Catch-up Contributions](#).
- TCC and RSC contributions authorized in 2020 will stop at the end of pay period 2020-26, unless reauthorized by the employee for 2021. If no action is taken, your catch-up contributions will cease at the end of your pay period 2020-26.
- Any TCC or RSC transactions entered into EEX before Sunday, December 6, 2020, will apply only to 2020. This reauthorization may be made via EEX now by entering “12/20/2020” in the **Future Effective Date** field. For 2021, the maximum elective deferral limit remains at \$6,500. Employees wishing to reach maximum contributions for 2021 should review and adjust deductions at: [www.employeeexpress.gov](http://www.employeeexpress.gov).
- To review examples of how to calculate traditional maximum contributions, refer to the attachment titled Thrift Savings Plan (TSP) Traditional Contribution Examples.

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

There are no changes to FEGLI rates for 2021. 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 and print a copy of the 2021 payroll calendar, please go to:  
<https://www.doi.gov/ibc/resources/payroll-calendars>.

For questions concerning this notice, contact:

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RELEASED – Printed documents may be obsolete; validate prior to use.

Date of Issue: December 2020

**NASA Shared Services Center (NSSC) Customer Contact Center**  
1-877-677-2123 (1-877-NSSC123) or [nssc-contactcenter@nasa.gov](mailto:nssc-contactcenter@nasa.gov)

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### Thrift Savings Plan (TSP) Traditional Contribution Examples

The chart below provides two examples (dollar amount contributions) for calculating pay period (PP) election amounts in Employee Express (EEX). In each scenario, the TSP Traditional Maximum contribution must be met before any Catch-up contributions can “spillover”:

<b>Example 1: 2021 Maximum TSP Traditional Contributions and Maximum Spillover Contributions</b>	<b>Contributions</b>	<b>PP Dollar Amount Contribution</b>
Maximum TSP Traditional (Pre-Tax) contributions met:	\$19,500.00	
Maximum Spillover Catch-up contributions*:	<u>\$ 6,500.00</u>	
Total Maximum contributions allowed:	\$26,000.00	
<b>26 PPs in 2021</b>		<b>\$1,000.00</b>
<b>Effective date</b>		<b>12/20/2020</b>

<b>Example 2: 2021 Maximum TSP Traditional Contributions with Some Spillover Contributions</b>	<b>Contributions</b>	<b>PP Dollar Amount Contribution</b>
Maximum TSP Traditional (Pre-Tax) contributions met:	\$19,500.00	
Spillover Catch-up contributions* (not maxed):	<u>\$ 4,550.00</u>	
Total contributions:	\$24,050.00	
<b>26 PPs in 2021</b>		<b>\$925.00</b>
<b>Effective date</b>		<b>12/20/2020</b>

**\*Must meet TSP Traditional max prior to contributing to spillover**