

2023 – 2024 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 2023 and begin the new calendar year 2024. In pay period 2024-02 (12/31/2023 – 1/13/2024), a variety of payroll changes will be implemented, including any authorized 2023 pay raises, if applicable. The following are items for consideration:

Leave year

- The 2023 leave year ends Saturday, Jan. 13, 2024. Employees in the six-hour leave category will receive an extra four hours of annual leave in pay period 2024-01, the last full pay period of the calendar year.
- The 2024 leave year is from pay period 2024-03, Sunday, Jan. 14, 2024, through pay period 2025-02, Saturday, Jan. 11, 2025. Employees in the six-hour leave category will receive an extra four hours of annual leave for 2024 in pay period 2025-01, the last full pay period of the calendar year.

Calendar tax year

The 2023 taxable earnings year runs from the pay period that began Sunday, Dec. 18, 2022, through the pay period that ends Saturday, Dec. 16, 2023. The 2024 taxable earnings year runs from the pay period beginning Sunday, Dec. 17, 2023, through the pay period ending Saturday, Dec. 14, 2024.

Important: There are 26 pay periods in 2023; the final 2023 payday will be Tuesday, Dec. 26, 2023, but your pay may be deposited as early as Thursday, Dec. 21, 2023. There will be 26 pay periods in 2024, and the final payday will be Tuesday, Dec. 24, 2024.

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 Saturday, Jan. 13, 2024. To elect an electronic Form W-2, please make an election before Tuesday, Dec. 26, 2023. 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 Wednesday, Jan. 31, 2024. 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 Friday, Dec. 15, 2023, 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 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 by Saturday, Jan. 13, 2024. Employees may elect electronic 1095-Cs in EEX prior to Tuesday, Dec. 26, 2023. 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 Friday, March 1, 2024. 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 one calendar year. To continue to be exempt from withholding in 2024, the employee must complete a new Form W-4 claiming exempt status by Friday, Feb. 9, 2024. If a new Form W-4 has not been entered into EEX or the Federal Personnel and Payroll System (FPPS) between Sunday, Jan. 1, and Friday, Feb. 9, 2024, your federal withholdings status will be changed to single with no withholding allowances. When the IRS updates Form W-4 for 2024, 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 website. 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 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 2024 Social Security wage base for OASDI was raised to \$168,600 taxable income. There is no wage base limit for Medicare tax.

- For 2024, the Social Security and Medicare tax rates remain the same for all wages, at 6.2% and 1.45%, respectively.
- Individuals with earned income of more than \$200,000 pay an additional 0.9% in Medicare taxes. The rates shown in this section do not include this additional 0.9%.

Occupational privilege tax

Certain localities require that an occupational privilege tax be withheld 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 2024, visit <https://cfcgiving.opm.gov/welcome> no later than Monday, Jan. 15, 2024.

Transportation (commuting) benefits

For 2024, the monthly limit on the fringe benefit exclusion amount for qualified parking or transit benefits is increased to \$315.

Federal benefits information

- **Health benefits**

Health benefit coverage authorized in 2023 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, Jan. 14, 2024 (pay period 2024-03). Enrollees will remain covered and receive the 2023 benefits of their old plans until coverage under their new plans becomes effective.

- **Dental and vision benefits**

Dental and vision coverage authorized in 2023 will continue in 2024 without action by the employee. It should be noted, however, that your premium may change for 2024. 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 2023-26 unless reauthorized by the employee. A new FSA election should have been made during Open Season from Monday, Nov. 13, through Monday, Dec. 11, 2023, for pretax deductions to occur in 2024. 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 is increased to \$23,000 for 2024. 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, 2023 biweekly contribution amounts or percentages automatically carry over into 2024. As a reminder, for the 2024 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 2024-01 can be made now through EEX by entering “12/17/23” 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.

- **Spillover Method for TSP catch-up contributions (formerly Thrift catch-up contributions (TCC) and Roth savings catch-up (RSC))**
 - The process for catch-up contributions is now easier for TSP participants. As of Jan. 1, 2021, employees no longer need to make separate catch-up elections to their TSP account to contribute toward the catch-up limit.
 - If you are turning 50 or older and your contributions exceed the IRS elective deferral limit (\$23,000 for 2024), then your future contributions will automatically start counting toward the IRS catch-up limit (\$7,500 for 2024). **Just add any contributions toward the catch-up limit in the same place as your other TSP contributions.**
 - Your election will carry over each year unless you submit a new one.
 - If you are eligible for Agency matching, contributions spilling over toward the catch-up limit will qualify for the match on up to 5% of your salary.
 - You may start, stop, or change your contributions at any time. If you choose not to contribute toward the catch-up limit, you should adjust your TSP contributions accordingly.
 - 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 2024. 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 2024 payroll calendar, please go to:
<https://www.doi.gov/ibc/resources/payroll-calendars>.

For questions concerning this notice, contact:
NSSC Customer Contact Center
877-677-2123 (877-NSSC123) or nssc-contactcenter@mail.nasa.gov