



To: All University Employees
From: Payroll Services Department
Subject: Information on Year End 2006 and Changes for 2007

New Benefit Rates Take Effect in January 2007

New benefit deduction rates and/or open enrollment changes for health and dental insurance take effect in January 2007. *This is a change from previous years when new rates were effective in December.* These rates will be reflected in the pay dated January 12, 2007 for biweekly paid employees and January 31, 2007 for monthly paid employees. Employees currently enrolled in the dental plan will not have deductions taken from their pay in December. Please take some time to verify that the deduction amounts are correct and reflect any changes made during open enrollment. If they do not, immediately contact Benefit Services at 202-994-9620.

Coming Soon!! Easy View Paperless Paychecks

Starting in January 2007, employees paid by direct deposit will have their direct deposit notification available on-line for viewing and printing. Each payday employees will be notified by email that their *Easy View* deposit advice is available for viewing by clicking on the link provided in the email and logging into GWeb. *Remember your Gwid is now required for logging into GWeb, social security numbers are no longer an accepted User ID.* Employees who do not have a University email address will continue to receive a paper direct deposit notification.

More information will be coming soon.

Verify Your Personal Information

Avoid the hassle of your W-2 being lost in the mail!!!

Review your current pay advice to verify your name is spelled correctly and it reflects your correct mailing address. Don't forget to check the zip code and apartment number (if applicable).

The address reflected on your pay advice is your Form W-4 address and is where your 2006 Form W-2 will be mailed. If this address needs to be changed, you must complete a new Form W-4 that reflects the new address and the number of allowances you wish to claim. You may obtain a Form W-4 from the Foggy Bottom Payroll Office located at the Academic Center, Rome Hall – room 101, or the Payroll Services web site, www.gwu.edu/~payroll/forms.html.

*Please remember, if your state of residence changes you must also complete a new **state** tax withholding form.*

Smartertrip and Metrochek Deduction Options

The monthly allowable pre-tax amount will increase to \$110 per month effective January 2007. The deduction options for 2007 will be \$40, \$60, \$80 and \$110 per month. Enrollment/Change Forms are available at the Foggy Bottom Payroll Office located at the Academic Center, Rome Hall - Room 101 or on the web at www.gwu.edu/~payroll/forms.html. Changes to deduction amounts to be effective in January 2007 must be received by payroll no later than December 15, 2007.

*Reminder: The University **will not refund** Smartertrip benefits that have not been claimed by the last day of each month.*

Pre-Tax Parking Reimbursement Limit Increases (Off Campus Parking)

Effective January 1, 2007 the maximum deduction for the pre-tax parking benefit increases to \$215.00 per month. Enrollment forms for the off campus parking program are available at the Foggy Bottom Payroll Office located at the Academic Center, Rome Hall, Room 101 or on the Payroll Services website, www.gwu.edu/~payroll/forms.html.

Social Security and Medicare Tax Changes for 2006

The Social Security Administration announced an increase in the Social Security wage base for 2007. The Social Security wage base will be the first \$97,500 of earnings. The Medicare taxes will continue to be based on all earned income. The tax rates for Social Security and Medicare will remain the same in 2007, 6.2% for Social Security and 1.45% for Medicare.

Review Your Current Federal and State Withholding

Now is a good time to review the federal and state withholding allowances you are currently claiming. If you need to change your filing status and/or number of exemptions you must complete a new Form W-4. The IRS recently announced that the personal exemption amount for 2007 is \$3,400 and the standard deduction amounts are \$10,700 for couples and \$5,350 for single taxpayers.

Employees Claiming Exempt from Federal Tax Withholding

Employees that filed a form W-4 in 2006 claiming exemption from federal withholding taxes will have to file a new Form W-4 no later than February 15, 2007. If a new Form W-4 is not submitted, the IRS requires your federal tax status to be changed to single and zero (0) exemptions.

Employees Claiming Exempt from State Tax Withholding

See information provided below if you are currently claiming exempt from state withholding or completed a District of Columbia Form D-4A claiming non residency status.

District of Columbia – Renewal of exempt status must be sent to Payroll Services no later than January 1, 2007. If a new Form D-4 is not received your withholding status will change to single and zero (0) exemptions.

If you are claiming non-residence status and are not currently having taxes withheld for another state you must renew your status by completing a new Form D-4A. If a new form is not received by January 1, 2007 your state withholding will change to single and zero (0) exemptions.

Maryland – Renewal of exempt status must be sent to Payroll Services no later than February 15, 2007. If a new MW 507 is not received your withholding status will change to single and one exemption.

Virginia – Renewal of exempt status must be sent to Payroll Services no later than January 1, 2007. If a new Form VA-4 is not received your withholding status will change to single and zero (0) exemptions.

Advantages of Direct Deposit

If you are currently not being paid by direct deposit, it is highly recommended that you sign up for this program. Direct deposit can benefit you in many ways:

- ✦ No waiting for your check on payday. The money is already in your account and available on payday.
- ✦ If you miss work on payday or you're on vacation, your money is in the bank and available to you no matter where you are relaxing.
- ✦ No worrying over losing a paycheck or having it stolen before you can get it to the bank. *The University does not reissue checks that have been stolen and cashed.*
- ✦ You can have your pay sent to different accounts and/or different financial institutions.
- ✦ Avoid long lines at the bank on payday.
- ✦ It will be easier for the University to pay you if there is a catastrophic event.

If you have questions or concerns, please call the payroll department and talk with someone about how safe and easy it is to have your pay direct deposited into your checking and/or savings account anywhere in the United States. Please do not hesitate to call at 202-994-9360. Direct Deposit Enrollment Forms are located at either payroll office or on the web at, www.gwu.edu/~payroll/forms.html.