

Early Timesheet & Change Deadlines for December

With the closing of the College over Christmas break, the Payroll Office is reminding you of the modified payroll deadlines needed to assure proper and timely payments for all employees while, at the same time, allowing the Payroll staff to enjoy the full benefit of the holiday closing as well. The Payroll Office will be closed over Christmas Break and will not be available to make any changes during that time.

Payroll	Pay Period	Timesheet Due to Supervisor/ Chg Req [†]	Timesheet/ Leave Rept Due to Payroll	Pay Date
Bi-Weekly	12/04 – 12/17	Weds., 12/14, by Noon	Thurs., 12/15, by Noon	12/29
Student	11/27 – 12/17	Weds., 12/14, by Noon	Thurs., 12/15, by Noon	12/30
Semi-Monthly	12/16 – 12/31	Weds., 12/14, by Noon	Fri., 1/6 (the usual day)	12/30

Bi-Weekly: For those bi-weekly employees who are taking scheduled vacation or personal time between 12/14–12/17, please record this time on the timesheet. Any modifications needed on these days, due to unexpected sickness or on-call time, should be reported to Payroll upon your return and will be processed on the first payroll in January.

Everyone: To ensure sufficient time for processing, all timesheets and change requests[†] **must** be completed, signed, and received in the Payroll Office by due dates and times listed above. Any timesheets or forms not submitted on time **may not be processed** until the first payroll in January.

Thank you for observing these deadlines.

If you have any questions, please feel free to contact the payroll office staff through email or phone:

Payroll@messiah.edu — for any payroll
 Wendy McElwee ext. 2902 for bi-weekly staff
 Les Weiland ext. 2901 for admin/faculty
 Belinda Conrad ext. 2900 for student

[†] *Examples of change requests:* Payroll Change Forms, W-4 changes, address changes, Student Employment Master Forms, Request for Student Single Payment Forms, etc.

Local Tax Withholding Changes

In late October, all employees should have received an e-mail notification requesting the completion and submission of a new Residency Certification Form to assist in identifying the county, school district, and municipality of the employee's permanent/home address.

Starting on January 1, 2012, the local income tax withholding system that was created by Pennsylvania Act 32 of 2008 will become effective. This new structure is designed to better distribute withheld tax dollars from the employer to the collection agency and ultimately to school districts and municipalities.

For the employee, the most significant change is in how the tax withheld from the paycheck is calculated. **Prior to 2012**, Messiah College was only required to withhold 1.7% on employees residing in Upper Allen Township (based on permanent address, not temporary on-campus address). For all other employees, prior legislation only required the College to withhold a flat 1.0% “non-resident” tax rate, as approved by Upper Allen Township. **Starting in 2012**, employers are now required to withhold the greater of the employee's resident tax rate (based on the employee's *residence*) and the employee's work location non-resident tax rate (based on the employee's *work location*). There was—and will still be—an exception for those employees who live and/or work at the Philadelphia Campus.

Many employees will not experience a change in the local tax withholding rate as a direct result of this legislation. However, there are scenarios whereby there will be a change in tax withheld. Below are some likely scenarios, along with the tax impact. **Please note that municipalities/school districts may, semi-annually, choose to modify a tax withholding rate—separate from this legislation. In these cases, an employee's tax withholding will change based on this modification.**

1. Student employees who live outside of the local area have been taxed at a 1.00% non-resident tax rate. With the change, the tax withheld will now be the greater of 1.00% or the actual resident tax

rate. While this represents a per-pay tax increase, there is no annual tax increase, since the additional tax was paid at the time of year-end local tax filing.

2. Employees who lived in the local area in 2011 (typically Cumberland and adjacent counties) will not experience a tax increase directly from this legislation, as Payroll typically withheld the actual resident tax rate from these employees.
3. Out-of-State employees will not be affected, as the 1.00% non-resident tax rate will be withheld.

Please feel free to contact the Payroll Office with any questions. References related to the local income tax are listed below for your convenience.

- <http://www.newpa.com/get-local-gov-support/tax-information/dceds-act-32-eit-collection-system/>
- <http://www.newpa.com/get-local-gov-support/tax-information>
- <http://munstatspa.dced.state.pa.us/FindLocalTax.aspx>

Important Tax Changes for 2012

At the time of this publication, the federal government has not approved any modifications to FICA (Social Security / Medicare) taxes for 2012. Unless modifications are approved, the employee share of FICA will revert back to 6.2% in 2012 (from 4.2% that was in effect for 2011). Further payroll communications will follow, as needed.

Retirement Contribution Limits Increase in 2012

Cost-of-living adjustments for 2012 have been made to dollar limits for certain items within the College's College's 403(b) retirement plan.

Item	2011	2012
Contributions for employees under age 50	\$16,500	\$17,000
Contributions for employees age 50+	\$22,000	\$22,500
Annual combined contribution limit (employee + employer)	\$49,000	\$50,000

Payroll Office Security Procedures

The Payroll Office, including the Student Employment function, requires employees to provide photo identification when visiting the Payroll Office or Student Employment Coordinator when submitting forms or inquiring about a payroll or employment assignment. This identification will generally be in the form of the Messiah-issued ID card or a government-issued ID card (such as a driver's license). Additionally, individuals submitting documentation via campus mail may receive a confirmation e-mail from the Payroll Office, depending upon the type of document submitted, to notify the employee of receipt. The Payroll Office requests a confirmation, but does not require a confirmation to process the submitted documents. Telephone inquiries will be subject to one or more security questions, depending upon the content of the communication.

Reviewing Employee Name and Social Security Number for W-2's

The W-2 name on file is based on your most recent W-4 form. Employees should report their name on the W-4 form to match what appears on their social security card (a middle initial rather than name is OK). Should you need to make a change to your name, please submit a new W-4 form using the name from your social security card.

The Payroll Office conducts a social security verification audit prior to every W-2 season. Should there be a name/SSN mismatch for an employee, the Payroll Office will work to reconcile these mismatches with the employee. It is very important that any mismatches are corrected prior to issuance of the W-2. W-2's will be prepared using a recognized/valid name where possible.

Any unresolved mismatches can result in unposted W-2 wages within the Social Security Administration system, which can affect an employee's lifelong earnings history (used to determine eligibility for retirement, disability, and survivors programs).

Employees can review their current name and address that will be used on the Form W-2 via Employee Self-Service (Employee | Tax Forms | W4 Tax Exemptions or Allowances).

Reviewing Payroll Mailing Addresses for W-2's

As the Payroll Office prepares for W-2 season, we are requesting that employees assist in the process by taking a few minutes to visit Employee Self Service to verify their "Official Payroll Address." Verifying this address prior to issuance of W-2's will help to avoid delays in receiving the W-2 form. Additionally, verifying the address on file will help with accurate local tax withholdings.

Employees can view their payroll address via their most recent pay stub. Employees can also review current address information via Self Service to verify their "Official Payroll Address." Within Self-Service Banner, select: "Personal Information | View Addresses and Phones" or "Employee | Tax Forms | W4 Tax Exemptions or Allowances."

In the event that your "Official Payroll Address" is incorrect, please submit to Payroll a new Residency Certification Form and Employee Personal Information Change Form, both available on the Payroll website at: <http://www.messiah.edu/offices/business/payroll/>.

Employees are also encouraged to review other listed addresses and phone numbers when reviewing the "Official Payroll Address."

Review of Local Tax Election

The Payroll Office asks that all employees review their local tax municipality/school district. This is especially important for those employees who moved during the calendar year. Due to the new local tax structure for 2012, employees are asked to review the school district after your first pay in 2012.

To review your current school district, view your most recent pay stub, where the currently-elected school district is displayed.

The local tax election is also viewable via Self Service. Proceed by selecting "Employee | Benefits and Deductions | Tax Related" and reviewing the local income tax election.

Please notify the Payroll Office if the listed school district needs updated. You may complete and submit a new Residency Certification Form, available from the Payroll website at: <http://www.messiah.edu/offices/business/payroll/>.

The Payroll Office receives semi-annual updates to identify tax rate changes for the new year. Please be aware that your local tax may change based on any rate changes.

Review of Form W-4: Federal Income Tax Withholding

Marital status and allowances often change from one tax year to the next—and often during the year as well. Such changes often occur due to marriage, divorce, birth or adoption of a child, a child who can no longer be claimed as a dependent, the purchase, sale, or refinancing of a home, retirement, additional jobs, or additional income not subject to withholding.

Having too little tax withheld may result in a tax penalty being assessed based on the personal income tax return. Therefore, it is important for employees to review their federal withholding elections (from the W-4 form) that are currently used in calculating federal tax withholding.

To review your current marital status and allowances, view your most recent pay stub, where the currently-elected filing status, exemptions, and additional withholding are displayed.

The federal tax elections are also viewable by going to Employee Self-Service and selecting "Employee | Benefits and Deductions | Tax-Related" or "Employee | Tax Forms | W4 Tax Exemptions or Allowances."

If changes to federal elections are needed, a new Form W-4 should be submitted to the Payroll Office. This Form W-4 is available on the Payroll website at <http://www.messiah.edu/offices/business/payroll/>.

United Way Contributions

For those employees who contributed to the United Way campaign through payroll deduction in 2011, please note that your last pay stub in 2011 will display your year-to-

date deduction amount for purposes of a tax receipt. The contribution will NOT be itemized on the W-2 form. The College thanks you for your donation to this organization.

For those who are contributing in 2012, this deduction is scheduled to begin on the first January payroll and continue throughout all 2012 pays.

How to Read Your W-2

Employees should save their final paystub from 2011 to reconcile to their W-2. Please note that pre-tax deductions will create a variance between year-to-date gross pay and the dollar amounts reported in W-2 federal boxes 1, 3, and 5, as well as possibly boxes 16 and 18 (state and local taxes). For example, pre-tax retirement contributions are only exempt from federal tax withholding.

Accessing the W-2 Online

For the current tax year, the Payroll Office will again be mailing W-2s in U.S. mail by January 31. Please watch your e-mail for notification of when the W-2s are available online. The online W-2 form can be used for tax return submissions or simply for a “head start” in preparing your taxes. The online W-2 will not be available until the paper copies are ready for printing and distribution.

Local Services Tax

A reminder that, as we enter the tax filing season, some employees who have had the Local Service Tax (LST) withheld during the calendar year may be entitled to a refund of all or part of that tax. Some reasons that refunds may be due can be found on the *Local Services Tax – Refund Application*, which can be found on the Payroll website or the West Shore Tax Bureau website (www.westab.org).

Employees who want to review eligibility for the Local Services Tax exemption should visit the Payroll website or the West Shore Tax Bureau website as well.

Please direct specific refund questions to the West Shore Tax Bureau rather than contacting the Payroll Office.

Employee Gifts & Gift Cards Policy

The IRS requires employee gifts (including cash, gift cards, and most other gifts not administered via a formal length of service or safety program) paid by institutional funds to be reported as taxable income to the employee.

The College’s Expenditure Policy states that the use of Messiah funds for the purposes of providing gifts to employees is prohibited, with some limited exceptions. Please review the policy for additional information.

I-9 Employment Information

Per the current I-9 regulations, all employees must fully complete Section I of the I-9 form at the time of hire (i.e., when the employee begins work). The employee must present verification documents within three (3) days and have Section II fully completed to continue work. Employees working less than three (3) days must have both Section I and II completed on the first day of employment.

Employees that have not completed the I-9 Form, with some special exceptions, are NOT authorized to work beyond the three-day period.

Additional information on the I-9 form can be found online at: <http://www.uscis.gov/>.

FERPA Policy for Student Employee Mailings

FERPA (Family Educational Rights and Privacy Act) regulations require that any student employment-related mailings (including paystubs, timesheets, etc.) sent through campus mail to students need to be in a sealed envelope. This is because our students share mailboxes with other students.

Employees & Supervisors: Timely Submission of Time Sheets and Leave Reports

Given the regulatory/tax requirements related to timely employee payments for a given payroll, as well as the processing time needed to complete each payroll, it is essential that payroll-related items, such as staff and student time sheets, are signed and returned by the listed deadline to avoid delaying pay to affected employees.

Additionally, timely submission of staff time sheets and monthly administrative leave reports ensures an accurate record of leave balances for scheduling/monitoring leave requests and usage and in the event of a leave of absence.

Employees & Supervisors: Reminder of Working Hours and Overtime

FLSA (Fair Labor Standards Act) regulations require that all non-exempt (i.e., hourly) employees report—and be paid for—all time worked. This includes time worked over approved breaks, hours outside of normally-scheduled hours, and even unapproved hours. Both employees and supervisors are responsible for assuring that all work time is reported and that employees are working only during their approved hours.

Also, FLSA and Messiah policy requires that overtime be paid when time worked exceeds 40 hours in a given work week (defined as Sunday – Saturday). Additional information on calculating and paying overtime can be found in the Online Policy and Procedure Manual at: <http://www.messiah.edu/offices/hr/manual/>.

Emergency Closing Procedure

A reminder that detailed information on emergency College closures, including closures for inclement weather, is available in the Employee Policy and Procedure Manual found on the Human Resources website at: <http://www.messiah.edu/offices/hr/manual/>. Some items highlighted in the manual include:

- ➔ Emergency Information Line = 691-6084
- ➔ Announcement Methods (Section 4.04.01)
- ➔ Use of Personal Time (Section 3.17)

- ➔ Essential Employees (Section 4.04)
- ➔ Reporting Time to Payroll (Section 4.04)

Additional, information on reporting time to payroll can be found on the Payroll website at: http://www.messiah.edu/offices/business/payroll/faqs/record_hours.html.

A Few Notes from Human Resources

Emergency Contact Information

Employees can update their emergency contact information directly from Employee Self Service. Within Self Service, go to “Personal Information | View and Maintain Emergency Contacts” and follow the instructions for adding, modifying, and/or removing emergency contacts.

Human Resources Policy and Procedure Manual

Don't forget the Online Policy and Procedure Manual that can be located at: <http://www.messiah.edu/offices/hr/manual/>.

Helpful Links

The Payroll website contains such items as payroll calendars, payroll forms, current and past newsletters, and some FAQ's to help you. The Human Resources website contains helpful benefit information, the official College holiday calendar, the online Employee Policy and Procedure Manual, many HR forms, and other information.

Payroll Office

- ➔ <http://www.messiah.edu/offices/business/payroll/>

Student Employment

- ➔ <http://www.messiah.edu/offices/business/payroll/>

Human Resources Office

- ➔ <http://www.messiah.edu/offices/hr/>

The Payroll Office would like to end this newsletter with some helpful links. While certainly not exhaustive, these links may provide you with an information resource for one or more questions.

IRS

→ <http://www.irs.gov>

IRS Withholding Calculator

→ <http://www.irs.gov/individuals/article/0,,id=96196,00.html>

IRS Publication 919 (How Do I Adjust My Tax Withholding?)

→ <http://www.irs.gov/pub/irs-pdf/p919.pdf>

Paycheck Maximizer / W-4 Assistant

→ <http://www.paycheckcity.com/calculator/w4assistant.html>

→ http://www.nationalpayrollweek.com/edu_w4.cfm

Paycheck Calculators

→ <http://www.paycheckcity.com/calculators.htm>

Social Security Administration

→ <http://www.ssa.gov>

Retirement Estimator

→ <http://www.socialsecurity.gov/estimator/>

The Standard

→ <http://www.standard.com/retirement>

A Parting Note

A copy of this Payroll newsletter will be available on the Payroll website at: <http://www.messiah.edu/offices/business/payroll>