

**United States Department of the Interior
BUREAU OF LAND MANAGEMENT
National Human Resources Management Center
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January 25, 2000

Information Bulletin No. HR-2000-047

To: All BC, HR, NI, RS, NPIT, and WO Field BIA Liaison Office Employees

From: Director, National Human Resources Management Center

Subject: Upcoming Payroll Actions

DD: 2/15/00

All employees who claim complete exemption from Federal tax withholding must file a new Employee's Withholding Allowance Certificate Form W-4 by February 15, 2000. The Internal Revenue Service (IRS) regulations require that if the new form is not filed by that date, the employer must withhold taxes as if the employee was "single" with "no" exemptions. This will continue until a new form is filed. Both the Form W-4 (2000) and 2000 Form W-5 can be picked up in the Personnel Office, HR-210.

The Payroll Office is required to submit copies of all W-4's to the IRS when the employee (1) claims more than 10 withholding allowances, or (2) claims exemption from withholding. The IRS will determine the validity of the individual W-4's. If the IRS determines the certificate to be invalid, it will instruct Payroll to withhold at the rate it deems valid until a new W-4 is filed.

The Earned Income Credit Advance Payment Certificate, Form W-5, expires at the end of each calendar year. Eligible employees must file a new certificate each year.

The Biweekly Federal Income Tax Withholding Tables for 2000 is attached. If participating in the Thrift Savings Plan, subtract your biweekly Thrift contribution from your biweekly gross pay before utilizing the Tax Table.

The 2000 Social Security wage base for OASDI is \$76,200. Medicare (hospital insurance) tax applies to all of an employee's wages. The OASDI tax rate will remain at 6.2 percent and the Medicare tax rate at 1.45 percent. Employees subject to withholdings from both parts of Social Security will have their wages taxed at the combined 7.65 percent rate up to earnings of \$76,200. Earnings in excess of \$76,200 will be taxed at 1.45 percent. Employees subject to withholdings for Medicare only will be taxed at the 1.45 percent rate for all earnings.

The 2000 taxable earnings year is from pay period 200001, beginning December 19, 1999, through pay period 200026, ending December 16, 2000. The 2000 leave year is from pay period 200002, beginning January 2, 2000, through pay period 200102, ending January 13, 2001.

In pay period 200002 a variety of payroll changes were implemented. The basic and locality-based comparability raises, as applicable, will be effective. In addition, the health benefits open season changes and rate changes will be implemented, as well as the deductions for the 2000 Combined Federal Campaign. The rates of employee withholding for all categories of Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) coverage will increase by 0.15 percent. Lastly, a variety of updates to the Federal and state income tax withholding rates will be applied in early 2000.

The exclusion for employer-provided qualified parking remains at \$175.00 per month for 2000.

The maximum for the Transportation Fringe Benefits remains at \$65.00 per month (\$30.00 per pay period) for 2000.

Employees should review their Leave and Earnings Statements for the specific changes that affect their gross to net pay and to watch for their 1999 W-2 forms which will be mailed during the last week of January. If you have questions, please call the Mary LaBate at 303-236-6688.

Signed by:
Linda D. Sedbrook
Director

Authenticated by:
Darlene Robitaille
Secretary

3 Attachments

- 1 - Form W-4 2000 (2 pp) (Available from Personnel, HR-210)
- 2 - 2000 Form W-5 (3 pp) (Available from Personnel, HR-210)
- 3 - Tables for Percentage Method of Withholding (1 p)

bc: D-2600 (Chron., PODRF), D-2605 (OF, Author), D-2610 (Schott), D-2660 (Hornsby)

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**Tables for Percentage Method of Withholding
For Wages Paid in 2000**

BIWEEKLY Payroll Period

<i>SINGLE Person</i> (Including head of household)					
If the amount of wages (after subtracting withholding allowances) is:			The amount of income tax to withhold is:		
Not over \$102			\$0		
Over	But Not Over	of excess over --			
\$102	\$1,071	15.0%			\$102
\$1,071	\$2,304	\$145.35	plus	28.0%	\$1,071
\$2,304	\$5,162	\$490.59	plus	31.0%	\$2,304
\$5,162	\$11,152	\$1,376.57	plus	36.0%	\$5,162
\$11,152	\$3,532.97	plus	39.6%	\$11,152

<i>MARRIED Person</i>					
If the amount of wages (after subtracting withholding allowances) is:			The amount of income tax to withhold is:		
Not over \$248			\$0		
Over	But Not Over	of excess over --			
\$248	\$1,862	15.0%			\$248
\$1,862	\$3,885	\$242.10	plus	28.0%	\$1,862
\$3,885	\$6,385	\$808.54	plus	31.0%	\$3,885
\$6,385	\$11,265	\$1,583.54	plus	36.0%	\$6,385
\$11,265	\$3,340.34	plus	39.6%	\$11,265

Withholding Allowance Amount

The 2000 withholding allowance amount by biweekly payroll period is \$107.69. Withheld tax amounts should be rounded to the nearest dollar by dropping amounts under 50 cents and increasing amounts from 50 to 99 cents to the next dollar.

Thrift Savings Plan

If participating in the Thrift Savings Plan, subtract your biweekly Thrift Contribution from your biweekly gross pay before using the Tax Table.