

**United States Department of the Interior  
BUREAU OF LAND MANAGEMENT  
National Human Resources Management Center  
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EMS TRANSMISSION 01/24/2003  
Information Bulletin No. HR-2003-029

To: All BC, HR, NI, ST, WO Denver, WO-330D, WO-560D, WO-570D, and BIA  
Field Office Employees

From: Director, National Human Resources Management Center

Subject: Payroll Changes for Pay Period 200302

In pay period 0303, a variety of payroll changes will be implemented. Please review your Leave and Earnings Statement for specific changes that affect your gross to net pay. The major change is the 2003 basic pay raise. In addition, the Health Benefit open season changes will be implemented, as well as the deductions for the 2003 Combined Federal Campaign.

OPM is reducing the premium for FEGLI Basic Insurance to 15 cents per thousand dollars of coverage from 15 1/2 cents, and reducing Option B premiums for all age bands over age 44. In addition, OPM has replaced the Ages 70 & over age band with three new age bands in Option B and Option C coverage. Within the new age bands, premiums for Option C coverage for those ages 75 and older have been increased.

The 2003 Social Security wage base for Old Age Survivor and Disability Insurance (OASDI) is \$87,000. There is no wage base limit for Medicare tax. The tax rate remains 6.2% for Social Security and 1.45% for Medicare tax. Earnings in excess of \$87,000 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 TSP contribution cap is \$12,203.

The maximum for the Transportation Fringe Benefits remains at \$100.00 per month (\$46.15 per pay period) for 2003.

The 2003 leave year is from pay period 0303, beginning January 12, 2003, through pay period 0402, ending January 10, 2004.

The following reminders may require special attention on your part to ensure accurate processing of your pay:

The Internal Revenue Service (IRS) regulations require all employees who claim exemption from federal tax withholding to file a new Form W-4 (Employees Withholding Allowance Certificate) by February 15, 2003. The Payroll Office is required to submit copies of all W-4s to the IRS when the employee (1) claims more than 10 withholding allowances, or (2) claims exemption from withholding.

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 2003 taxable earnings year is from pay period 0301, beginning December 15, 2002, through pay period 0326, ending December 13, 2003. The Biweekly Federal Tax Withholding formula for 2003 is attached. If participating in the Thrift Savings and Health Benefit Plan, subtract your biweekly Thrift and Health Benefits contribution from your biweekly gross pay before utilizing the formula.

If you have questions please call the Chris Spragg at 303-236-0573.

Signed by:  
Linda D. Sedbrook  
Director, NHRMC

Authenticated by:  
Luron Porter  
Staff Assistant

1 - Attachment

Tables for Percentage Method of Withholding for Wages Paid in 2003 (1 pg)

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