



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
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Information Bulletin No. HR2004-020

To: All BC, HR, NI, ST, NCS-WO and BIA Field Office Employees  
From: Director, National Human Resources Management Center  
Subject: Upcoming Payroll Actions

The following procedures/reminders may require your attention to assure accurate and timely processing.

- Form W-4. 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, 2004. The Payroll Office notifies the IRS when an employee (1) claims more than 10 withholding allowances, or (2) claims exemption from withholding.
- Form W-5. 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.
- If participating in the Thrift Savings Plan (TSP) and Health Benefit Plan, subtract your biweekly TSP contributions and Health Benefits premiums from your biweekly gross pay before utilizing the formula. The Biweekly Payroll Period Federal Tax Withholding tables taken from the IRS Publication 15, Circular E, for wages paid through December 2004 are attached. The Biweekly Federal Tax Withholding formula for 2004 is also attached.
- The 2004 Social Security wage base for OASDI is \$87,900. 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 \$87,900 will be taxed at 1.45 %. Employees subject to withholdings for Medicare only will be taxed at the 1.45 % rate for all earnings.
- The 2004 taxable earnings year is from pay period 0401, beginning December 14, 2003, through pay period 0426, ending December 11, 2004. The 2004 leave year is from pay period 0403, beginning January 11, 2004, through pay period 0502, ending January 8, 2005.

- In pay period 0403 a variety of payroll changes will be implemented, including the 2004 basic pay raise. In addition, the Health Benefit open season changes and deductions for the 2004 Combined Federal Campaign will be implemented.
- Last year OPM added three new age bands in FEGLI Option B coverage and stated the premiums for these age bands would be phased in over a three-year period. These are the only FEGLI premiums that are changing at this time. The rates for FEGLI premiums may be viewed at [www.opm.gov/insure/life](http://www.opm.gov/insure/life).
- The TSP contribution cap is \$13,000. The TSP Catch-Up program introduced last year will have a \$3,000 maximum contribution for 2004.
- The exclusion for employer-provided qualified parking has increased to \$195.00 per month for 2004. The maximum for the Transportation Fringe Benefits remains at \$100.00 per month (\$46.15 per pay period) for 2004.

Along with the withholding tables cited above, copies of the 2004 Form W-4 and Form W-5 are attached for your convenience. Employees should review their Leave and Earnings Statements for the specific changes that affect their gross to net pay and to watch for their 2003 W-2 forms which should be mailed during the last week of January. If you have any questions, please call NBC's Payroll Information Line at (303) 969-7732.

Signed by:  
Linda D. Sedbrook  
Director, NHRMC

Authenticated by:  
Luron Porter  
Staff Assistant

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#### 4 Attachments

- 1 – Withholding Tables (1pg)
- 2 – Tax Tables (4 pp)
- 3 – Form W-4 – 2004 (2 pp)
- 4 - 2004 Form W-5 (3 pp)