

In preparation for calendar year 2012, I would like to take this opportunity to update you on changes that may be reflected on your pay advices beginning with the January 6, 2012 advice.

Payroll Deduction and Tax Changes for 2012

- Group Health Insurance premium rates changed effective January 1, 2012.
- Health Insurance enrollment and flexible spending account changes made by the employee during October open enrollment.
- [Federal tax rates](#) change effective January 1, 2012.
- Changes employees made to their Federal or State withholding (W-4 or K-4) for 2012.
- The employee social security tax (OASDI) rate remains at 4.2%.
- Employees who reached the social security wage base limit in calendar year 2011 will begin to see social security tax withheld again from this check. The 2012 Social Security wage base for OASDI increases from \$106,800 to \$110,100. The maximum social security employee contribution for 2012 is \$6,826.20. There continues to be no limit on wages subject to the Medicare tax. Medicare tax rates for employers and employees remain at 1.45%
- [KPERs Optional Group Life Insurance](#) changes to a different age bracket - An employee may have automatically changed to a different age bracket (for example, from age 44 to age 45). Optional Group Life Insurance deduction is taken from the 2nd check of the month.
- [TEA Life Insurance](#) changes to a different age bracket - An employee may have automatically changed to a different age bracket (for example, from age 44 to age 45). TEA Life Insurance deduction is taken from the 1st check of the month.
- Voluntary Tax Shelter Annuity - Employees may have changed their voluntary tax shelter annuity amounts/percentages or Human Resources may have adjusted the voluntary tax shelter amounts due to maximum agreements or increases in maximum limits allowed by the Internal Revenue Service (IRS). Retirement and savings plan limits set by the IRS have changed for 2012. The elective deferral limit for the 403(b) voluntary plan, the 457(b) deferred compensation plan, and the federal Thrift Savings Plan limits increased from \$16,500 to \$17,000. The catch-up contribution limit under those plans for age 50 and over remains unchanged at \$5,500. The 15-year catch-up limit for eligible employees in 403(b) plans remains at a total of \$15,000 spread over a minimum of five years.
- Changes employees made to 2012 their United Way, Community Health Charity, and All University Campaign (Foundation) voluntary payroll deductions.

- Parking garage reserved stall permits decreased.
- Eligible twelve-month unclassified employees receive a 2.5% pay increase in their Jan. 6th pay advice. Eligible nine-month unclassified employees will receive the increase in their Jan. 20th pay advice.

If you have any questions or need additional information, please contact your HR liaison at 532-6277.
Have a Safe and Happy New Year!!