

LCTCS CENTRALIZED PEOPLESOFT PAYROLL MEMORANDUM

2003-23

TO: All Employees of Louisiana Community & Technical College System
Office, La. Delta Community College, Louisiana Technical College, Nunez
Community College, River Parishes Community College, and South
Louisiana Community College

FROM: Lura A. Kamiya
LCTCS Human Resources Director

DATE: June 24, 2003

RE: Jobs and Growth Tax Relief Reconciliation Act of 2003 Changes Reflected in June 27,
2003 Paycheck

Changes in Federal Income Tax Withholding

PeopleSoft updates were received in time to apply them earlier than anticipated and as a result the updated tax withholding tables will apply to the June 27, 2003 paycheck. New withholding tables **may** reduce the amount of income tax withheld from your wages.

The reductions in tax withholding are due to the reduction in the 27% and higher tax brackets and widening of the 10% tax bracket.

The new tables, prescribed by the Department of the Treasury, reflect a change resulting from the Jobs and Growth Tax Relief Reconciliation Act of 2003, signed by President Bush on May 28, 2003. The tables incorporate tax rate changes for most taxpayers and the higher standard deduction for married couples.

IRS Publication 15-T, New Withholding Tables, revised for June 2003 has been released electronically. This publication is available on the IRS website (<http://www.irs.gov/pub/irs-pdf/p15t.pdf>).

Note: In addition to the new tables, the new publication includes a special "Notice to Employees" that agencies **must** "make available" to employees so that they will be aware of how the new law affects their withholding, according to the IRS.

If you do not want to have your withholding reduced in the future, you may want to file a new Form W-4, Employee's Withholding Allowance Certificate, which may be obtained from your local human resources representative. You may choose to claim fewer withholding allowances on line 5 or request additional amounts to be withheld on line 6. For additional help, get IRS Publication 919, How Do I Adjust My Tax Withholding? or visit the IRS website at www.irs.gov and use the "Withholding Calculator."

The new law retroactively reduces income tax rates back to January 1, 2003. Taxes that may have been overpaid in the first half of 2003 will come to you when you file your federal tax return for 2003.

REMINDER:

Miscellaneous Products Dropped from OSUP Approved List of Products – will no longer be payroll deducted effective with first pay of July 2003. Employees should receive letters from

vendors offering ability to continue coverage on a direct payment basis from the employee to the vendor.

- New York Life Term Life – MSNNS deduction code
- New York Life Disability – MSNNM deduction code
- Life Investors Intensive Care – MSLPD and MSLND deduction codes
- Life Investors Whole Life – MSLNR deduction code
- Colonial Life Whole Life – MSKNS deduction code
- American Public Life Intensive Care – MSJPB and MSJNB deduction codes
- American Public Life Whole Life – MSJNS deduction code
- American Public Life Term Life – MSJNR deduction code
- American Family Medicare Supp – MSINU deduction code
- American Family Convalescent Care – MSINT deduction code
- Conesco Intensive Care – MSCPB and MSCNB deduction codes
- Conesco Health – MSCNZ deduction code
- Conesco Intensive Care with Rider – MSCNN deduction code
- American Heritage Term Life – MSANR

Note that these are product offerings being dropped. Vendors show still retain other products that continue to be offered through payroll deduction. These products are optional products with no state match associated. To keep your policy active, contact the vendor for direct payment options, if you have not already done so. You may access information about miscellaneous vendor products and contact information by clicking on the “For State Employees” tab at the bottom of the Info Louisiana Website at www.state.la.us then scroll down to Health Insurance benefits and click on Insurance Payroll Deductions and then on any vendor you wish to locate contact information and products offered.

Products are dropped when total participation for all those type of products offered by that vendor through payroll deduction drops below the participation threshold level of 100 set by the Uniform Payroll Insurance Commission (UPIC) which represents all state agencies.

Reminder of Miscellaneous Vendors not supported by PeopleSoft Centralized Payroll

Since the inception of PeopleSoft Centralized Payroll the following vendors were not approved as vendors under PeopleSoft Centralized Payroll due to very limited number of participants, or in some case no participants among institutions with employees paid through PeopleSoft. These vendors and products continue to not be supported.

- Guaranty Income Life
- Professional Insurance
- Protective Life Insurance
- Loyal American
- Savings Bonds
- Medical Flexible Spending Accounts