

**LCTCS CENTRALIZED PEOPLESOFT PAYROLL
MEMORANDUM
#2006-50**

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

FROM: Lura A. Kamiya
LCTCS Human Resources Director

DATE: December 10, 2006

RE: Issuing of 2006 W-2s and Review of W-4 Elections

Issuing of W-2s

Deadline for issuance of W-2s is January 31, 2007. We do not currently foresee any problem meeting that deadline. W-2s will be mailed to the address on record in the payroll system. Please verify your address from your pay advice/stub and work with your local human resources office to input correction to your mailing address. All wages paid in 2006 through LCTCS Centralized PeopleSoft Payroll, will be produced on one W-2 for calendar year 2006.

IRS Penalties for Incorrect Name and/or Social Security Number

An employee's correct name and Social Security Number are critical for successful W-2 processing. Incorrect information can prevent the Social Security Administration (SSA) from posting earnings to the employee's record and could cause the employee problems when applying for Social Security and/or Medicare benefits. Any W-2 filed with an employee's incorrect name and/or Social Security Number creates additional processing costs for the employer and the SSA. The IRS has issued a bulletin stating that penalties will begin to be charged to employers filing Forms W-2 with incorrect names and/or Social Security numbers. **It is important to note that this year the IRS warns that they will be doing a more thorough check on not only the primary name listed on joint filing but also the secondary name. The name on your Social Security Card and the name under which your taxes are filed must be the same.** If the name on your Social Security Card is not the same as the name which will be utilized for filing your taxes, contact your Social Security Administration Office and update your Social Security Card. If the name on your pay check is not the same as that on your Social Security Card, notify your local human resources office and provide a copy of your Social Security Card.

Review of W-4 Elections

The 2007 Form W-4, Employee's Withholding Allowance Certificate, has been electronically released by the Internal Revenue Service and is attached for you in Adobe format. Employees claiming a full exemption from federal income tax in 2006 must file a new form in order to maintain the exemption, as the exemption expires on Feb.16, 2007. If no new form is filed, employers are to begin withholding as if the employee were single claiming no withholding allowances until the employee submits a new Form W-4. Individuals cannot claim the exemption if their income exceeds \$850 (same as 2006) and includes more than \$300 of unearned income (interest and dividends), and if they can be claimed as a dependent on another's tax return.

Each employee may want to take some time and review whether he/she wishes to make an election change in the 2007 Form W-4 federal tax withholding form. Forms can be changed through your local human resources office. A 2007 Form W-4 is attached in pdf format and it can be attained from the

Internal Revenue Service website at <http://www.irs.gov/formspubs/lists/0,,id=97817,00.html> and select 2007 W-4 from the listing.

The IRS Withholding Calculator helps figure out proper withholding for Form W-4. This is available on the internet at www.irs.gov/individuals/article/0,,id=96196,00.html.

IRS Publication 919, "How Do I Adjust My Tax Withholding?" is similar to the online withholding calculator but can be printed. This publication is also available by calling 1-800-TAX-FORM (1-800-829-3676) and requesting the publication by number. It can be accessed online at www.irs.gov/pub/irs-pdf/p919.pdf.