

Highlights and Hot Topics

Exemption from Federal Income Tax Withholding

By Darletta England

An employee may claim exemption from federal tax withholding if he/she had no income tax liability last year and expects none this year. If an employee wishes to file exempt from federal tax withholding, a new W-4 must be completed each year. For 2009, the deadline for submission is February 15 and will remain in effect through February 15, 2010. In the event an employee claimed exempt for 2008 and fails to provide University Payroll with a new W-4 by the deadline, University Payroll will begin withholding as if the employee is single with zero withholding allowances. An employee cannot claim exemption from withholding if (a) income exceeds \$950 and included more than \$300 of unearned income, and (b) another person can claim the employee as a dependent on his/her tax return.

If you would like more information on “Exempt” status, please click on the link to the IRS W-4 Worksheet Web site: <http://www.irs.gov/pub/irs-pdf/fw4.pdf>. The criteria for “Exempt” is stated at the top of the form. **Payroll cannot offer guidance as to whether you qualify for “Exempt”.**



Federal Income Tax Withholding



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File Your Illinois Taxes Electronically with Illinois eServices

The Illinois Department of Revenue encourages all State employees to file their tax returns with the State electronically.

With the use of direct deposit, taxpayers will have their refunds within a week. Balance due amounts can be paid electronically by requesting a direct debit from a bank account or by credit card. In addition, electronic filing is good for the environment. It eliminates paper waste and reduces operating costs. For example, last year the State of Illinois saved over \$550,000 in postage costs alone for taxpayers that filed electronically and elected to have their refund directly deposited into their checking or savings account.

Electronic Filing Options for Individuals

e WebFile — Available FREE on their web site at tax.illinois.gov. No software download is needed to use WebFile. It's easy and secure!

e Tax-Prep Software — Use your preferred tax preparation software package to electronically transmit your Illinois tax return.

e Tax Professional — Ask your tax professional to electronically file your state return for you.

e E-Payments — Pay your balance due, extension payment, or estimated payments electronically on our web site using WebPay or a credit card.

For more information, please visit tax.illinois.gov.



Customer Service Metrics

October 2008 – December 2008

	October	November	December
Total Activity	1,252	1,238	1,176
Pending Resolution	5	11	50
Closed	2,203	1,759	1,727

Total Activity represents the number of Clarify cases handled by Payroll Customer Service. Pending resolution refers to the number of cases still open out of those submitted at the end of each month. Closed are resolved issues.

Payroll Operations Metrics

During the last quarter, a total of 225 timesheets fell into an error status at Disposition 05 and had to be manually fixed by Payroll Operations. This error occurs when an employee's required statutory deductions are not active or do not exist during the pay period.

Adjustments Processed

October 2008 – December 2008

October	November	December
6,846	4,020	8,452

Current Quarter

Form W-2 and 1042-S for 2008

University Payroll is responsible for issuing Form W-2, Wage and Tax Statement. According to Federal Treasury Regulation §31.6051-1, Form W-2 must be furnished, meaning properly addressed and postmarked, by January 31, unless it falls on a weekend, then it would be the next business day, and Form 1042-S (for Foreign National employees) by March 15, unless it falls on a weekend, then it would be the next business day. This year, paper Forms W-2 and 1042-S will be mailed by our vendor JAT on February 2, 2009.

Electronic Forms

An electronic version of Form W-2 is now available to employees who consented to receive the electronic version prior to January 18, 2009 through NESSIE. Instructions on how to retrieve and print the electronic forms were emailed to active employees who consented in previous years or before January 16, 2009 to the email address provided by the employee in the consent process. Instructions are also available on the OBFS Payroll & Earnings Web site:
<http://www.obfs.uillinois.edu/obfshome.cfm?level=2&path=earnings&xmldata=W2#onlinew2>

Form 1042-S is not available electronically at this time.

Reissues

Mailed Form W-2 or Form 1042-S Reissues

Employees who wish to receive a reissue of a paper Form W-2 or Form 1042-S may contact the **JAT Reissue Call Center at (866) 923-6767** between the hours of 8:00 a.m. and 8:00 p.m. (Central Standard Time), Monday through Friday to have one mailed to them. A voicemail system will be available after hours. Messages will be retrieved and processed the next business day.

The employee will need to provide the following information:

- Social Security Number
- Password (birth date)
- Contact phone number in case the reissue is returned to vendor
- Mailing address

If an address change is required, a representative at JAT Call Center will change the address on the form and send the reissue to the correct address. This change of address will only be reflected on the reissued form. Employees should correct their address in NESSIE for future mailings.

Electronic Form W-2 Reissues

Electronic reissues of Form W-2 will be available on February 9, 2009 to employees who did not previously consent to receive their Form W-2 electronically. To retrieve this electronic reissue:

1. Go to the [W-2 Access page](#) of the Compensation tab in NESSIE.
2. Click on View Your W-2.
3. Log in using your Bluestem or Enterprise logon and password.
4. Enter your Personal Identification Number (PIN) or create one.
5. Click Continue.
6. Enter last four digits of your SSN.
7. Click the OK button.
8. Click link to View & Print Your W-2.
9. Your Form W-2 will display on the screen.



Important Payroll Dates

Payroll Training Events

Now Open for Registration

UIUC

Payments to Foreign Nationals Overview

April 16 – 1:00 p.m. to 4:00 p.m.

Adjustment Processing for Units

February 19 – 9:00 a.m. to 12:00 p.m.

Department Time Entry for Biweekly Employees

February 19 – 1:00 p.m. to 4:00 p.m.

Labor Redistributions

March 25 – 9:00 a.m. to 10:30 a.m.

One-Time Payments

March 25 – 11:00 a.m. to 12:30 p.m.

UIC

Payroll Overview

February 18 – 9:00 a.m. to 12:00 p.m.

Payments to Foreign Nationals Overview

February 18 – 1:00 p.m. to 4:00 p.m.

April 9 – 1:00 p.m. to 4:00 p.m.

Labor Redistributions

March 24 – 9:00 a.m. to 10:30 a.m.

One-Time Payments

March 24 – 11:00 a.m. to 12:30 p.m.

UIS

There are no courses scheduled at this time.

For further information on the Payroll courses or to register for a class, please visit the [OBFS Training Center](#).

Foreign National Mass Appointment Labs

The dates below are available for status review of new employees and for current employee renewals.

UIUC

February 16 – 8:30 a.m. to 10:00 a.m.; 10:30 a.m. to 12:00 p.m.; 1:30 to 3:00 p.m.

February 20 – 8:30 a.m. to 10:00 a.m.; 10:30 a.m. to 12:00 p.m.; 1:30 to 3:00 p.m.

March 9 – 8:30 a.m. to 10:00 a.m.; 10:30 a.m. to 12:00 p.m.; 1:30 to 3:00 p.m.

March 11 – 1:30 to 3:00 p.m.

March 12 – 8:30 a.m. to 10:00 a.m.; 10:30 a.m. to 12:00 p.m.; 1:30 to 3:00 p.m.

March 23 – 8:30 a.m. to 10:00 a.m.; 10:30 a.m. to 12:00 p.m.

March 26 – 8:30 a.m. to 10:00 a.m.; 10:30 a.m. to 12:00 p.m.; 1:30 to 3:00 p.m.

UIC

February 17 – 9:00 a.m. to 10:30 a.m.; 11:00 a.m. to 12:30 p.m.

February 25 – 9:00 a.m. to 10:30 a.m.; 11:00 a.m. to 12:30 p.m.; 1:30 p.m. to 3:00 p.m.

Please refer to the [registration site](#) for updates or changes to the Foreign National Mass Appointment Lab offerings.



Questions and Answers



Q: I believe my W-2 is incorrect. Who should I contact?

A: If you think there is an error on your form W-2 or have questions, you can verify that your reportable taxable gross and Medicare earnings are correct by accessing the Excel spreadsheet created by University Payroll titled [Verification of Taxable Gross and Medicare Earnings on your W-2](#).

To use this spreadsheet, you will need to reference your final earnings statement issued to you for the calendar year 2008 and follow these steps:

- Enter the Year-to-Date (YTD) totals in the right column for each of the items listed on the earnings statement.
- Enter the Gross Pay YTD, Taxable Benefits and Excess Life YTD totals from the Summary section of the earnings statement.
- Enter any remaining YTD amounts listed within the Deduction Summary section of the earnings statement.
- The spreadsheet will automatically calculate the totals for you. The Medicare calculation will also automatically calculate based on the numbers entered above, and will only be applicable if you have Medicare deductions.

If there is a discrepancy between the spreadsheet and your Form W-2, you should contact the University Payroll Service Center at (866) 476-3526 or (217) 265-6363. If needed, University Payroll will issue you a W-2C to be used for tax preparation. The W-2C and the original W-2 should be sent with your tax forms to the IRS.

Q: I received a Form 1099 but am unsure why?

A: 1099's are produced by University Payables. Customer Service for University Payables should be able to answer your inquiry. They can be reached at (217) 333-6583 or obfsupay@uillinois.edu.

Q: A coworker received a 1098-T. What is a 1098-T and should I have received one?

A: Form 1098-T is a form used to report education costs to the IRS. The statement would include tuition and related expenses as well as any scholarships or grants credited to the Student's account. Information reported on this form would be helpful to students or parents of students claiming educational credits on their income tax return.

Q: Why do paper earnings statements and paper checks look different now?

A: The version of the check printing software used for the last ten years is no longer supported by the company who made it. Therefore, the University of Illinois now uses check printing software made by Evisions which works exclusively with Banner.

Paper earnings statements and checks are now printed on letter size paper stock. Since the size of these statements is smaller, space is limited and all earnings deductions needed to be listed in general categories.

Q: Where can I find the detail earnings and deduction information that previously was included on my paper check and paper earnings statement?

A: The electronic paper earnings statement has an itemized list of your earnings and deduction information. You can find your earnings statements at <https://nessie.uihr.uillinois.edu/paystub> to view and/or print.