



Type: System Enhancements	ID Number: SE 15
Date: November 27, 2007	Subject: W-4/W-5 & Address Changes

Suggested Audience:

HR Staff

Overview of W-4/W-5 Changes: Effective with the [December 8, 2007](#) release, the following changes will be implemented to the W-4/W-5 screen and process within People First.

- Beginning in December of each year, employees will be able to process their exemption from withholding (Form W-4) and/or their Form W-5 (Earned Income Credit) elections for the next calendar year. From Monday, December 10, 2007, through 7:00 p.m. EST on Friday, December 21, 2007, employees will be able to select either “Tax Filing Year” 2007 or 2008. After this date, only the year 2008 will be available for selection.
 - To complete an exemption from withholding or a Form W-5 for the next calendar year during this time, the employee creates a new W-4/W-5 record, selects the correct calendar year in the field titled “Tax Filing Year,” and then completes the W-4/W-5 entry.
 - For example, if completing elections for the 2008 Tax Year, employees would simply select 2008 for the “Tax Filing Year,” then complete their elections for 2008.
 - Elections made for the next calendar year will be applied to payments being paid in that calendar year. These elections will NOT apply to the current calendar year.
 - For example, if a biweekly employee makes a W-4/W-5 election on December 10, 2007, while selecting “Tax Filing Year” 2008, the first payroll this would be used for is the biweekly payroll paying on January 4, 2008.
 - [If an employee needs to make a change for 2007 and also wishes to make an election for 2008, the employee **must** create the 2007 record prior to creating the 2008 election.](#)

- Hover functionality (hold mouse cursor over the field title) will be implemented within the W-4/W-5 screen. This will provide employees a brief explanation of what the field is to be used for. For example, if you hover over the field “Tax Filing Year” the following message would show: “Tax Year for which you are completing a W4/W5.”

- Employees will **ONLY** be able to file exemptions from withholding and W-5 elections using the online People First system. Employees will **not** be able to use the IVR for either of these elections. Additionally, if the employee has a current or a future

dated exemption from withholding or W-5 on file in People First, the employee will **not** be able to use the IVR to make any W-4 or W-5 changes.

- Note: Employees will still be able to make normal W-4 elections (select marital status, additional withholding, etc.) through the IVR. Employees just will not be able to make an exemption from withholding or W-5 elections through the IVR.
- Employees are responsible for ensuring their W-4 elections and if applicable their W-5 elections are maintained and accurate at all times.
 - The Internal Revenue Service (IRS) requires employees who are filing either an exemption from withholding or are filing a Form W-5 to claim the election each calendar year. The enhancements described above will allow employees to make these elections in December each year for the next tax year.

Overview of Address Changes: Effective with the [December 8, 2007](#), release the following changes will be implemented to the address screens and process within People First.

- Street Address will be modified to restrict entry to **30 characters** on **one line** for the Home, Mailing and Temporary address screens. Currently, two lines are available for entry in each of these screens.
 - All employees who currently have a street address for their home, mailing or temporary address must change their street address to be only 30 characters on one line.
 - This change is being made to ensure accurate processing of the employees' Form W-4 and Form W-2.
- The W-4 interface to the Bureau of State Payrolls (BOSP) will be updated to pull the address for employees as follows:
 - Interface will check for an active temporary address. If available for the current date, this record will be sent to BOSP.
 - If there is no temporary address on file or the temporary address has expired (end date prior to the current date), the interface process will check for an active mailing address. If available for the current date and there is no active temporary address, this record will be sent to BOSP.
 - If there is neither an active temporary nor an active mailing address, the interface process will check for an active home address. If available for the current date and there is no active temporary or mailing address, this record will be sent to BOSP.
 - If there is no active temporary, mailing or home address, then no W-4 file will be sent to BOSP until an address is added to one or more of these screens.

How do these Changes Impact My Employees?

- Employees are responsible for ensuring their personal address is correct at all times.
 - All employees should validate their address(es) in the People First system for accuracy. If their address is longer than 30 characters and/or is maintained on both street address line 1 and line 2, they should update their address by limiting it to 30 characters on line 1.
 - **Why is it important that employees update their addresses to meet this requirement?** The address is used for such purposes as Form W-2 and benefits materials. The address is also provided to the Division of Retirement to mail annual retirement statements. If the address is not correct, it is possible that employees may not receive their State mailings in a timely manner.
 - **What will happen if employees do not update their addresses before these changes are implemented on December 8, 2007?** All data after the first 30 characters on line 1, including all of line 2, will be deleted.
 - **Can employees still change their addresses after the system enhancements are implemented on December 8, 2007?** Yes, in fact it will be easier since the system enhancement will only allow them to enter 30 characters and line 2 will no longer be presented. If employees make changes before the system enhancement, then they will have to manually restrict their entry to 30 characters on line 1 only.

If you have any questions, please contact your DMS change management lead.