



MARCH 2004

## QUARTERLY PAYROLL NEWSLETTER FORT DETRICK, MARYLAND

Welcome to the quarterly payroll newsletter provided to you by the Payroll Liaison. I hope that this newsletter helps keep everyone informed on new issues from payroll.



# VERIFY INFO ON LES

With the receipt of the personnel actions (i.e., Pay Adjustments, Within Grades, Promotions, etc), employee changes in Health Insurance and TSP percentages/distributions, it is imperative that ALL employees review their Leave and Earnings Statement (LES) for accuracy. If any discrepancies are noted, report them IMMEDIATELY to your activity Customer Service Representative (CSR). The CSR can access the payroll records to verify all pay and deductions. The discrepancies can be rectified quickly, if they are brought to our attention in a timely manner. If you have any concerns or questions, please inquire about them. It is the employee's responsibility to verify that all pay and deductions are correct on their LES.

## SOCIAL SECURITY AND MEDICARE TAX FOR 2004

The Social Security (OASDI) wage base for 2004 is \$87,900. Once your YTD wages reach this amount, deductions for social security will be stopped. Deductions will restart with the 1<sup>st</sup> pay period of the new pay year. There is no wage base limit for Medicare tax. The tax rate remains 6.2% for Social Security and 1.45% for Medicare tax.

## APPLYING TO BECOME A LEAVE RECIPIENT

The potential leave recipient's employing agency shall review an application to become a leave recipient for the purpose of determining that the potential leave recipient is, or has been, affected by a medical emergency. Before approving an application to become a leave recipient, the employing agency shall determine that the absence from duty without available paid leave, due to the medical emergency, is (or is expected to be) at least 24 hours. If the potential leave recipient is a part-time employee, or an employee with an uncommon tour of duty, the absence from duty without available paid leave must be at least 30% of the average number of hours in the biweekly scheduled tour of duty. Applications will no longer be accepted until the potential leave recipient's available paid leave has diminished to the point that LWOP will be incurred. Several prior applications had been approved and the leave recipient had received donated hours. However, in several cases, the recipient still had leave in their leave account and did not have to use any of the donated hours. Upon the requested removal of the recipient, these donated hours had to be returned to the donors. In these instances, all of the donors had to be notified and this is time consuming and causes unnecessary input.

## DONATING LEAVE TO A LEAVE RECIPIENT

Annual leave can be donated to an approved leave recipient in the leave transfer program. The leave hours donated **MUST** be in whole hours only. The leave transfer program **DOES NOT** accept hours in partial increments. (For example, if the form is submitted with 7.5 hours to be donated, only the 7 hours can be used.) **SICK LEAVE CANNOT BE DONATED!** The correct forms to complete are OPM 630-A (Within Agency) or OPM 630-B (Outside Agency).



**REMOVAL FROM THE LEAVE TRANSFER PROGRAM**

Once the medical emergency for the leave recipient has ended, the recipient **MUST** provide written notification of such and request that he/she be removed from the leave transfer program. When preparing the memorandum requesting removal from the leave transfer program, it is recommended that you make it effective for the first full pay period **AFTER** the medical emergency has ended. At that time, no further requests for transfer of annual leave, to the recipient, may be granted.

## WHAT IS 'OASDI'?

OASDI stands for *Old Age Survivors Disability Insurance*. Another name for this is Social Security. The deduction amount to be withheld from your salary for OASDI is 6.2% for FERS and FICA employees. Employees, covered under the CSRS retirement system, **DO NOT** have this deduction.



# MILEAGE REIMBURSEMENT

The General Services Administration (GSA) has increased the federal mileage reimbursement rate for travel by car to 37.5 cents per mile in 2004. This is up from the 2003 rate of 36 cents per mile. GSA sets the mileage reimbursement rate for federal employees. By law (41 CFR Part 301-10), the government rate cannot exceed the IRS' rate. The rate will be effective for travel on January 1, 2004. Under federal travel regulations, employees may use personal vehicles for official travel if authorized by their agency. If an agency authorizes travel by other means, such as travel by air, and the employees drive their own cars instead, reimbursement rates are limited to the cost of the authorized means of travel.

## IRS ANNUAL LIMIT FOR TSP

For 2004, the annual limit on elective deferrals will be \$13,000. This limit will increase each year by \$1,000 until 2006, when it reaches \$15,000. After 2006, the increase will be indexed to the annual cost-of-living adjustment referred to in the Tax Code. For TSP purposes, the term "elective deferrals" refers to employee contributions, which are made on a tax-deferred basis.

In 2004, the TSP contribution limit for FERS employees is 14% and the TSP contribution limit for CSRS employees is 9%.

## TSP OPEN SEASON

The next TSP Open Season will be Apr 15, 2004 through June 30, 2004.

## TSP CATCH-UP CONTRIBUTIONS

If you are age 50, or older, and are already contributing the maximum amount of regular TSP contributions for which you are eligible, you may elect to make up to \$3,000 in Catch-Up contributions for 2004.

## RULES FOR CALCULATING OVERTIME FOR GS EMPLOYEES

Rules for calculating overtime rates for General Schedule (GS) federal employees changed with the passing of the National Defense Authorization Act for fiscal year 2004. The change affects overtime calculations for those people whose rate of basic pay is more than the rate for GS-10, step 1. Section 1121 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136) amended Section 5542(a)(2) of title 5, U.S.C., to modify the overtime pay calculations for GS employees who are exempt from the Fair Labor Standards Act (FLSA) and whose rate of basic pay is more than the rate for GS-10, Step 1. Under the revised formula, the hourly rate of pay for overtime is an amount equal to the GREATER of one and one-half times the hourly rate of basic pay for GS-10, Step 1, OR the individual's hourly rate of basic pay. This ensures that these employees will receive no less than their regular rate of basic pay for overtime work. The amendment became effective on 24 Nov 2003. Defense Finance and Accounting Service (DFAS) revised the Defense Civilian Pay System (DCPS) to accommodate this

change as of 30 Nov 2003, including any necessary retroactive payments for overtime work for the intervening period of 24-29 Nov 2003.



## Return of Activated Military Members

In recognition of the sacrifices activated civilian employees have made, the President has directed that agencies grant 5 work days of excused absence, without charge to leave, to these employees upon notification to their employing agencies of their intent to return to Federal civilian employment. This request covers all employees who were activated for military service in connection with Operation Noble Eagle, Operation Enduring Freedom, Operation Iraqi Freedom, or any other military operations subsequently established under Executive Order 13223. Agencies may grant this period of excused absence prior to the employee's resumption of his duties, or at a time mutually agreeable to the agency and the employee, if the employee has already returned to duty.



## Guarding Against Identity Theft

In order to help protect employees' privacy and guard against identity theft, DFAS will begin to mask part of the employees' social security numbers (SSNs) on the hard-copy leave and earnings statements (LES) mailed to the employees' home of record address. Only the final four positions of

the SSN will be visible. This change was effective the pay period ending 24 Jan 2004. This change will not impact the electronic LES that is available on the MyPay website, <https://myPay.dfas.mil>, which will continue to display the entire 9-position SSN.

### Personal Identification Number for MyPay

Army personnel can now obtain their myPay personal identification numbers (PINs) by using a new online feature called ePIN. EPIN is available to active, reserve, guard, civilians and military retirees with Army Knowledge Online (AKO) accounts. EPIN greatly simplifies the process of gaining access to myPay. Personnel can visit the myPay Web site, <https://myPay.dfas.mil>, and click on the "New PIN" button. The system will verify the identity of the user through their Social Security Number. The user can elect delivery of the PIN by email or regular mail. Email delivery takes place within 48 hours. MyPay means no waiting in lines or on the phone and is available nearly 24/7. Easy to use menus and clear confirmation messages give customers confidence that changes they request are made quickly and correctly.



## SAVINGS BONDS

The interest rate for Series EE Bonds is 2.61% and the interest rate for Series I Bonds is 2.19%. These rates are good through April 2004. New rates will be posted to the Savings Bonds web site at <http://www.savingsbonds.gov> on 3 May 2004.

## FEGLI Rate Reminder

Rates for Option B coverage under the Federal Employees Group Life Insurance will rise effective January 1 in the higher age bands. Option B is coverage of up to five times annual salary. Currently, those age 70-74 pay \$0.87 biweekly or \$1.885 monthly per \$1,000 of coverage; those rates will increase to \$1.03 and \$2.232, respectively. Those 75-79 now pay \$1.07 biweekly or \$2.318 monthly; those rates will increase to \$1.43 and \$3.098, respectively. Those 80 and over now pay \$1.27 biweekly or \$2.752 monthly; those rates will increase to \$1.83 and \$3.965, respectively. This is the second of three annual increases, in FEGLI rates at older ages, in reaction to higher numbers of enrollees keeping the insurance at those ages.

## OFF-LINE CORRECTIONS

All off-line corrections, for T&A, require that the original and corrected timecard be faxed to the payroll office. The fax should include a MEMO from the supervisor as to the reason for the correction and why it was not corrected while the pay periods were on-line. Timekeepers have access to 26 pay periods that are on-line. All necessary corrections should be processed as soon as possible, to avoid having off-line corrections done.

