



Enterprise Human Resources and Payroll (EHRP) Instructional Letter

Number: EHRP05-06

Date: April 17, 2005

Subject: Taxes

Purpose

The conversion of the HHS payroll system to the Defense Finance and Accounting Service (DFAS) on April 17, 2005 will require some changes in the processing of taxes. This letter provides information on these changes.

Exemptions

DFAS uses the following defaults for all new hires, including experts/consultants:

- Federal taxes Single with Zero Exemptions
- State tax Based on the state in which employed, Single with Zero Exemptions

If the employee works in a non-taxable state, DFAS will not default a tax record. When the employee submits their tax forms, HR should add (+) a row using an effective date after the default date with the information from the tax form that was submitted by the employee. If keyed in the same pay period as the hire, the employee's taxes will be based on the information submitted.

Other Changes

Users will **no longer key any tax NOAs**. Correct History will no longer be an option.

For further assistance or for questions regarding the information in this letter, please contact Marie King (MKing@psc.gov) or Theresa Lewis (TLewis@psc.gov).