Employee Informational Advisory

DATE: April 24, 2014

TO: All Faculty and Staff

FROM: Payroll and Human Resources

RE: Payroll and Tax Changes

Dear Faculty and Staff:

As we approach the end of the spring semester, we have a few important updates to share related to payroll and taxes that impact all faculty and staff. As always, please don’t hesitate to contact the payroll or human resources offices if you have any questions.

Workers Benefit Fund
Last spring, we notified Willamette faculty and staff about the implementation of a modest additional tax that will be appearing on our paychecks: the Workers Benefit Fund (WBF) assessment. This is a state payroll assessment calculated on the basis of hours worked by all paid workers covered by workers’ compensation insurance in Oregon. Employers report and pay the WBF assessment directly to the State of Oregon with other state payroll taxes. The WBF assessment funds programs that directly benefit injured workers and help make it possible for them to return to the workforce.

This is a longstanding state imposed assessment that is intended to be equally shared by the employee and employer, similar to how Social Security and Medicare taxes are shared. Previously it had been collected through workers compensation insurance premiums, but this changed in 1995. Last year, we became aware of some problems in the way this tax assessment was being administered. Since that time, we have been working to correctly implement the tax into our payroll system and have now completed the programming necessary to do so. Beginning with the April 2014 payroll, this assessment will begin to be applied to payroll consistent with Oregon state regulations.

The share of this tax that employees will pay is nominal, in most cases no more than $2.90 per month, but it is based on hours worked and can vary from paycheck to paycheck. The tax will appear as "Worker’s Benefit Fund" on the new WebAdvisor pay advices (see below).

Pay Advice Changes Coming
We are pleased to announce an upgrade that will provide a new, improved pay advice through WebAdvisor self-service. You can access the new earnings statements as well as W-2 forms 24 hours per day, 7 days a week by logging into WebAdvisor and accessing the section for Employees. The new pay advice provides more information about taxes and deductions, including itemizing the new WBF tax, includes format improvements over the previous pay advice, and has facilitated the retirement of an obsolete custom process in the old JASON system.
**Electronic Pay Advice Opt-In**
The new pay advices will also further sustainability efforts at Willamette University. Effective May 31, 2014 we will no longer default to providing a printed advice to employees who have the ability to print or store the electronic advice. If you wish to continue receiving a printed pay advice, you will need to “opt in” by visiting the payroll office and completing a pay advice request form. Please note if you “opt in” to receiving a printed pay advice, you will not be able to access pay advices online.

**New Retirement Elective Deferral Limits**
The IRS has also issued their statement of retirement elective deferral limits for 2014. The maximum elective deferrals continue to be the same as 2013. $17,500 is the regular deferral limit. In addition, “catch-up” contributions of up to $5,500 are allowed for employees who are 50 years of age or older. The service-related catch-up limit continues to be $3,000 for 2014, and still limited at $15,000 lifetime.

As always, please feel free to contact Payroll or Human Resources if you have any questions.