

January 4, 2002

TO: All GRC Employees

FROM: 0222/Linda M.Henninger Employee & Commercial Payments Branch

SUBJECT: Payroll Issues and Reminders

The following is a list of payroll-related issues and changes that will be of importance in the coming weeks. Please retain this letter for future reference.

- a. Salaries earned through the pay period ending December 15, 2001 (payday December 24, 2001) will be reflected on the 2001 W-2's. The W-2's will be mailed to home addresses no later than January 31, 2002.
- b. Federal tax withholding changes for 2002 will be reflected in the salary received on January 8, 2002.
- c. The FICA rate for 2002 will be the same as last year, 7.65%. This rate is composed of Hospital Insurance Tax (HIT) at 1.45% and Old-Age, Survivors, and Disability Insurance (OASDI) at 6.20%. Maximum earning subject to OASDI will increase to \$84,900.00 and HIT will be unlimited.
- d. The locality pay increase and cost of living increase will be effective January 13, 2002, and will be reflected in the salary received on February 5, 2002.
- e. New group health rate changes as well as 2002 CFC pledge deductions, will also be reflected in the salary received on February 5, 2002.
- f. The 2001 leave year ends on January 12, 2002.
- g. The Thrift Savings Plan (TSP) maximum contribution for 2002 will be \$11,000.00. The maximum contribution rate will increase to 12% for FERS employees and 7% for CSRS employees.

Should you have any questions, please call Linda M.Henninger at 3-2563

Original signed by:

Linda M.Henninger  
Financial Analyst