

January 20, 2017

Dear Einstein Faculty, Staff and Students:

Please take a moment to review this memorandum which provides updated information on 2017 payroll taxes, 2016 tax documents and employee benefits.

2017 Payroll Taxes

The maximum wages subject to FICA has been increased from \$118,500 to \$127,200. The tax rate of 6.2% is the same as last year.

The Medicare tax rate of 1.45% (.0145) on all wages and an additional .9% (.009) on wages in excess of \$200,000 is the same as last year. The additional .9% Medicare tax is levied when year to date wages exceed \$200,000.

Federal, New York State and Yonkers withholding rates have been updated. There were no changes to New York City withholding rates.

Nonresident Aliens

Nonresident alien federal withholding tax calculations require wages paid subject to the federal withholding tax rate be increased by an annual amount of \$2,300 (hereafter referred to as “increased wages”). Federal withholding tax on the increased wages was not made in prior years. This has been corrected effective January 2017 resulting in an increase in federal tax withholding between approximately \$10 and \$32 per pay period depending on annual wages.

Nonresident alien New York State withholding tax calculations allow wages paid subject to New York State withholding tax to be reduced by an annual deduction allowance of \$7,400 for single taxpayers, or \$7,950 for married taxpayers, and \$1,000 for each personal exemption. The deduction allowance and personal exemptions were not made in prior years. This has been corrected effective January 2017 resulting in a decrease in New York State tax withholding of approximately \$23 per pay period depending on employee annual wages, marital status and personal exemptions.

Nonresident alien employees who previously claimed tax exemption by completing Federal Tax Form 8233, Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual, should contact Veronica Pritchett, Payroll Compliance Specialist, Veronica.Pritchett@einstein.yu.edu, to update their tax status.

Full time Students

Full time students claiming tax exemption need to update their annual exemption for both federal and state withholding by completing the Federal W4 Tax Form and the New York State IT2104E Tax Form. Please complete forms, found on the Einstein web site at <https://www.einstein.yu.edu/hr/payroll/>, and forward to the Payroll Office, Room 1203 Belfer.

2016 Tax Documents

The 2016 Form W-2's will be mailed to your home the week of January 23, 2017. They will also be made available on Self Service Banner. Form W-2 questions may be directed to any Payroll Department employee at 718-430-3170.

Nonresident Aliens

Nonresident aliens receive Form 1042S, in addition to a Form W-2. Einstein must provide the 2016 Form 1042S by March 31, 2017, however, we intend to issue these forms by the end of February 2017. Further communication will be provided when the 2016 Form 1042s are issued. **Nonresident aliens should wait until they have both the Form 1042S and Form W-2 to prepare their taxes.**

2017 Employee Benefit Reminders

Elective deferral limits remain unchanged for 2017

The elective deferral limits remain unchanged for 2017. If you are under age 50, you can contribute up to \$18,000 to the Einstein 403b Retirement Plan. If you are age 50 or older, or if you will turn age 50 during 2017, you can contribute an additional \$6,000 catchup contribution, allowing you to contribute a total of \$24,000 for 2017.

Please visit www.403b.com, to change your deferral elections or the dollar amount of your catch-up contribution. You can change these amounts at any time throughout the year.

Mymontebenefits

If you need access to any benefits information, you can visit www.mymontebenefits.com, and click on Albert Einstein College of Medicine. You will need your six digit EZID# which can be found at <https://portal.einsteinmed.yu.edu>, click on Self Service Banner and then Personal Information, Display EZID.

Verification of New Dependents

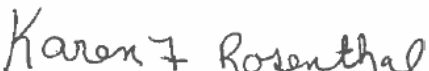
If you added a new dependent during the annual open enrollment period or if you add dependents during the year through a Qualifying Life Event, you must submit proof of their dependent status to Winston Financial Services, mmcdepverify@winstonbenefits.com. For a spouse that would include a copy of your marriage certificate or the first page of tax form 1040 if you file a joint tax return. For children, verification includes a birth certificate, final adoption papers or court documents. Once your dependents are verified, you are NOT required to verify them each year.

If you have any additional questions please feel free to contact any of the following resources for additional assistance.

Payroll: **Daryl Haley**, Payroll Manager 718-839-7201; **Veronica Pritchett**, Payroll Compliance Specialist (NRA Concerns) 718-430-2624; **Paula Joseph**, Kronos Specialist 718-430-2731

Benefits: **Carla Pasquali**, 718-430-3276; **Teresa Winoski**, 718-430-2566

Sincerely,


Karen Rosenthal, Controller


Carla Pasquali, Director of Benefits