

# *Department of Accounts*

## *Payroll Bulletin*

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The Payroll Bulletin is published periodically to provide CIPPS agencies guidance regarding Commonwealth payroll operations. If you have any questions about the bulletin, please call Cathy McGill at (804) 371-7800 or Email at [cathy.mcgill@doa.virginia.gov](mailto:cathy.mcgill@doa.virginia.gov)

State Payroll Operations

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## **Tax Changes for 2011**

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### **Advance Earned Income Credit Eliminated**

Effective January 1, 2011 the IRS will eliminate the Advance Earned Income Credit (EITC). Employers will no longer advance part of the credit to eligible employees each pay day; however, eligible employees can still claim the credit on their personal income tax returns.

Agencies are encouraged to contact employees who received the EITC in 2010 and request updated W4s since new W5 forms will not be needed effective January 1, 2011.

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### **Tax Cuts Expiring**

Employees may see a decrease in net pay beginning in January, 2011. The tax cuts instituted by the Bush Administration are due to expire 12/31/10 and rates will return to what they were prior to the cuts. While most experts agree that Congress will eventually extend the tax cuts on a retro-active basis, it will take some time before the new tax tables are in place. The new tables will not adjust for the temporary overwithholding and employees should be advised that they will get a refund when they file their 2011 tax returns, or they can adjust their W-4s. Employees should be directed to a tax professional for more specific advice.

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# Important Changes to the EPPICard Program

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**Effective  
November 1, 2010**

Effective November 1, 2010, the new statewide contract for the Virginia Paycard program goes into effect. Two notification letters have been mailed to each Paycard holder. For complete details of the most current fee schedule and program materials please go to [www.eppicard.com](http://www.eppicard.com) on or after November 1.

Summary of changes:

- Wachovia and Wells Fargo Bank ATMS are no longer part of the ‘fee free’ ATM cash withdrawal network and will now charge the cardholder for using their ATM.
- The Moneypass network allows five fee free ATM cash withdrawals each month. Go to [www.moneypass.com](http://www.moneypass.com) to locate the nearest ATM.
- MasterCard Member Bank teller windows will allow two (2) free withdraws per month.
- Most all other changes are to the benefit of the employee (free deposit notifications, unlimited calls to the 800 number, etc.).
- Employees are being mailed two separate brochures starting last week regarding these changes. Please note however, that if the employee failed to update their address with Eppicard, they may not have received the mailings.
- The customer support number 800-961-8423 and Eppicard web site have already been updated to warn employees of the upcoming change.
- A link to the moneypass website and a MasterCard Bank locator button will be added to the Eppicard website November 1.
- New Paycard Notification letters for payroll offices to use are on the DOA Payroll Operations website under the “Payroll Forms” button. These forms are located with the Direct Deposit forms.

If employees have any questions regarding these changes, please refer them to Eppicard Customer Service at 800-961-8423.