The Payroll Bulletin is published periodically to provide CIPPS agencies guidance regarding Commonwealth payroll operations. If you have any questions about the bulletin, please email payroll@doa.virginia.gov.

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### IRS Lock-In Letter Changes for 2020

The IRS will begin issuing new lock-in letters sometime beginning in 2020 based on 2020 W-4 values. Until a new Withholding Compliance Lock-In Letter 2800C is developed, the lock-in letters continue to contain a Marital Status and maximum Number of Exemptions that can be claimed for withholding purposes.

- If an employee has not submitted a 2020 W-4 form, continue to set up the lock-in the same way it has been set up in the past (CAPP Topic 50310, page 27)
- If an employee has submitted a 2020 W-4 form, use the following for new or existing lock-in letters:
  - Enter a Step 4a value (Annual Deductions) of $12,900 for Married Employees Filing Jointly and $8,600 for all other employees
  - Enter a Step 4b value (Annual Tax Credit) by multiplying the Number of Allowances in the lock-in letter by the allowance amount of $4,300
  - Reevaluate each year in case amounts change

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### Employees Eligible for Deferred Compensation Plan

All employees of the Commonwealth, including wage employees and elected or appointed officials, are eligible to defer a portion of their salary from income taxes through participation in the tax-deferred investment program administered by the Virginia Retirement System (VRS), called the Commonwealth of Virginia 457 Deferred Compensation Plan (COV 457).

**Salaried, Wage, Elected and Appointed Officials**

Salaried employees can enroll two ways: online at www.varetire.org/457 by selecting the New User – Register Now link under the Account Access log-in box and follow the prompts to register online or by phone at VRS-DC-PLAN1 (877-327-5261), option 1. Salaried employees that are covered under the Hybrid Retirement Plan should maximize voluntary contributions in that plan before making additional contributions to the COV 457 Plan.
Employees Eligible for Deferred Compensation Plan, continued

**How to Enroll, cont.**  
**Wage/part-time** employees may enroll by completing the Wage Participant Enrollment Form, which can be obtained under the forms tab of www.varetire.org/457 or by contacting an ICMA-RC Participant Services representative at the above number. The participant will be required to provide deferral allocations along with beneficiary designations for new enrollments.

Payroll actions will take effect on the first available pay date based on plan rules and administrative processes. The initial contribution/change can be effective no earlier than the first available pay date in the month following the month in which the employee enrolled or requested the change. Enrolled participants can use their secure Account Access or download the DCP Mobile App to manage investment selections, adjust contributions, review personal information, sign-up for e-delivery and setup TextAccess. To download the DCP Mobile App, search “VRS DCP” in the App Store or Google Play.