pennsylvania
OFFICE OF THE BUDGET

TO: All Human Resource Directors for
Agencies Serviced by the
Bureau of Commonwealth Payroll Operations (BCPO)

FROM: Stephen R. Burns
Director
Bureau of Commonwealth Payroll Operations

DATE: January 17, 2017

RE: BCPO Payroll Memo #17-01, Federal Withholding Tax (FWT) Alert

In December, BCPO Memo #16-08 was issued advising you that the FWT percentage method withholding tables for 2017 were changing and would be reflected on 2017 employee pay statements. This memo is to alert you that the 2017 tax tables were not loaded timely to the SAP payroll system. As a result, federal withholding taxes for the 1/6, 1/13, and 1/20 pay dates were calculated based on the prior year 2016 Tax Tables.

For the pay dates above, many employees may have had more federal tax withheld than what should have been. Differences for most employees are likely only a few dollars, but amounts will vary based on an employee's earnings, marital status, number of allowances, and pre-tax deductions.

The tax rates will be corrected beginning with the next payroll cycle for each pay area.

- Z1, Z2 & T2 pay areas will be corrected on pay date 1/27/17.
- Z3, T3 pay areas will be corrected on pay date 2/3/17.

Any difference calculated in SAP by a retroactive adjustment such as this will be reported as a line item on their pay statement titled "Difference prev. Period".

Please ensure that all staff responsible for tax inquiries receives this memo. If you have any questions, please email them to ra-ob-bcpo@pa.gov. All BCPO Memos can be viewed on the Payroll News & Memos page on the Office of the Budget website. In addition, the 2017 FWT schedules can be accessed at IRS Tax Tables.

cc: Anna Maria Kiehl, Chief Accounting Officer, Office of the Budget
Christopher O'Neal, Interim Deputy Secretary, Human Resources & Management, Office of Administration
Jeff Snyder, Manager IES Payroll, Office of Administration, Office of Administration
Bureau Directors (5)