

CITY OF THE COLONY

September 2010

NOTICE TO ALL EMPLOYEES

Form W-4, Employee's Withholding Allowance Certificate

Now is the time to check your Federal tax withholding allowances. Did you marry or divorce, gain or lose a dependent, or have major changes in your family income? If you answered "yes," you may need to file a new **2010** Form W-4.

If you are claiming "exempt" from tax withholding, the IRS requires that you submit a new Form W-4 by February 15, 2010 if you wish to retain your exempt status. If a new form is not filed and submitted to the Payroll Department, withholding for Federal taxes will be based on "Single" with zero (0) withholding allowances.

FORM W-5, EARNED INCOME CREDIT ADVANCE (AEIC) PAYMENT CERTIFICATE

The AEIC is a tax credit for certain workers. It reduces the Federal taxes you owe. If you believe you are eligible to receive AEIC payments in **2010**, please refer to IRS Publication 596 or contact the Payroll Department for more information.

BENEFICIARY DESIGNATION INFORMATION

As noted above, if you have had any changes in your status, it is important that you update your beneficiary forms with the City of The Colony. Please contact the Human Resources Department at 972-624-3134 for any Beneficiary Designation forms that you may need.

***ANNUAL EMPLOYEE LIMITS FOR 2010**

Business Mileage Reimbursement	50 cents per mile
Basic Deferral Limit for 457(b) Plans	\$16,500
Age 50 Catch-up Limit 457(b) Plans	\$5,500
Social Security Wage Base	\$106,800

If you have any questions regarding the above information, please contact Mary Langford, Payroll Analyst, at 972-624-3114.