

CITY OF SACRAMENTO

ADMINISTRATIVE POLICY INSTRUCTIONS

Topic: Year End Pay Events and Tax Reporting

Effective Date: 11/03/2000

From: Administrative Services Department
Accounting Division
Payroll

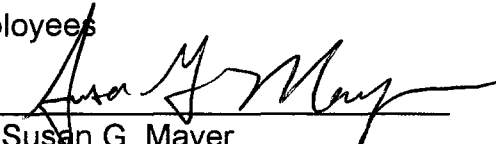
Supersedes: N/A

Contact: Gary Clark

Section: API #13
Employee Services
Payroll

To: All Employees

Approved by:


Susan G. Mayer
Accounting Division Manager

October 31, 2000

MEMORANDUM

TO: All City Employees
FROM: Gary Clark, Accountant/Auditor III
RE: Year-end Pay Events and Tax Reporting

Here is a reminder of year-end events and choices that may impact your pay check. Please call Payroll at x5495 if you have any questions.

Leave Balances

Vacation "Use or Lose"

Any remaining 1999 vacation hours (**vacation prior** on your paycheck) must be used by December 31, 2000. Unused 1999 vacation hours will not carry over into next year.

Optional Sick Leave Payout

Employees who have over 480 hours of accumulated sick leave, as of the pay period ending December 29, 2000, will receive payment for one-fourth of the unused 96 hours of 2000 sick leave accruals, **unless a written request electing not to be paid is submitted to Payroll by December 29, 2000.** Payment will be on the January 23, 2001 paycheck.

Holiday Accrued Payout

Holiday accrued leave balances in excess of 8 hours, as of December 31, 2000, will be paid on the January 23, 2001 pay check.

Taxes

W-2 Distribution

W-2's will be mailed by the end of January 2001 to the address printed on your paycheck. Contact your department by December 15, 2000 with any address changes.

2001 FICA Rates

2001 FICA and Medicare tax rates are the same as the 2000 rates, (6.2% and 1.45%, respectively). The maximum compensation subject to FICA will increase from the \$76,200 in 2000 to \$80,400 in 2001.

Deferred Compensation

The maximum IRS allowable deferred compensation contribution will be \$8,500 in 2001. Contact Benefit Services at X8457 if you wish to adjust your contributions.