****

**To:** Employees Claiming Exempt for State and/or Federal

**From:** Lisa Drouillard, Payroll Director

**Date:** January 21, 2016

**Subject:** Annual Requirement to file a W-4 when claiming exempt

Effective immediately, employees who claimed exempt for Federal and/or State income tax withholding must file a paper version of the W-4 annually if they wish to remain exempt in the next calendar year.  Employees claiming exempt cannot use the Payroll Online Service Center (POSC). If an employee is claiming exempt because they live in PA or VA, they DO NOT need to re-file.

IRS regulations require Central Payroll Bureau (CPB) to revert back to the “max tax” for individuals currently claiming exempt but do not re-file.  Employees changing from exempt to taxable also need to complete a new W-4 so they will be taxed according to their designation and not automatically “max taxed”.

**IMPORTANT LINKS:**

**2016 W-4 form:** <http://hr.umbc.edu/files/2016/01/2016-MD-W4-edit.pdf>

**Payroll Website for Employees:** <http://hr.umbc.edu/payroll/payroll-employees/>

**POSC Account Information:** <http://hr.umbc.edu/payroll/payroll-employees/check-direct-deposit/>