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This is our 25th edition of the Payroll newsletter published to keep NJ TRANSIT's employees informed of Payroll tax updates and other Payroll topics.

WHAT'S NEW IN TAXES

The Federal government has announced the following 2022 Social Security Tax Rate and Earning Bases:

2022	
Social Security (FICA)	
Rate:	6.20%
Maximum Earning Base:	\$ 147,000
Maximum Tax:	\$ 9,114.00
Medicare Tax (Med)	
Earnings up to \$200,000	1.45%
Over \$200,000	0.9%

The **Supplemental Federal Income Tax Rate is 22%**. Supplemental wages include retroactive wage payments, lump sum payments, cash-ins for leave balances, bonus pay, prizes and awards, and other similar payments.

The **New Jersey State Unemployment and Family Leave Insurance Earning Bases** have increased. The tax rates for 2022:

2022		
	Earning Base	Rate
NJUI	\$39,800	0.425%
FLI	\$151,900	0.14 %
Maximum Withheld		
Unemployment Tax (NJUI)		\$169.15
Family Leave Insurance (FLI)		\$ 212.66

The Railroad Retirement Tax Rate and Earning Bases for 2022 tax year are as follows:

2022	
Tier I SS (Tier 1E)	
Rate:	6.20%
Maximum Earnings Base:	\$147,000
Maximum Tax:	\$9,114.00
Tier I – Med. (Med 1E)	
Earnings up to \$200,000	1.45%
Over \$200,000	2.35%
Tier II (Tier 2E)	
Rate:	4.90%
Maximum Earnings Base:	\$ 109,200
Maximum Tax:	\$ 5,350.80

Retirement Earnings Test:

The 2022 rates have changed. Individuals who collect Social Security retirement benefits **before reaching their normal retirement age (NRA)** will lose \$1 in benefits for every \$2 they earn over \$19,560/year (or \$1,630/month).

For individuals who reach their NRA in 2022, benefits will be reduced by \$1 for every \$3 in earned income above \$51,960/year (or \$4,330/month). Starting with the month the worker reaches full retirement age there is no limit on earnings.

Mileage Reimbursement:

The IRS has announced that the business standard mileage reimbursement rate for 2022 has increased. The rate for 2022 is 58.5 cents per mile (up from 56 cents in 2021).

Flexible Spending Account:

The annual allowable before-tax 2022 contribution for a Health Care FSA is \$2,850. You may carryover \$550 to the following year. The Dependent Care FSA amount is \$5,000 per the IRS Regulations.

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Deferred Compensation:

The annual maximum contribution to qualified Deferred Compensation plans has increased to:

Plan	2022
401(k)	\$20,500
457	\$20,500
Catch-up	\$ 6,500

The Catch-up Provision:

Employees who will attain age 50 during the calendar year 2022 are eligible to contribute an additional \$6,500 to their 401(k) or 457 plans. This is a "Catch-up" provision implemented by the "Economic Growth and Tax Relief Reconciliation Act of 2000" (EGTERRA) to allow employees who are approaching retirement to save additional money in their defined contribution retirement plans. If you are interested in this option, please contact **Empower at (800) 254-6658** or by **website: <http://www.25GONJT.com>**

YEAR-END REMINDERS:

In order to ensure prompt delivery of your 2021 W-2 and 1095-C forms, please review your current payroll check or direct deposit advice and ensure that the address reflected is accurate. If you anticipate relocating, complete a Personal Information Change Form available on @Transit\E-Forms\HR\Personal Information Change Form, and **submit the form to the HRISStaff@njtransit.com**. This will ensure that your 2021 W-2 and 1095-C forms are mailed to the correct address.

NJT Cost of Health Care Coverage:

Effective 2012, the Affordable Care Act required employers to report the cost/value of coverage for the employer sponsored group health plan in box 12 of the employee's W-2 Tax Form, with Code DD to identify the amount. Reporting the cost of the plan coverage on the W-2 Tax Form does not mean that the coverage is taxable. This reporting is for informational purposes only and provides employees with useful and comparable consumer information on the cost of health care coverage provided by their employer. For more information visit the IRS website.

Duplicate W-2's:

The 2021 W-2 Forms will be mailed by January 31, 2021 (**or sooner**), as required by law. After distribution, in the event an employee loses or does not receive the tax form, **duplicate W-2's can be requested after February 15, 2022**, by completing a request form available on @Transit\EForms\Payroll\ Request for Duplicate W-2 form, or by calling the Payroll Department extension 6491 (Bus, Corp and Police) or 6528 (Rail).

W-4 Tax Withholding:

Review your current tax withholding status. If your information has changed, or if you simply wish to change/add details for tax withholding, you must file an amended 2022 Form W-4. New 2022 W-4 Forms are available on @Transit\E-Forms\Payroll or Payroll by calling ext. 6491 (Bus, Corp and Police) or 6528 (Rail) or on the 2nd floor of Penn Plaza in the Human Resources Department. If you require additional information, please refer to IRS Publication 919, "Is My Withholding Correct", or by calling **1-800-829-3676** or visit: www.irs.gov/forms

Electronic Payment (formerly Direct Deposit):

Employees can elect to electronically deposit their pay in up to four (4) bank or credit union accounts. As always, your Electronic Payment must cover your total net pay; therefore, employees choosing Electronic Payment cannot also receive a paycheck.

Employees can select from one of the following payment methods: Electronic Payment or the First Data Paycard; paper pay checks are not available for Non-Agreement and certain union Employees.

For those agreement employees not currently participating in NJ TRANSIT's Electronic Payment program, it is an easy, safe, and convenient method of depositing your net pay into your personal bank account(s). Instead of a payroll check you will receive an Electronic Payment advice/pay stub detailing all pay transactions and deductions, gross to net, as well as confirmation of the deposit. Your pay will be deposited into your personal bank account(s) and funds will be available to you on your pay date.

NOW IS A GREAT TIME TO SIGN UP FOR ELECTRONIC PAYMENT

- ✦ **Saves Time -**
No rush to get to or waiting on long lines in the bank.

- ✦ **Fast -**
Your net pay is deposited as cash on payday and is immediately accessible.
- ✦ **Sure -**
Your net pay is automatically deposited in your account(s), even when you are away on Vacation.
- ✦ **Safe -** *You don't have to carry cash*
Simply complete the Electronic Payment application form available on the @TRANSIT Website, and submit the form to Payroll – ElecPayApp@njtransit.com

Employee Name Changes:

In the event an employee wishes to change his/her name, he/she must provide legal proof of the name change, as well as an updated Social Security Card. This will ensure that all Social Security or Railroad Retirement withholdings are credited to the correct employee's social security number and name.

Other changes such as address, telephone number, marital status, emergency contact, or spousal information must be **submitted to HRIS** by completing a Personal Information Change form along with the appropriate supporting documentation. Blank forms can be obtained from **@TRANSIT Website HRIS**, or the Human Resources Department on the 2nd floor of Penn Plaza, and GOB.

Commuter Reimbursement:

NJ TRANSIT offers a Commuter Choice Tax Benefit program (formally known as the Qualified Transportation Fringe Benefit). This program allows employees to set aside **before tax dollars** for reimbursement of commuter parking and transit fares on public transportation. For 2022, the monthly limit on the amount that may be excluded from an employee's income for qualified parking benefits is **\$280**. The combined monthly limit for 2022 for transit and vanpooling expenses is **\$280**.

Fringe Benefit	2022
Parking	\$280
Transit pass/Comm. Vehicle	\$280

Stale-Dated Paychecks:

Payroll checks become void 120 days after the issue date. If you are in possession of a stale dated payroll check, please return the check immediately to Cash Management, GOB/Maplewood. If the Payroll Department confirms entitlement and outstanding status, the check will be replaced.

Health Care: Individual Responsibility

The Affordable Care Act sections 6055 and 6056 require NJ TRANSIT to file and furnish annual information returns to the IRS and individual statements to employees (Form 1095-C, Employer-Provided Health Insurance Offer and Coverage) relating to offers of health coverage and enrollment in health insurance. Individuals generally use this information to confirm that they enrolled in minimum essential health coverage in calendar year 2021. Through its employer sponsored health benefits, NJ TRANSIT offers its full-time employees affordable health coverage meeting the ACA minimum essential coverage requirement.

IRS Notice 2019-63 extended the deadline to provide ACA 1095-C Reporting Forms to employees no later than to March 1, 2022. You are not required to send the form with your tax filing. Keep the IRS Form 1095-C with your tax documents.

For more information, visit:

www.irs.gov/Affordable-Care-Act

WHERE TO GO FOR INFORMATION:

Social Security Statements are available online at:

www.socialsecurity.gov/myaccount

You must first create a "My Social Security" Account. Once you establish an account you can view your social security statement at any time. Paper statements are no longer mailed by SSA.

Social Security Administration

1-800-772-1213

or

www.socialsecurity.gov

Internal Revenue Service

Call for inquiries, forms, instructions, publications, or answers to most frequently asked questions.

1 800-829-1040

or

www.irs.gov

New Jersey Family Leave Program:

The Department of Labor
& Workforce Development
1-609-292-7060

or

www.state.nj.us/labor/fli

Railroad Retirement Board:

877-772-5772

or

www.rrb.gov

State of New Jersey:

1-609-292-6400

or

www.state.nj.us/treasury/taxation

State of New York:

1-518-457-5181

or

www.tax.ny.gov

State of Pennsylvania:

1-717-787-8201

or

www.revenue.state.pa.us

City of Philadelphia:

1-215-686-6600

or

www.phila.gov/revenue

Affordable Care Act (ACA):

www.irs.gov/Affordable-Care-Act

INSIGHTFUL QUOTE

If you're walking down the right path and you're willing to keep walking, eventually you'll make progress

-Barack Obama

Greetings from the Staff of the Payroll Department

To all, we wish the very best for the New Year.