



January 5, 2024

2024 Payroll Newsletter

MEMORANDUM FOR:

All General Services Administration (GSA) and Client Agency Employees

FROM:

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The 2024 Payroll Newsletter provides general information for all General Services Administration (GSA) and client agency employees. As a reminder, the GSA Office of the Chief Financial Officer (OCFO) Payroll Operations provides payroll services for executive branch, legislative branch and quasi-federal employees. This newsletter covers many payroll issues and serves as a summary of changes effective in calendar year 2024.

Some important changes occurring in 2024:

- An across-the-board 4.7% pay raise, plus a .5% locality pay adjustment
- Rate changes to Federal Employees
- Health Benefits (FEHB)
- New 2024 Combined Federal Campaign (CFC) contributions
- Federal, state and local tax changes
- Increase to Pre-Tax Qualified
- Transportation Fringe Benefits (TEA-21) Program
- An increase to the FSA carryover amount for 2024



Topics

1. Reminder To Review Your Earnings and Leave Statement in Employee Express
2. NEW Salary Changes for 2024
3. Federal Income Tax Withholding (IRS Form W-4)
4. Federal Income Tax Withholding (IRS FORM W-4) Exempt From Taxes
5. 2023 Wage And Tax Statement (IRS Form W-2) Update
6. Federal, State And Local Income Tax Changes
7. TSP Deferral Limits
8. Supplemental Wage Withholding Rate
9. Cancellation of Debt (IRS Form 1099-C)
10. Old-Age, Survivors And Disability Insurance and Medicare Tax Rates
11. Flexible Savings Account (FSA)
12. Pre-Tax Qualified Transportation Fringe Benefits (TEA-21) Program
13. Combined Federal Campaign (CFC) Contributions
14. Official Worksite for Location-Based Pay Purposes
15. Within-Grade Pay Increases (WGI)
16. Allowances for Employees Relocated To Or Temporarily Deployed in Foreign Areas
17. GSA Voluntary Leave Transfer Program (VLTP)
18. Employment And Income Verification
19. Employee Express (EEX) Earnings And Leave Statement (ELS)
20. Employee Express 12 Month Lock Out Due To Inactivity
21. EEX Technical Assistance
22. Pay Periods
23. Federal Holidays
24. GSA Payroll Contact Information

01. Reminder To Review Your Earnings and Leave Statement in Employee Express

Each pay period, you are provided a comprehensive earnings and leave statement (ELS), which you can use to confirm the accuracy of your pay and leave.

Although your servicing HR office, supervisor, and the GSA Payroll staff have many internal controls in place and make every effort to process your personnel, timecard, and payroll actions promptly and without error, administrative errors can happen. One way to ensure that these errors are kept to a minimum is for you to review your biweekly ELS. You can access your ELS through the [Employee Express](#) portal and use it to check for errors in your pay, benefits, deductions, and leave balances.

Reviewing your ELS every pay period is important, **especially** at the beginning of the calendar year when many changes are implemented. If there is an error in your pay from either pay calculation or withholdings and you are overpaid, you will be **required to pay back** any overpayments received as a debt to the government.

The Comptroller General of the United States has repeatedly ruled that if an employee has information available to them regarding their pay and an error occurs, they must pay back any resulting overpayments. In rare instances and on a case-by-case basis, an erroneous overpayment may be waived. In that event, the erroneous overpayment becomes taxable and will be reportable to the Internal Revenue Service (IRS) to determine if it is taxable income.

02. NEW Salary Changes for 2024

Differences in your pay beginning in the pay period ending (PPE) on January 27, 2024, (and electronically transferred on February 2, 2024) may be the result of one or more of the following changes:

- An across-the-board pay raise of 4.7 percent, plus a .5-percent locality pay adjustment.
- Federal Employee Health Benefits Insurance (FEHBI) rate changes.
- 2024 Combined Federal Campaign (CFC) contributions (see section 14, below).
- Federal Employee Dental and Vision Insurance Program (FEDVIP) changes.
- Federal, state, and local tax changes (see section 7, below).
- Flexible Spending Account (FSAFEDS) Health Care amounts increased (see section 11, below).

03. Federal Income Tax Withholding (IRS Form W-4)

The IRS Form W-4, Employee's Withholding Allowance Certificate, is used by employees to designate how much of their taxable income is to be withheld and remitted to the IRS as advance tax payments throughout the year. To help you with calculating your tax withholdings, the IRS provides a [Tax Withholding Estimator](#).

Please note that the IRS Form W-4 does go through updates and changes. The GSA Payroll monitors and updates its payroll system to comply with these changes. Refer to the IRS website (<https://www.irs.gov/forms-pubs/about-form-w-4>) to download the latest form and research your questions when making and submitting your changes.

You can update your federal income tax withholdings one of two ways:

1. Sign into [Employee Express](#) and click on "Federal Tax" on the left side of the main menu.
2. Go to the IRS website, download the IRS Form W-4 form, complete the form, sign it and send the form to the GSA Payroll at:



KC-Payroll.Finance@gsa.gov

Fax: (816) 823-5435

Postal Mail: GSA Payroll (BGC) 2300 Main Street 2NW Kansas City, MO 64108

04. Federal Income Tax Withholding (IRS Form W-4) Exempt from Taxes

You may claim exemption from federal tax withholding for 2024 if you meet **both** of the following conditions: you have no federal income tax liability in 2023 **and** you expect to have no federal income tax liability in 2024. You had no federal income tax liability in 2023 if:

1. Your total tax on line 24 on your 2023 Form 1040 or 1040-SR is zero (or less than line 32), or
2. You were not required to file a return because your income was below the filing threshold for your correct filing status.

If you claim exemption, you will have no income tax withheld from your paycheck and may owe taxes and penalties when you file your 2024 tax return. You have two options to claim exempt from federal tax:

1. Using the Federal Tax (W-4) function on Employee Express, select the check box at the bottom of the next screen and certify the statements on the final tax "Exempt" screen.
2. To claim exemption from withholding, certify that you meet both of the conditions above by writing "Exempt" on Form W-4 in the space below Step 4(c). Then, complete Steps 1(a), 1(b), and 5. Do not complete any other steps. You will need to submit a new Form W-4 by February 15, 2024.

Please note that effective February 17, 2024, your prior year IRS Form W-4 (2023) filing "Exempt" status expires. If GSA Payroll has not received an IRS Form W-4 for the 2024 tax year by February 15, 2024, we will begin withholding federal income tax under the "single/no exemption" formula as of PPE March 9, 2024. There are no refunds of tax withholdings if the IRS Form W-4 claiming "Exempt" status is submitted late.

05. 2023 Wage And Tax Statement (IRS Form W-2) Update

The GSA Payroll will issue the 2023 IRS Form W-2, Wage and Tax Statement through [Employee Express](#). If you received your 2022 IRS Form W-2 electronically or you registered to receive an electronic 2023 IRS Form W-2 before the close of business on December 16, 2023, you will receive your 2023 IRS Form W-2 via EEX.

The online 2023 IRS Form W-2 will be made available to all employees on or before January 31, 2024, through the EEX website. If you elect to receive your IRS Form W-2 in paper format, your IRS Form W-2 will be postmarked and mailed by January 31, 2024.

Upon an employee's separation, the GSA Payroll will automatically set the indicator to have your W-2 mailed to your address on record with the Payroll Operations.

You should review your IRS Form W-2 closely for legibility, accuracy, and completeness. The instructional guide for reading the 2023 IRS Form W-2 is available may be found on the GSA Payroll website. You should compare the IRS Form W-2 with your final earnings and leave statement for PPE December 16, 2023, to verify accuracy and completeness of the tax information included on the IRS Form W-2. Report any discrepancies to the GSA Payroll Customer Service Center by email to kc-payroll.finance@gsa.gov.

06. NEW Federal, State And Local Income Tax Changes

The 2024 Federal tax rate changes were updated in the payroll system and were reflected on your ELS in PPE 12/30/23. In addition, the following states and localities also have new payroll tax formulas in PPE 12/30/2023 and 01/13/2024:

Arkansas	Kentucky	Montana	Rhode Island
California	Maine	Nebraska	South Carolina
Connecticut	Massachusetts	New Mexico	Vermont
Georgia	Michigan	North Carolina	Indiana Counties
Illinois	Minnesota	North Dakota	Kenton County, Kentucky
Indiana	Mississippi	Oklahoma	Ohio School Tax
Iowa	Missouri	Oregon	

Additional states have not published withholding rates for 2024. As these states publish new guidelines, a message will be sent out through EEX to notify employees.

Note: Please review your ELS to determine these effects on your pay.

07. NEW TSP Deferral Limits

The IRS deferral limit for 2024 is \$23,000. If you are turning 50 or are over the age of 50, you may contribute an additional \$7,500 for a total of \$30,500 in 2024.

08. Supplemental Wage Withholding Rate

Supplemental wages are non-regular wage payments to an employee. They include payments such as awards, overtime, severance pay, back pay, voluntary separation incentive payments, amended timecards and retroactive pay increases.

The federal income tax withholding rate for supplemental wages for 2024 will continue to be 22 percent (as in 2023). State and local taxes are applied as well.

09. Cancellation of Debt (IRS Form 1099-C)

If a federal government agency, financial institution, or a credit union cancels or forgives a debt owed of \$600 or more, an IRS Form 1099-C, Cancellation of Debt, will be provided to you.

Generally, you must include all canceled amounts, even if less than \$600, on the "Other income" line of IRS Form 1040, U.S. Individual Income Tax Return. IRS Form 1099-C, will be mailed by January 31, 2024.

If you have additional questions on preparing your individual tax return please consult with the IRS or your personal financial adviser.

10. NEW Old-Age, Survivors And Disability Insurance and Medicare Rates

The 2023 and 2024 wage base limits for these two programs are shown in the table below. In 2024, the Medicare tax rate is 1.45 percent. The OASDI tax rate is 6.2 percent.

Year	OASDI Wage Base Limit	Medicare Wage Base Limit
2023	\$160,200	Unlimited*
2024	\$168,600	Unlimited*

**Under a provision of the Affordable Care Act, the employee-paid portion of the Medicare tax is subject to the 0.9 percent additional Medicare tax on amounts over statutory thresholds that are not inflation-adjusted and thus apply to more employees each year.*

An individual is liable for additional Medicare tax if the individual's wages, compensation, or self-employment income (together with that of his or her spouse, if filing a joint return) exceed the threshold amount for the individual's filing status:

Filing Status	Threshold Amount
Married filing jointly	\$250,000
Married filing separate	\$125,000
Single	\$200,000
Head of household (with qualifying person)	\$200,000
Qualifying widow(er) with dependent child	\$200,000

11. NEW Flexible Savings Account (FSA)

Flexible Spending Account (FSAFEDS) Health Care - The IRS increased the employee contribution limit by \$150, from \$3,050 in 2023 to \$3,200 for 2024.

The 2024 FSAFEDS Health Care carryover is \$640. This is an increase of \$30 from the 2023 carryover limit of \$610.

12. NEW Pre-Tax Qualified Transportation Fringe Benefits (TEA-21) Program

The IRS regulations allow employees to use pre-tax earnings to pay for the monthly cost of qualified vanpools, qualified parking expenses, or transit passes (where the agency does not provide a transit pass issued directly to their employees).

The IRS regulations (effective January 2024) authorize employees to claim up to \$315 per month in qualified parking benefits. In addition, employees can also claim up to \$315 per month for transportation in a commuter highway vehicle (a vehicle seating six or more passengers, not counting the driver). The \$315 monthly benefit for a commuter highway vehicle, when combined with the Transit Fare Subsidy, cannot exceed the \$315 per month limitation.

Reminder for all GSA employees already enrolled in the TEA-21 benefit program: if your monthly costs change or you no longer qualify for the pre-tax transportation benefit, complete GSA Form 3667 Application for Pre-tax Transportation Fringe Benefits (TEA-21) Program. If you are an employee of a GSA Payroll client agency use Optional Form 3667 to update or cancel your participation in the TEA-21 benefit program. Links to these forms can be found on the GSA website under the "Forms, Documents and Other Links" tab.

Once an employee completes the appropriate Form 3667, send the form to the GSA Payroll at:

 KC-Payroll.Finance@gsa.gov

Fax: (816) 823-5435

Postal Mail: GSA Payroll (BGC) 2300 Main Street 2NW Kansas City, MO 64108

Exceptions:

Employees of the Railroad Retirement Board (RRB) should contact Patricia Hopkins at (312) 751-4511 or (708) 943-8604 or via teams or Patricia.Hopkins@rrb.gov with questions specifically related to the RRB Pre-Tax Transit Benefits Program.

Employees of the Senate Restaurant Associates are not eligible for the pre-tax Qualified Transportation Fringe Benefits program through the GSA Payroll.

13. NEW Combined Federal Campaign (CFC) Contributions

All employee 2024 CFC contributions will take effect in the PPE January 27, 2024 (EFT pay date February 2, 2024). Please verify your CFC withholding for this PPE by checking your ELS against your pledge receipt. The 2024 CFC pledges received for new employees will take effect in the first pay period after receipt.

14. Official Worksite for Location-Based Pay Purposes

Certain location-based pay entitlements (such as locality payments, special rate supplements and non-foreign area cost-of-living allowances) are based on the location of the employee's official worksite associated with the employee's position of record. An agency must document an employee's official worksite on the employee's Notification of Personnel Action (Standard Form 50 or equivalent). See "Duty Station" blocks 38 and 39 of the Standard Form 50 showing the city/county and state in which the official worksite is located.

Your official worksite is generally the location where you regularly perform your duties. If your work involves recurring travel or your work location varies on a recurring basis, your official worksite is the location where the work activities of your position of record are based, as determined by your employing agency, subject to the requirement that your official worksite must be in a locality pay area where you regularly perform work.

Whenever you receive a notification of a HR personnel change, it is your responsibility to verify the accuracy of the change and report to your servicing HR office if you find an error. If you have any questions about your duty station, please contact your servicing HR Office. If there is an error in your pay because of a change in your official duty station and you are overpaid, you will be **required to pay back** any overpayments received as a debt to the government.

15. Within-Grade Pay Increases (WGI)

Within-Grade Increases (WGI) are pay increases received by Federal employees after they have served a specific amount of time at a certain grade level and demonstrated at least an acceptable level of performance.

A WGI is effective on the first day of the first pay period beginning on or after the completion of the required waiting period. You can calculate your next WGI by finding the effective date on the SF-50, Notification of Personnel Action for your last WGI and using the chart below.

Whenever you have a personnel change, it is your responsibility to verify the accuracy of the change and report to your servicing HR office and supervisor if you find an error. If you have any questions about your WGI date, please contact your servicing HR office. If there is an error in your WGI effective date and you are overpaid, you will be **required to pay back** any overpayments received as a debt to the government.

WGI Step	Waiting Period Between Steps
2, 3, and 4	52 calendar weeks (1 year)
5, 6, and 7	104 calendar weeks (2 years)
8, 9, and 10	156 calendar weeks (3 years)

16. Allowances for Employees Relocated To Or Temporarily Deployed in Foreign Areas

The Department of State Standardized Regulations (DSSR) governs employee allowances and benefits available to the U.S. Government civilians assigned to foreign areas. If you are an employee who is assigned to a foreign area, you should check both the DSSR and your agency's implementing policies for guidance on a specific allowance. The DSSR and other information of foreign allowances may be found on the State Department's website.

GSA employees may refer to [HRM 9592.1A GSA Policy on Allowances and Differentials Payable in Foreign Areas](#).

17. GSA Voluntary Leave Transfer Program (VLTP)

The GSA VLTP allows employees to donate annual leave to employees who are experiencing (or whose family member is experiencing) a medical emergency. Your donation may not exceed the lesser of:

- One-half of the annual leave the donor would be entitled to accrue during the leave year in which the donation is made. For example, if you are in the 8-hour leave category no more than 104 hours could be donated OR,
- If the employee is projected to otherwise forfeit "use-or-lose" leave at the end of the year, the number of hours remaining in the leave year of the donation for which the employee is scheduled to work and receive pay.

Approved donated leave recipients should contact their timekeeper or supervisor if you have questions on your donated leave balance. Also, remember it is your responsibility to review your ELS and work with your timekeeper and supervisor to ensure that the correct amount of donated leave is charged to your time and attendance records.

For more information on the GSA Voluntary Leave Transfer Program visit the VLTP [website](#).

18. Employment And Income Verification

GSA's Office of the Chief Financial Officer (OCFO) has partnered with The Work Number® from Equifax to provide automated income and employment verifications. "The Work Number" (TWN) provides this information 24 hours a day, 7 days a week via their website or phone.

If an approved party (such as mortgage lenders, property managers, car dealers, caseworkers, etc) needs to verify your income or employment, they can contact TWN via the options below:

Website: www.theworknumber.com
Telephone: 800-367-5690 (Monday through Friday, 8:00 AM to 8:00 PM EST)
Email: member@equifax.com

When accessing the The Work Number services you will need your employer code:

- GSA TWN Employer Code is 10536.
- GSA Payroll client agency employees identify their specific agency code on this reference document [TWN Employer Codes \[XLSX - 12 KB\]](#).
- First time users use their social security number as the user ID and birth year plus the last four digits of your social security number for the pin.
- For additional information about The Work Number program, please refer to the
- [GSA Guide to The Work Number \[PDF - 926 KB\]](#) or the [TWN Employee FAQ \[DOCX - 38 KB\]](#). For assistance with logging into The Work Number website, refer to these [instructions \[DOCX - 570 KB\]](#).

19. Employee Express (EEX) Earnings And Leave Statement (ELS)

GSA and client agency employees can view their ELS electronically through the Office of Personnel Management's (OPM) [Employee Express](#) website. Employee Express provides timely access to your pay and leave data as early as the Thursday afternoon following the end of the pay period. You have online access to current pay period, prior pay period and year-to-date pay and leave data, and topical information regarding payroll issues.

Employee Express also allows you to view and change the following payroll information (for personnel changes use HR Links employee self-service area):

- Combined Federal Campaign (CFC)
- Direct deposit
- Financial allotments
- Federal and state tax withholdings
- Health savings allotment
- W-2 hard copy on/off
- 1095-C hard copy on/off
- History personnel/payroll actions
- W-2 Forms 1095-C Forms

20. Employee Express 12-Month Lock Out Due To Inactivity

The Office of Personnel Management's [Employee Express \(EEX\) application](#) has **security procedures** that will **lock all EEX user accounts that have been inactive for 12 months.**

What do I need to do?

Be sure to [log into Employee Express](#) at least every 12 months to ensure your account remains active. You can enter a personal email address, if you prefer, to allow you to receive inactivity notifications without access to your GSA email account.

What happens if my account becomes locked?

If your account becomes locked, click the **"Submit Help Request"** button on the EEX homepage to contact the EEX Help Desk. In the help request form, include a short message (such as "EEX account locked") in the comments section to expedite the process.

21. EEX Technical Assistance

If you need technical assistance, contact the EEX Help Desk by clicking “[Submit Help Request](#)” on the [EEX website](#) and complete the request form. Questions concerning specific personnel information should be directed to your servicing HR Office. For payroll information, contact the GSA Payroll Customer Service Center at:

KC-Payroll.Finance@gsa.gov

Telephone: (844) 303-6515

Fax: (816) 823-5435

Postal Mail: GSA Payroll (BGC) 2300 Main Street 2NW Kansas City, MO 64108

22. Pay Periods

There are 26 pay periods in 2024 and a copy of this payroll [calendar](#) and the following additional information may be of interest:

- The first pay period in 2024 is PPE December 30, 2023, and the last pay period is PPE December 14, 2024.
- The last EFT pay date is December 20, 2024. The last "Official" pay date will be on December 24, 2024
- The leave year-end date is January 11, 2025
- Employees earning 6 hours of annual leave will earn 10 hours in PPE December 28, 2024.

23. Federal Holidays

The calendar year 2024 Federal holidays can be found on the OPM [website](https://www.opm.gov/policy-data-oversight/pay-leave/federal-holidays/) (<https://www.opm.gov/policy-data-oversight/pay-leave/federal-holidays/>)

24. GSA Payroll Contact Information

If you have payroll questions or concerns contact the GSA Payroll Customer Service at:

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Fax: (816) 823-5435

Postal Mail: GSA Payroll (BGC) 2300 Main Street 2NW Kansas City, MO 64108

[Website](#)

U.S. General Services Administration

GSA Payroll

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