

# STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

### DEPARTMENT OF ADMINISTRATION

Peter Keenan, CPA, State Controller One Capitol Hill Providence, RI 02908-5890 Office: (401) 222-6408 Fax: (401) 222-6437

Email:peter.keenan@doa.ri.gov

Dear colleague,

The start of the new year prompted three unrelated changes that could impact the amount of your net pay reflected in your January 10 paycheck.

#### 1. New Federal W-4 Form and Income Tax Withholding Tables

A new federal W-4 form (Employee's Withholding Certificate) that is designed to better reflect the changes from the Tax Cuts and Jobs Act (TCJA) of 2017 took effect January 1.

Current employees are **not** required to submit a new federal <u>W-4 form</u> unless they want to amend their form on file.

It is important to note that the 2020 federal income tax withholding tables might change the amount of federal income tax withheld from your paycheck. If you elect not to file a new W-4 form, your withholding might be higher or lower than you intend.

If you want to make any changes to your withholdings, you must submit **both** a federal and a 2020 State of Rhode Island <u>W-4 form</u> to your Division of Human Resources' <u>Talent Management representative</u>. The new federal form can no longer be used for State withholding purposes. If you have any questions, please contact Carol Lincoln, Associate Controller – Payroll, at <u>carol.lincoln@doa.ri.gov</u> or 401-222-2274.

We encourage you to utilize the <u>IRS Tax Withholding Estimator</u> to perform a "paycheck checkup" and make sure the amount of your deduction meets your financial needs. Also, please refer to this list of <u>Frequently Asked Questions</u> about the new federal W-4 form.

If you have questions about how these changes will affect you, we recommend that you consider consulting a tax professional for guidance. The Office of Accounts and Control cannot provide tax advice.

#### 2. Open Enrollment and Co-share Rates

You will see different health plan co-share rates in 2020, as annual rate increases of 0.2% for medical/prescription, 6.7% for dental, and 5.7% for vision now apply.

You may also see new premium deductions for life insurance and/or legal coverage if you added/changed your coverage during the Open Enrollment period this past fall. You can review plan rates and employee co-shares and premiums at the Office of Employee Benefits website.

Employees who completed Rewards for Wellness 2019-2020 activities and are enrolled in State medical coverage for 2020 will begin having incentive credits delivered in their January 24 paychecks.

## 3. Cost of Living Adjustments (COLA)

Recipients of the COLA negotiated in 2018 will see the 1% increase reflected in their January 10 paycheck.

To determine how these changes affect you, we recommend using <u>Paystub RI</u> to view your deductions for each payroll period.

Thank you for your attention to these matters.

Sincerely,

Peter Keenan, CPA State Controller Office of Accounts and Control