



An employee publication of the
Texas Department of Criminal Justice

November/December 2013
Volume 21 Issue 2

Policies and Benefits

W-2 forms to be distributed in January, filing deadline April 15

With tax time approaching, this is the time of year when taxpayers receive forms to help prepare their income tax returns for 2013. One of the most important documents you will receive is your Form W-2, which is given to you by your employer. Form W-2 provides your wage and salary information, and the amount of tax withheld from your paycheck. Your Form W-2 for 2013 will be sent by TD-CJ's Payroll Processing Department to your unit or department human resources office for distribution by January 31. Inactive employees who are on leave without pay or separated as of the printing date will receive their 2013 Forms W-2 by mail at their home address, also no later than January 31.

To make sure you are withholding the correct amount to pay your income tax, update your Form W-4, Employee's Withholding Allowance Certificate, upon getting married or divorced or adding a new member to your family. You may submit Form W-4 any time you need to change your withholding tax deduction. The form should be filled out in its entirety and submitted either to your unit or department human resources office, or di-



rectly to the Payroll Processing Department. Remember, withholding too little means writing a check at the end of the year, while withholding too much means temporarily losing access to your money.

A convenient way to reduce your taxes is to open or increase your contributions to a tax-deferred 401(k) or 457(b) retirement savings plan. The Texa\$aver Program is a deferred compensation program which allows employees to set aside money for retirement through payroll contributions to a 401(k) or 457(b) account, and serves as a supplemental retirement savings account with a tax advantage. You may contribute to the 401(k) or 457(b) or both, and contributions may

be made on a Traditional (pre-tax) or Roth (after-tax) basis or both. You may open or increase contributions to your retirement savings plans at any time. For more information about these plans, go to the Texa\$aver website or call the Texa\$aver customer service number toll free at 800-634-5091.

Another way to reduce your tax rate is to sign up for a Flexible Spending Account for day care and health care expenses. TexFlex Day Care and Health Care accounts allow you to pay these expenses with your pre-tax earnings, allowing you to avoid federal income and Social Security tax on money in these accounts. This pre-tax deduction lowers your taxable income, which lowers both your federal income tax and Federal Insurance Contributions Act (FICA) tax.

You can enroll in a Flexible Spending Account within 31 days of hire, during Annual Enrollment or when a Qualifying Life Event (QLE) occurs, such as marriage or divorce, birth or the addition of a new dependent. The annual contribution limits for Plan Year 2014 are \$2,500 for the health care account and \$5,000 for the day care account. You

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should estimate your contribution to these accounts as precisely as possible, since TexFlex is a use-it-or-lose-it program, that is, you will lose any amount left in your account after the end of the plan year. For more information, contact TexFlex customer service toll free at 866-353-9839 or visit their website at www.texas.payflex.com. ●