

Office Memorandum

Date: February 7, 2020 [Revised March 23, 2020; revisions are in *intense emphasis* style]
To: Agency Payroll, HR, and Accounting Staff
From: Mary Muellner, Director, Statewide Payroll Services
Subject: **Default Federal and State Tax Data for Rehired Employees**

Minnesota Management and Budget (MMB) has applied a system change, which will now default federal and state tax withholding for rehired employees. Currently for new hires, a default tax withholding is inserted by the system when a hire record is saved. The same default rule will now apply to rehired employees with a job record entered on February 10, 2020 or later, and **do not** have other appointments in Active, Seasonal Layoff, **Layoff**, Leave of Absence or Leave with Pay. The default tax record will be:

- Federal, single and no adjustments.
- State, default. For example: Minnesota will be Single and 0.

NOTE:

- A default tax record with an effective date of February 10, 2020 was created for employees who had a rehire record date of January 1, 2020 or later, **do not** have other appointments in an Active, Seasonal Layoff, Leave of Absence or Leave with Pay status and **have not** submitted a 2020 federal Form W-4.
- The length of the break in service is not a factor in determining if the employee's tax record should be updated to the default tax record. If a rehired employee has a single day break in employment, the employee will again be reset to default tax withholding upon return to the same position.

Agencies should notify their rehired employees to check their withholding status in Self Service to ensure proper deductions, and to complete 2020 federal Form W-4 and the state W-4MN withholding form.

Questions?

Agency Payroll and Human Resources staff should contact Lorelei Peters at lorelei.peters@state.mn.us or 651-201-8066 or Jennifer Goossen at jennifer.goossen@state.mn.us or 651-201-8072.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF