

To: WVUPC EMPLOYEES

FROM: PAYROLL OFFICE

Effective with the March 13, 2009 payroll, most employees will see an increase in their net pay due to recent changes in the federal tax withholding tables.

President Obama has signed H.R. 1, the American Recovery and Reinvestment Act of 2009, into law. The bill has several provisions with employment tax ramifications.

"Making Work Pay" credit. The 2009 Recovery Act provides eligible individuals a refundable income tax credit (the "making work pay credit") in the 2009 and 2010 tax years. The annual amount of the credit may be up to \$400 for single tax filers and up to \$800 for joint tax filers spread out evenly over the remaining pays for 2009.

The credit will begin to phase out for taxpayers with adjusted gross income (AGI) in excess of \$75,000 for single tax filers & \$150,000 for married couples filing jointly. The credit will phase out completely at the modified AGI of \$95,000 for single tax filers and \$190,000 for married couples filing jointly.