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GOVERNOR

KRISTY H. NICHOLS
COMMISSIONER OF ADMINISTRATION

State of Louisiana

Division of Administration

Office of State Uniform Payroll

November 21, 2013

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2014-20

TO: LaGov HCM Paid Agency Human Resources and Employee Administration Staff

FROM: Andrea P. Hubbard
Director

SUBJECT: Review of Tax Shelter Year-to-Date Deductions

This is a reminder to agencies that the balances of tax shelter deductions for employees must be monitored to determine if calendar year limits have been or will be exceeded. In LaGov HCM, execute transaction code ZP68 to monitor deferred compensation §457 amounts. Execute ZP119 to verify §403(b) amounts. Refer to OSUP Memorandum #2013-32 for calendar year 2013 limits. Agencies must review these reports to avoid possible W-2c's.

Deferred Compensation Plan: If an employee's deduction amount for a §457 plan has exceeded or will exceed the maximum prior to the end of the year, the deduction should be stopped or changed as necessary. **Agencies must contact the Louisiana Deferred Compensation Office and the employee to make changes to the deduction amount.** Any refunds due to the employee will be processed by the Louisiana Deferred Compensation Office in conjunction with OSUP. Refer to OSUP Memorandum #2005-07 regarding on-line enrollment and deduction changes.

403(b) Plan: If an employee's deduction amount for a §403(b) plan has exceeded or will exceed the maximum prior to the end of the year, the deduction should be stopped or changed and if necessary, a refund processed. Agencies must contact the vendor prior to stopping or changing a deduction for a §403(b) plan. Any refunds due to an employee will be coordinated between the vendor and the agency by OSUP. **Note: §403(b) vendor checks sent to an agency <u>must</u> be forwarded to OSUP for processing.**

For questions regarding ZP68 and ZP119 refer to On-line Help or contact the LaGov HCM Help Desk via LaGov HCM web ticket. Questions regarding §457 maximums and refunds should be directed to Louisiana Deferred Compensation at (225) 926-8082 or toll free at (800) 345-4699. Questions about maximums for §403(b) tax sheltered amounts should be directed to the specific vendor. Any additional questions should be directed to a member of the OSUP Wage and Tax Administration Unit at _DOA-OSUP-WTA@la.gov or (225):

Cindy McClure	342-5346	Gary Bennett	342-1652
Penny Jones	342-2053	Tiko Ary	342-1651
Wendy Eggert	342-0714	Tracy Smith	219-0191

APH:CM/pbh