



Office of the State Comptroller
PAYROLL BULLETIN

Subject	Change in Taxes for Deferred Compensation Program	Bulletin No.
		P-440
		Date
		July 14, 1985

The Management/Confidential Salary bill contains amendments to the tax laws for the State's Deferred Compensation Program. Under the amendments, the amount of compensation deferred is no longer subject to State and local taxes until it is actually received. The change is effective from the beginning of 1985.

Effective in Administration Period 8-L, checks dated August 7, 1985 and Institution Period 9-L, checks dated August 15, 1985 the biweekly amount of deferred compensation will be subtracted from the biweekly gross salary prior to the calculation of State and local taxes. No adjustment will be made in withholding for prior payroll periods.

The entire amount of deferred compensation contributions for 1985 will be excluded from taxable wages on the W-2 for 1985.

Please notify your employees who are participating in the program of this change.