



EMPLOYEE
EDITION

Year-end Information

YOUR W-2 FORM

YOUR W-2 FORM WILL BE MAILED TO THE ADDRESS THAT IS ON YOUR PAYCHECK SO PLEASE MAKE SURE WE HAVE YOUR CORRECT ADDRESS. Please contact your human resources representative if you need to change your address. All employees who have requested web access will be able to login and print a copy. The on-line copy is not the official form, but you can use it as a reference to get started with your taxes. Please wait until after the first week of February before requesting a duplicate. Contact your human resources representative for a Duplicate W-2 Request form which must be submitted with an original signature.

WITHHOLDING OPTIONS

If you claimed exempt on your W-4 for 2009, you have until February 15, 2010 to submit a new W-4 for 2010. Otherwise, we are bound by IRS regulations to change your filing status to "Single" with "zero" exemptions.

If you filed a W-5 for 2009, it expired on December 31, 2009. If you wish to continue the Advanced Earned Income Credit, you will need to submit a new form W-5 for 2010.

TAXES

Social Security wage base remains at \$106,800 with a rate of 6.2%. The Medicare rate remains at 1.45% with no wage base limit. The SDI wage base remains at \$90,669 with a rate of 1.1 %

2010 401(K) LIMITS

Employee Contributions \$16,500

Catch-up Contributions* \$ 5,500

*Catch-up contributions for Employee age 50 and over



New Tax Guide Features Recovery Tax Breaks; Helps People Save on their 2009 Taxes

WASHINGTON — Taxpayers can get the most out of new recovery tax breaks and get a jump on preparing their 2009 federal income tax returns by consulting a newly revised comprehensive tax guide now available on IRS.gov.

Publication 17, Your Federal Income Tax, features details on taking advantage of new tax-saving opportunities, such as the making work pay credit for most workers, American opportunity credit for parents and college students, energy credits for homeowners going green, first-time homebuyer credit, sales or excise tax deduction for new car buyers, and the expanded child tax credit and earned income tax credit for low- and moderate-income workers. This useful 308-page guide also provides more than 6,000 interactive links to help taxpayers quickly get answers to their questions.

Publication 17 has been published annually by the IRS for more than 65 years and has been available on the IRS Web site since 1996. As in prior years, this publication is packed with basic tax-filing information and tips on what income to report and how to report it, figuring capital gains and losses, claiming dependents, choosing the standard deduction versus itemizing deductions, and using IRAs to save for retirement.

To get Publication 17, go to www.irs.gov and enter "17" in the search box in the upper right corner of the home page. Those who do not have access to the Internet can call 1-800-TAX-FORM (829-3676) to request a free copy from the IRS. Printed copies will be available in January 2010.

Besides Publication 17, IRS.gov offers many other helpful resources for those doing year-end tax planning. Many 2009 forms are already posted, and updated versions of other forms, instructions and publications are being posted almost every day. Forms already available include Form 1040, short Forms 1040A and 1040EZ, Schedule A for itemizing deductions, new Schedule L for those increasing their standard deduction by real-estate taxes paid, sales or excise taxes on new car purchases or a net disaster loss, and new Schedule M for claiming the making work pay credit.

In addition, the American Recovery and Reinvestment Act of 2009 Information Center features a variety of recovery-related videos, podcasts, tax tips and answers to frequently-asked questions.



Cell Phone Numbers Go Public

IF YOU MISSED THE REMINDER THAT ALL CELL PHONE NUMBERS ARE BEING RELEASED TO TELEMARKETING COMPANIES, and that you will be receiving sales calls charged to your cell phone, then here is the information to block those sales calls. Call the National DO NOT CALL list at 888-382-1222 [from your cell phone](http://www.donotcall.gov) to add your cell phone number to the list. It will only take a minute of your time. It is supposed to block sales calls for five years.

INSIDE *resources*

IRS Announces 2010 Standard Mileage Rates

WASHINGTON — The Internal Revenue Service today issued the 2010 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2010, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 50 cents per mile for business miles driven
- 16.5 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The new rates for business, medical and moving purposes are slightly lower than last year's. The mileage rates for 2010 reflect generally lower transportation costs compared to a year ago.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs as determined by the same study. Independent contractor Runzheimer International conducted the study.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for any vehicle used for hire or for more than four vehicles used simultaneously.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

Revenue Procedure 2009-54 contains additional details regarding the standard mileage rates.



Did You Know??

THE ARRA HAS ALSO INTRODUCED SEVERAL CHANGES THAT MAY AFFECT YOUR 2009 TAX WITHHOLDING. If you:

- Are an employee with two concurrent jobs;
- You and your spouse both work; or
- You can be claimed as a dependent on someone else's tax return

You may have too little income tax withheld (possibly causing you to owe additional tax next year) as a result of the "Making Work Pay Credit". This credit is also affected by income from pensions and unemployment compensation. Visit the **withholding calculator** at www.irs.gov to see how these changes might affect you.

(Source:<http://www.irs.gov/individuals/article/0,,id=96196,00.html>)

How to Hold a Difficult Conversation

Nancy is very frustrated with her coworker, Bob. He's a nice enough guy, but throughout the day, Bob walks into her cubicle, and looks over her shoulder at her computer screen. Nancy's job duties require her to work on confidential customer information that is outside Bob's area of responsibility. It's also unnerving to Nancy when she suddenly realizes he's standing right behind her as she's working.

WHAT CAN NANCY SAY TO BOB TO HELP THE SITUATION?

Having a conversation with a coworker can present a thorny predicament. Either we stand silently by, not saying anything because we fear an awkward confrontation; or, we become so aggravated that we verbally blast our unsuspecting coworker.

There is an alternative to these two approaches. Follow the steps below for having a difficult, but effective, conversation with a coworker.

- **Seek permission to provide the feedback**
Start by stating you'd like to talk to your coworker, or that you have some feedback you'd like to share. Ask if it's a good time or if the coworker would prefer to select another time and place (within reason, of course).
- **Use a soft entry**
Don't dive right into the feedback - give the person a chance to brace for potentially embarrassing feedback. Tell the coworker that you need to provide feedback that is difficult to share. If you're uncomfortable, you might say that, too. Most people are as uncomfortable providing feedback about an individual's habits or behavior, as the person receiving the feedback.
- **The best feedback is straightforward and simple, yet gracious**
Move right in to the topic of your difficult conversation. Say: "I am talking with you because this is something I'd like to address for the success of this organization." (It's not about you!)
- **Attach the feedback to a business issue**
This is not a personal vendetta; the difficult conversation has a direct business purpose. It could be improved productivity; building harmony; improving the community's view of the company; finding a solution to a customer's dissatisfaction.
- **Don't mention that other employees are complaining**
Keep it professional. Do not give in to the temptation to amplify the feedback by stating that a number of coworkers have complained. This heightens the embarrassment and harms the recovery of the person receiving feedback.
- **Express appreciation that the individual was willing to have the conversation with you**
Commit to working as a team with the individual, with one common goal: The success of the company.

