Personnel Notes...

A Newsletter Communication for the Employees of the University of Maryland Eastern Shore

December 2006

* Happy Holidays *

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**Hot Topics**

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**Human Resources Staff**

- **Marie H. Billie**
  - Director
  - (410) 651-6400

- **Lisa C. Johnson**
  - Acting Assistant Director
  - (410) 651-6400

- **Patricia A. Mapp**
  - Administrative Assistant
  - (410) 651-6400

- **Mary V. Ames**
  - Employment Manager
  - (410) 651-6401

- **Gertrude J. Hairston**
  - Payroll Manager
  - (410) 651-6404

- **Angel D. Thomas**
  - Acting Benefits Coordinator
  - (410) 651-6403

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**Holiday Payroll & Check Pick Up - Fri., Dec. 29, 2006**

Employees **must** complete their timesheets on or before **December 22, 2006**. Supervisors need to approve timesheets by that date as well.

Office of Human Resources staff will be distributing paychecks, and bi-weekly earning statements, on **Friday, December 29th from 10:00 a.m. - 12:00 p.m.**. Visit the Office in J. T. Williams between those hours only.

**2006 W-2 Tax Statements - Correct Address Needed**

Be reminded that in order to receive your **2006 W-2 Tax Statement** in a timely manner at the end of the year, complete a new W-4 Form if you do not have an address printed on your payroll check, or complete a Payroll Address Form if the address that is printing on your payroll check is incorrect. **NOTE:** Anyone who claimed Exempt status for 2006 will need to complete a new W-4 Form to maintain that status for 2007.

**End of Year Leave Reminder - Use It or Lose It**

This is a reminder that excess annual leave and personal leave will be lost at the end of the year. Exempt employees' maximum carry over into the next calendar year is 55 days (440 hours). The maximum carry over for non-exempt employees and for 12-month faculty is 50 days (400 hours). Personal leave cannot be carried over into the new calendar year. Employees have until January 6, 2007, to use any excess annual leave or unused personal leave. Annual leave in excess of the stated maximum as well as unused personal leave will be forfeited if not used by the stated date. Please feel free to call extension 6400 if you have questions.

**University Holiday Schedule**

Please note the following Holiday Schedule. Employees in certain positions and those who were recently hired may not receive Holiday Pay for all of these dates; confer with Ms. Gertrude Hairston as needed at extension 6404.

<table>
<thead>
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<th>Calendar Date Earned</th>
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<td>December 25, 2006</td>
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<td>February 20, 2006</td>
<td>December 26, 2006</td>
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<td>December 29, 2006</td>
<td>December 29, 2006</td>
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<td>January 1, 2007</td>
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The University reopens on Tuesday, January 2, 2007.
Tuition Remission - Winter & Spring 2007

The deadlines for submitting Tuition Remission forms for Winter & Spring 2007 are as follows:

- Spring 2007— March 1, 2007

When submitting Tuition Remission Request forms, please be sure to fill them out completely. In particular, be sure to include your Student Enrollment Status in block 14, Academic Major in block 15, Campus in block 16, and number of credits in block 17. Also, be sure to get the proper approvals and account number(s) inserted in block 17. Failure to submit a completed form could result in a delay in processing. Questions about these matters can be directed to Ms. Angel Thomas at extension 6403.

Please be reminded that tuition for graduate level courses is taxable within certain dollar thresholds. That is, effective January 1, 2002, the full amount of graduate level tuition for dependents and spouses is taxable; for employees, tuition amounts over $5,250 per calendar year are taxable. The taxes will be withheld from the employee’s payroll as follows:

- Federal Income Tax—flat 25% rate, required by IRS regulations
- State Income Tax—employee’s current rate, 7.8% in most cases
- FICA Tax—employee’s current rate, 7.65% in most cases

Questions about these taxes should be directed to Ms. Gertrude Hairston at extension 6404.

Maryland Charity Campaign

Many, many thanks to UMES employees who contributed towards the $10,305 total to date for the 2006 Maryland Charity Campaign. We exceeded our $10,000 goal, and, in doing so, virtually doubled last year’s donation total. These funds will be used throughout the State to meet various needs. Please note that the total raised includes $3,868 in contributions that were designated toward the $14 million Capital Campaign for Academic Excellence.

Mr. Kirkland Hall’s donation earned him the rank of Silver Level Leadership Society, a high distinction. Seven employees are ranked in the Bronze Level Leadership Society, namely: Mr. Todd Christenson, Mr. Gains Hawkins, Ms. Jennifer Hearne, Dr. Andrea Johnson, Ms. Annette Noble, Dr. Maryam Rahimi, and Mr. Norman Tilghman. Mr. Tilghman was the first to donate as well. Congratulations to these special donors and to everyone who made a donation.

Donations can be made through the end of the year.

2006 Service Awards

Congratulations, again, to all 2006 Service Award Recipients. Those recipients who were unable to attend the Awards Ceremony are asked to immediately pick up your item(s) in the Office of Human Resources, J. T. Williams Building, Room 3104.

For those who attended the Awards Ceremony and received a silver tray, framed plaque or clock, please note that the box is available in the Office of Human Resources. The stands for the silver trays can be picked up as well.

For more information, please call extension 6400.
To Senior Faculty and Staff Members:

Catch Up on Retirement Savings!

reprinted with permission from THE FACULTY VOICE, December 2005

By Paul Maloni (Certified Financial Planner and retired UMCP staff member)

Many things in life are out of your control. However, you can control how much you save for retirement. And if you are age 50 or over, you can now set aside more in your tax-deferred savings plans. You can even make up for not contributing more money in the past.

Here is the information you need to take advantage of this opportunity:

The federal tax bill (passed in 2001) allows employees age 50 and older to make “catch-up contributions” to their 401k, 457k or similar employer-sponsored savings plans. In 2005, older employees [could] contribute up to $14,000 per year to their retirement plans (only $12,000 for younger employees). In 2006, older employees [are] able to contribute up to $20,000 per year of pre-tax income to their plans (only $15,000 for younger employees).

In addition, this legislation increased the amount older employees can contribute to a Roth IRA or a traditional IRA. This year, employees 50 and older can contribute up to $4,500 to an IRA (only $4,000 for younger workers).

For most employees who meet income eligibility requirements, the Roth IRA is a better deal. Although these workers will not get a tax deduction, their withdrawals are tax-free as long as they have reached 59 1/2 years of age and have owned their Roth IRAs for at least five years.

Ideally, one’s financial objective should be to maximize his/her university-sponsored plan and also invest in a Roth IRA. But many employees cannot afford to set aside that much money. In that case, some employees may obtain a greater advantage by forgoing the catch-up contributions and contributing to a Roth IRA instead.

Here’s why: Withdrawals from the university-sponsored plan will be taxed at one’s ordinary income rate in retirement, while Roth IRA withdrawals are tax-free. So if an employee expects his/her income tax bracket to stay the same or rise in retirement, he/she will benefit more from a Roth IRA. If one anticipates a lower tax rate, pre-tax contributions to the university-sponsored plan makes more sense or results in more income because of the tax break when the rate is higher.

Of course, it will be very difficult to predict one’s tax bracket 5, 10, or 15 years from now, particularly given the likelihood that lawmakers will continue adjusting the tax code.

A common rule of thumb: If one’s tax bracket is 25% or lower, a Roth IRA is more advantageous because the tax rate is likely to stay the same or increase at retirement. If one’s tax rate is 25% or higher, maximize the university-sponsored plan first, because of the likelihood that your tax rate will be lower at retirement.

Blood Bank Drives

The Blood Bank of Delmarva will be conducting Blood Drives on campus during December in the Dining Services and Physical Plant departments. The holiday season is a joyous time, but it is also a time when the demand for blood increases. Employees’ blood donation along with $5 dues satisfies your commitment for two years. Please contact Ms. Angel Thomas at extension 6403 for a Blood Bank application or with questions about this valuable benefit.

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Happy Holidays from the staff of the UMES Office of Human Resources

We wish for you and yours a joyous holiday and a prosperous new year.