

HUMAN RESOURCES MEMORANDUM 09-024	DATE ISSUED: 09/02/2009
SUBJECT: Military Leave Worksheet Revision	REFERENCE: None
TO: Personnel Liaisons; Attendance Clerks	SUPERCEDES: HR Memo 09-011

PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES

Purpose

The purpose of the Human Resource Memorandum is to provide affected employees information regarding changes to the Military Leave worksheet.

Clarification regarding military differential pay

On May 4, 2009, the Internal Revenue Service released Revenue Ruling 2009-11, clarifying the changes to the treatment of military differential pay made by the Heroes Earnings Assistance and Relief Tax Act of 2009. The ruling states that differential wage payments made to an individual on active duty for more than 30 days are subject to income tax withholding, but not to Social Security and Medicare (FICA) or unemployment tax (FUTA).

When do the changes go into effect?

Effective January 1, 2009, supplemental military leave payments issued by the State Controller's Office (SCO) will no longer be subject to Social Security/Medicare taxes. The federal, State and State Disability Insurance (SD) taxes will continue to be reported on the form W-2, Wage and tax Statement.

Who needs to complete the revised worksheet?

The following employees are required to complete the revised [Military Leave Worksheet](#):

- Employees newly eligible to receive military leave pay
- Employees deployed on a new military tour

Employee(s) currently out on military leave

Those employees who are currently on a military leave of absence are not required to complete the new worksheet. The SCO will discontinue withholding Social Security and Medicare deductions from long-term supplemental military leave payments.

Questions

For questions regarding this memorandum, please contact your assigned Personnel Specialist.

/s/

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