

To: UMB employees
From: Candace Chow - Financial Services
Date: January 16, 2018
Re: 2018 Federal Tax Rates

This memo is to advise you about the changes you can expect in your upcoming paycheck due to the Federal Tax Cuts and Jobs Act. Central Payroll Bureau (CPB), State of Maryland has completed implementing the new 2018 Federal Tax Rates.

The new law makes a number of changes for 2018 that affect individual taxpayers. The new tables reflect an increase in the standard deduction, a repeal of personal exemptions and multiple changes in the tax rates/brackets which were designed to work with existing W-4's that employees have on file. **Employees should see the new calculations of their Federal Taxes starting with Pay Date of 1/26/2018.**

We will post specifics concerning the new tax rate tables and their adjusted percentages on the Department of Financial Service - Payroll website at <http://www.umaryland.edu/financialservices/payroll/> when we receive the information from CPB.

Under the new tax law, personal exemptions were suspended from 2018 – 2025, a move that would require the Internal Revenue Service (IRS) to update their Form W-4, the Employee's Withholding Allowance Certificate. As of this date, no new W-4 Form has been released to employers by the IRS, however CPB anticipates one will be provided by the end of January. The Campus schools and departments will be notified when a new W-4/MW507 is available. In the meantime, employees should contact their department payroll rep for questions concerning the submission of new W-4's.