

## How to Complete the Payroll Adjustment Form

### For Moving Expense Payments

1. A [Payroll Adjustment Form](#) is required for processing Moving Expense Payments.
2. Refer to [UMB Policy VIII-16.00\(A\) on Payment to Assist and Employee Incurring Moving and Relocation Expenses](#) and [Financial Services Procedure on Payment to Assist an Employee Incurring Moving and Relocation Expenses](#) for detailed information on eligibility and submission requirements.
3. Complete the Header Information as described in the [Payroll Adjustment Form – Instructions](#).
4. Select the “Other” box in the Type of Compensation section. Attach the employee’s Offer Letter showing the authorized amount and the [Moving and Relocation Payment Agreement](#).
5. Use Earnings Code MOV.

#### 6. Tax Periods

The employee’s payment is subject to tax withholding and the department is responsible for communicating this information to the employee. Therefore, employees are encouraged to consider the tax effect of the moving expense payment. The moving expense payment will be included with the employee’s regular bi-weekly pay in one paycheck. However, the employee has the option to be taxed as if the entire payment (moving expense payment+ regular pay) was received in multiple pay periods. The department must contact the employee to determine the method for the tax calculation: one pay period or multiple pay periods. The following formula is used to calculate the maximum number of pay periods available:

$$\frac{\text{Regular gross pay} + \text{moving expense payment}}{\text{Regular gross pay}} = \text{Maximum tax periods allowed to be taxed.}$$

Example:

Dr. Smith’s regular biweekly gross pay is \$10,000 and her moving expense payment is \$7,500.

$$10,000 \text{ gross pay} + 7,500 \text{ moving} / 10,000 \text{ regular bi-weekly pay} = 1.75 \text{ pay periods}$$

Dr. Smith’s moving expense payment is eligible to be taxed for a maximum of two pay periods. **THIS MUST BE INDICATED ON THE PAYROLL ADJUSTMENT FORM IN THE TAX PERIODS COLUMN. IF THIS DESIGNATION IS NOT STATED ON THE FORM, THE TOTAL TAX WILL BE DEDUCTED IN ONE PAY PERIOD.**

Note: Employees are usually taxed at the highest rate until Central Payroll Bureau (CPB), State of Maryland, has processed the employee’s W-4 form.

Employees are encouraged to seek guidance from a tax advisor prior to submitting the Payroll Adjustment Form.

7. **Important:** The employee's first paycheck may have taxes withheld at the highest rate due to the timing of W-4 processing at CPB. Therefore, to allow time for their W-4 information to go into effect, employees may decide to wait a pay period or two before submitting the Payroll Adjustment Form.

Employees can determine whether their W-4 information is in effect by checking the filing status, exemptions, and additional taxes shown on the employee's paystub.

Employees can view payroll information or make changes to their W-4 via the Payroll Online Servicing Center (POSC) at: <https://interactive.marylandtaxes.gov/Extranet/cpb/POSC/User/Start.aspx>

To view/change W-4 information:

1. Log into [POSC](#).
2. Select Update Address/W4 (Tax Withholding)
3. Either make changes or select No Changes.