



## Frequently Asked Questions Concerning Retirement and Tax Errors For Employees

### **What is the problem?**

The District of Columbia Department of Human Resources (DCHR) uncovered a systemic and longstanding problem, dating back at least 10 years, that impacts the Social Security withholdings (OASDI), Medicare withholdings, and retirement system determinations of hundreds of District Government employees (both current and former). Of those affected, DCHR found that some employees did not have Social Security and/or Medicare taxes withheld from their paychecks and that the District did not pay the employer's share of the taxes. If you are receiving this letter, you are impacted by one or more of the problems listed above.

### **How will DCHR correct the error in my paycheck?**

Your next paycheck, which will be issued the week of May 8<sup>th</sup>, will reflect the required deductions. You will see an approximate 6.2% Social Security deduction, and in some cases an additional 1.45% Medicare reduction, in your earnings.

### **Will this impact my W-2 (Wage and Tax Statement)?**

Yes, the Office of Pay and Retirement Services will amend W-2 statements for the period in which the taxes were not paid. The amended W-2s will be sent to the appropriate federal agencies.

### **Does this affect my tax returns?**

Yes. You will need to file amended returns with the Internal Revenue Service for the year(s) when the error occurred going back to tax year 2014.

### **Will there be tax assistance made available to prepare my amended tax filings?**

Yes, the District is currently working to secure a vendor to provide tax assistance, direction and guidance to those affected. Additional information on this service will be provided.

**Will this affect my retirement?**

The District will take the necessary steps to ensure that the Social Security Administration receives the appropriate documentation to credit your Social Security account.

**What are the next steps for me?**

You will know that the problem has been addressed and resolved when you: (1) see the Social Security and/or Medicare deductions withheld from your paycheck (look at Box 6 of your paycheck statement); (2) when you receive amended W-2 statements from the Office of Pay and Retirement Services, and (3) when you amended tax returns with the IRS.

**Who do I contact for questions?**

We have a dedicated line of support; you may email [dchr.tax@dc.gov](mailto:dchr.tax@dc.gov) or contact Jeremy Grey at (202) 727-1840.

**How much is this oversight going to cost the District and how are these costs covered?**

We are still investigating the extent of these errors and information will be forthcoming.

**Have employees been notified?**

Yes. Letters and emails will go out on Friday, April 28, 2017 to the impacted employees.