



UNIVERSITY OF MARYLAND

1101-E Chesapeake Building

301.405.5665 TEL. 301.405.8685 FAX

OFFICE OF THE COMPTROLLER
PAYROLL SERVICES

July 30, 2012

Dear Retiree

applicable taxability, tax reporting and/or withholding of

taxability, refer to the form labeled "Tax Chart - USM Tuition Remission" which is posted on the USM website and it is also available through the Institutions Benefits Coordinators.

Before your Tuition Remission request can be processed, you must complete and return the attached of the calendar tax year to report any taxable tuition benefits for your personal income tax reporting.

Taxes will be reported on the taxable amount of the tuition benefit awarded as follows:

Federal Income Tax - Flat Supplemental Rate 25%

FICA Tax - based on contribution rate for the applicable calendar year

This total tax amount could add up to a possible 40% of the tuition benefit value.

The State Central Payroll Bureau (CPD) will estimate any applicable taxes to be reported and will bill

each semester in which the Tuition Remission is used.

If you have any questions regarding this matter please contact Bill Williams - University of

Marshall College Book - Payroll Services at 301-405-7480

Sincerely,

Frank J. Taylor

Printed Name:

Signature:

Date: