

## Use Care With New Line On Federal Tax Form

Reprinted (and edited) from an article appearing on the United States Internal Revenue website.

Many early tax filers have made an error related to a new line on the federal tax form. **This Rate Reduction Credit line is used if last summer's Advance Payment in the maximum amount for their filing status was not received.** This is the only new line on the basic tax forms – line 47/Form 1040; line 30/Form 1040A; and line 7/Form 1040EZ. Read its instructions carefully to get the proper benefits.

Some taxpayers are putting their Advance Payment amount on the credit line when they should be leaving the line blank. Other taxpayers who *should* claim a credit amount (those who received less than their filing status maximum amount) are leaving the line blank. If you already received the maximum amount for your filing status, just skip the Rate Reduction Credit line on your tax form. The maximum amounts were: \$300 for a single person or a married person filing separately, \$500 for a head of household, and \$600 for a married couple filing jointly or a qualifying widow(er).

The credit and the Advance Payments are how the new law gives one of its main benefits for 2001 – a 10% tax rate. Instead of waiting until the 2001 tax return is filed to get a larger refund, the law provided for Advance Payments to be made last year, based on the returns for 2000. If the 2001 income and filing status would give a larger benefit than the Advance Payment, the taxpayer may claim the difference as a Rate Reduction Credit on the 2001 return.

Dependents weren't eligible for Advance Payments or the Rate Reduction Credit, but they may get the lower tax rate benefit by completing the *Tax Computation Worksheet for Certain Dependents* in the tax instructions.

Taxpayers who made an error related to this credit on their returns should wait to see if the IRS catches it during processing. If the IRS does not contact them by the time they receive their refund, they may file an amended return to correct the error.

At the IRS website ([www.irs.gov](http://www.irs.gov)), you can read the full article as well as answers to some frequently-asked questions. You can also access information on various other tax-related topics or download publications and forms.

**Be Sure to Read Our Article on the Earned Income Tax Credit – See Page 4.**

### GETTING A TAX REFUND?

In 2001, around 34 million taxpayers had their federal tax refund checks deposited directly into their bank accounts – representing only 36% of those who had money refunded to them. Having your refund direct deposited has a number of advantages:

- You receive your refund faster.
- No need to make a trip to the bank.
- No risk of a lost or stolen check.
- No risk the check will be undeliverable.

### WHY NOT SEND IT STRAIGHT TO YOUR BANK ACCOUNT?

### TOURISM DAY AT THE LEGISLATURE

**GREAT THINGS ARE AVAILABLE  
HERE IN WEST VIRGINIA!!**

Tourism Day at the Legislature drew a great crowd of exhibitions and visitors. The event took place in the Main Capitol Building on January 28. Visitors got a good look at facilities and services in West Virginia to help them plan their next vacation or conference.

**RIGHT: A representative from Wheeling's Oglebay Park explains the great things Oglebay offers.**



# PEIA Diligently Working on Cost Savings for All

## Rumors on Working Spouse Rule Addressed

You've probably heard by now that the Public Employees Insurance Agency (PEIA) is in the process of developing a proposal called the *Working Spouse Rule*. According to PEIA Director Tom Susman, rumors about the proposed rule have been circulating. To dispel them, he issued a memorandum outlining some of the provisions.

Essentially, the rule would apply to working spouses of PEIA-covered employees whose employers provide health insurance coverage to their employees. The rule would not apply to:

- Spouses who do not have insurance coverage through their employers
- Children
- Non-employed or disabled spouses
- Families where both spouses are PEIA-eligible employees

Susman stated that there will be a formula to allow working spouses who cannot afford the premiums of their employer-based insurance to maintain PEIA coverage. He cautions that employees should remember that PEIA premiums will be reduced if the spouse is not covered by a PEIA plan and that information should be taken into consideration when calculating the effect of the working spouse employer-based insurance cost. In addition, a working spouse who becomes uninsured or unemployed would be permitted to return to PEIA coverage WITHOUT any pre-existing condition restrictions as long as re-enrollment comes within 62 days of the uninsured/unemployment effective date, and provided he/she is not eligible for employer-based insurance.

Rising health care costs have concerned everyone for several years, and "easy fixes" just aren't there. According to Susman, the only alternative to taking actions such as the *Working Spouse Rule* is to raise premiums or reduce benefits. He estimates that 90% of PEIA insureds WILL NOT be affected by the proposed rule, but PEIA will see a cost reduction of approximately \$10 million!

## YMCA Partnership Agreement Implemented for PEIA Members

*Adapted from an article on PEIA's website ([www.wvpeia.com](http://www.wvpeia.com)).*

On February 11, 2002, Governor Bob Wise announced that the Public Employees Insurance Agency (PEIA) has reached a partnership agreement with the Charleston Family YMCA and Tri-County YMCA to offer PEIA insureds discounted memberships.

**For the first 500 PEIA members to sign up, the YMCA will waive its initial joiner fee AND first month's dues. Those interested must enroll before March 30, 2002.**

An alarming statistic in the PEIA article states that West Virginia ranks third in the United States for physical inactivity, and that our citizens have become increasingly overweight. A lack of activity leads to a variety of long-term health problems including diabetes and heart disease.

Wise said, "Physical activity is an integral part of overall well-being and long-term health. We hope to encourage our members to take that step and get active." He continued, "Our hope is that other YMCAs will follow Charleston's and Tri-County's lead and join in this program."

PEIA and the Bureau for Public Health are making a concerted effort to educate people on the importance of regular physical exercise and activity, and the value of following a healthy diet. PEIA also maintains a worksite wellness program, which includes physical activity clubs as well as a variety of health screenings for heart disease, diabetes, high blood pressure, and osteoporosis.

## Say 'So Long' to Waiting in Line at the Bank!

Haven't signed up for Direct Deposit of your paycheck yet? Still living in the old days when times were simpler? You know – where you get an actual paycheck, take time out of your already overbooked schedule to go to the bank and wait your turn in line – after rushing to get there before it closed. Or maybe you prefer the more personal touch of sitting in the drive-through waiting for your turn to send your check through that fancy hydraulic tube? Direct Deposit is the ONLY way to go! **It's both safer and more efficient.** Your money goes directly and confidentially into your account. No middleman, no lost checks, no rushing.

***Come On – Wake Up – Get With It!***

**And now ...  
you can put your money  
into more than one account!**

For forms or information about the Direct Deposit Program, visit the State Auditor's website at:  
<http://cpnta.wvauditor.com/ach/start.htm>

**Spring Begins Mar. 20**



# State Employee's Holiday Ornament Lands Featured Spot on White House Webpage

Hearty congratulations go out to Jenny Boggess of the Division of Culture and History. Late last year, she submitted a handmade Christmas ornament to the White House. In early December, 2001, her ornament was featured on the White House's official internet webpage.

When asked how she came to submit the ornament, Boggess explained, "The White House contacted all 50 states and requested 4 artists from each to submit either an historically-significant house or place of worship from their state." Boggess and 2 other co-workers, Darren Husband and David Husband, were invited to participate. This year's theme was *Home for the Holidays*, which she says took on an even more special meaning after September 11.

Boggess chose the African Zion Baptist Church in Malden because it signified the "little white churches you find all over rural West Virginia" and because famed educator

Booker T. Washington taught Sunday School there at one time.

Her ornament was constructed of balsa wood and about "10 pounds of glue and paint!" It took 34 hours to complete, and Boggess dedicated it to her brother, Mark Martin, who she says holds the spirit of home for her. Once completed, she mailed the ornament to the White House by UPS, keeping her fingers crossed that it would arrive amid all the mail



*Jenny Boggess' African Zion Baptist Church Ornament, as featured on the White House webpage.  
Photo by Susan Sterner.*

problems going on at the time. Fortunately, it arrived, ultimately ending up featured on the website.

Boggess says she was very proud to be a participant. "It was a thrill and privilege to be able to contribute to the holiday season this year at the White House," she said. And for her, seeing the decorations first-hand was unbelievable. "It truly looked like a Winter Wonderland."

All artists were invited to attend a luncheon in Washington, D.C. hosted by First Lady Laura Bush. In addition to Boggess, our sincere congratulations go out to Darren Husband and David Husband.

## WV Celebrates Juror Appreciation Month

This month, as a project launched by the State Supreme Court, West Virginia celebrated Juror Appreciation Month.


According to Chief Justice Robin Davis, the Court proposed several activities to the States judicial circuits as both a means to show appreciation for those who serve as jurors and to widen the understanding of the process and importance of our jury system. Activities included judges who spoke to school groups and other organizations, and tours of magistrate and circuit courtrooms.

In a statement issued by Justice Davis, she said that based on information from a national study conducted by the American Judicature Society, the primary reason people do not appear or are not enthusiastic about jury duty is money. Many people, especially those who are self-employed, employees who aren't paid while serving on jury duty, and those who would have to pay for child care

See JUROR – Page 4.

# Capitol Ideas

For You & Your Money



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Bring your lunch and a friend, and gather some valuable financial information. The State Treasurer's Office is offering free lunchtime seminars to assist you in planning and managing your finances. All seminars will be held in the Highways Conference Room, Building 5, Room 122 unless otherwise noted. Seating is limited; call today for your reservation: 340-2711.

<b>March 28</b>	<i>Banking Services: What's New in 2002?</i>
<b>April 26</b>	<i>Women &amp; Money Conference</i>
	9 A.M. to 4 P.M. at the Charleston Civic Center
<b>May 30</b>	<i>Obstacles on the Road to Retirement?</i>



# The Earned Income Credit and Child Tax Credit: Money for Working Families

Contributed by Carol Sharlip of the WV EITC Campaign and Renate Pore of the Governor's Cabinet on Children and Families.

The federal Earned Income Tax Credit (EITC) and the Child Tax Credit are great ways to boost your family's income. Many working families will qualify for both credits. When combined, the credits, which can reduce the taxes you owe or provide a refund, pack a financial wallop in your favor.

A working family with 2 or more children and an income under \$32,121 can receive an EITC worth up to \$4,008. That's enough to help a working family pay for education or housing expenses, transportation, or health care, or to set aside some savings.

Many West Virginians are eligible for the EITC but may have never filed for it. A single filer with no children or dependents may qualify for an EITC refund of up to \$364 if his or her income was under \$10,710. Grandparents may qualify if a grandchild, great grandchild, or an adopted child lived with them for more than 6 months of the tax year, and foster parents may also qualify. It's also possible to receive money back even if you didn't earn enough to pay taxes, but you must file a tax return.

You can check EITC eligibility on the internet with a program that lets you enter basic income/family information at <http://elf.law.wvu.edu/EIC>.

## JUROR – Continued from Page 3

in order to serve, simply cannot afford to do so. State workers covered by the Division of Personnel's *Administrative Rule* are permitted, under specific circumstances, paid Court, Jury, and Hearing Leave (Section 14.10).

But even with these hardships, it seems that less people are trying to get out of serving. An article in the *Charleston Daily Mail* stated that between January 9 and February 8, 2002, many of the 148 men and women called for jury duty in Kanawha County expressed both a sense of obligation and appreciation for the opportunity. Kanawha Circuit Clerk Cathy Gatson was quoted as saying, "Since 9-11, everyone has realized that citizenship in this country and the freedoms that come with it aren't for free. I think people see serving on a jury as one way to give something back. It's one small way to serve your country."

Also credited with increasing juror service is the fact that the Supreme Court took action last November to increase the State juror compensation rate from \$20 per day to \$40 per day, bringing it in line with that of the federal government. In her statement, Davis wrote that the Supreme Court wanted to send a strong message to jurors that their service was valued, and that they wanted to try to ensure that no one who served would face financial hardship.

Davis feels that most jurors are conscientious and have a deep respect for their role. She wrote, "They see jury duty as not only an obligation, but a privilege and a right. As lawyers and judges, we should never forget that ... the success of our jury system depends on the participation of all citizens called to serve."


To all who have served, and all who will serve in the future, many thanks.

You can read the full text of Justice Davis' statement on the internet at [www.state.wv.us/wvsca/cjcolumn/feb02.htm](http://www.state.wv.us/wvsca/cjcolumn/feb02.htm). For the full *Daily Mail* article, visit [www.dailymail.com/display\\_story.php3?sid=2002021920](http://www.dailymail.com/display_story.php3?sid=2002021920). To review the rule for Court, Jury, and Hearing Leave, go to [www.state.wv.us/admin/personnel/rules/rule2000.htm#Section%2014](http://www.state.wv.us/admin/personnel/rules/rule2000.htm#Section%2014).

You can also get free tax assistance at one of the 131 Volunteer Tax Assistance sites throughout West Virginia. To obtain more information on the EITC or to locate the VITA site nearest to you, call toll-free 1-866-WVA-EITC (982-3482) or visit the West Virginia Department of Tax and Revenue website at [www.state.wv.us/taxrev/eitc.htm](http://www.state.wv.us/taxrev/eitc.htm)

Information and assistance is also available on the Child Tax Credit at the toll-free number and website. The Child Tax Credit is worth up to \$600 per child. New rules make the credit more available to working families, even if they did not earn enough to owe federal income taxes. Like the EITC, the Child Tax Credit can reduce or eliminate the tax you owe. Families with earned income above \$10,000 who have children under age 17 may qualify for Child Tax Credit and most families eligible for the Child Tax Credit can also file for the EITC which covers children under age 19.

The bottom line is that these credits put money in the pocket of the State's working families. As the West Virginia Earned Income Tax Campaign says: It's money in your pocket – you earned it!



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**Bob Wise, Governor**  
**Gregory A. Burton, Cabinet Secretary**  
**Nichelle D. Perkins, Director of Personnel**

**Tari McClintock Crouse, Editor**  
**Jane S. Fouty, Assistant Editor**  
**Tamra Rogers, Writer**

State Capitol Complex, Building 6, Room 416  
1900 Kanawha Boulevard, East  
Charleston, West Virginia 25305-0139  
Telephone: 304/558-3950, ext. 206  
E-Mail: [jfouty@gwmail.state.wv.us](mailto:jfouty@gwmail.state.wv.us)  
[www.state.wv.us/admin/personnel/empcom/](http://www.state.wv.us/admin/personnel/empcom/)