EMPLOYEE AGREEMENT
FOR REPAYMENT OF EXCESS WITHHOLDING TAX ALLOWANCE (WTA)

WTA* is calculated using the current prescribed withholding tax rate of 22 percent, plus a grossed-up formula in order to reimburse the taxes incurred on the WTA payment itself.

If you anticipate that your marginal Federal tax rate will be 22 percent or greater for the calendar year in which you receive your relocation reimbursements, then you may want to elect to receive WTA. If you elect WTA, it will be computed using a rate of 28.20 percent.

If you anticipate your marginal Federal tax rate will be less than 22 percent, then you should decline WTA to avoid overpayment and a DUE U.S. debt when your Relocation Income Tax (RIT) Allowance is computed.

AGREEMENT

I hereby agree to:

a. Repay any excess amount of WTA paid to me in any Year 1** immediately upon computation of the RIT claim or within 30 days of issuance of the indebtedness letter.

b. Submit the required certified tax information and RIT allowance claim within 120 days, unless an extension is granted by the commanding officer or designee of the DoD component concerned after the close of Year 1.

I also understand that failure to comply with this requirement will preclude the DoD component's payment of the WTA. The entire WTA will be considered an excess payment if the RIT claim is not submitted timely to settle the RIT account, and the WTA will be due in full within 30 days of issuance of an indebtedness letter.

Please check only one (1) box:

☐ Elect WTA

☐ I **DECLINE** any payment of WTA

_____
SIGNATURE OF EMPLOYEE

_____
PRINTED NAME OF EMPLOYEE

_____
DATE

DEFINITIONS:
* WTA is calculated in Year 1 and paid each time taxable relocation expenses are paid to help offset the Federal taxes incurred on those payments, so that you do not have to use part of your relocation reimbursements to pay Federal income tax withholding.

** Year 1 is the calendar year in which the agency reimburses you for a relocation expense. If an employee's reimbursements for relocation expenses are paid in more than one calendar year, then he/she will have more than one Year 1.

February 2018