**From:** Merklein, Trip [CO]
**Sent:** Thursday, February 03, 2011 9:27 AM
**Subject:** What Pay Raise?

Dear Members,

Regarding your January paycheck, I want to follow up with additional information to the email that you received from Human Resources on Monday afternoon. (See below.) The reason for your paltry net pay increase at best, or decrease at worst, is primarily related to the expiration of the federal government’s “Making Work Pay” program (not “Work to Pay” as it’s referred to in the HR email).

Included as part of the 2009 economic stimulus American Recovery and Investment Act was “Making Work Pay,” a two year reduction in federal income taxes; up to $400 annually for individuals earning $75,000 or less, and double that for married couples filing jointly. Instead receiving a lump-sum rebate check, the tax reduction was spread across paychecks, reflected in a lower monthly federal income tax. President Obama had proposed the extension of this program, but it became a victim of the heated political debate over the extension of the Bush-era tax cuts and ultimately was not renewed. As part of a compromise, the employee contribution to Social Security has been reduced from 6.2% to 4.2%, so most workers would not notice a difference in their paychecks. As members of PERA, we did not benefit from this compromise.

Teachers across Colorado are seeing pay reductions in January as a result, though many are probably still unaware of it. It St. Vrain, it’s been more painfully and readily apparent because we were looking for a noticeable increase as a result of bargaining a 1.3% base pay increase. As noted in the HR email below, a number of individuals’ variables affected the overall impact on employees’ net pay, but the expiration of “Making Work Pay” is the principal cause of our current frustration. You will see that the greatest change on your pay stubs between December and January is for FIT (Federal Income Taxes).

Your Negotiations Team shall remain committed to bargaining fair compensation for the essential work you do for our students and community, but we cannot control acts of Congress (though it should be noted that NEA supported the renewal of “Making Work Pay”).

Here are the links to the members of U.S. Congress whose representation includes the St. Vrain Valley School District. I encourage you to contact them to express the personal impact this action of Congress has had upon you and your family.

Senator Mark Udall           <http://markudall.senate.gov/?p=contact_us>

Senator Michael Bennett    <http://bennet.senate.gov/contact/>

Rep. Cory Gardner  4th Cong. District     <https://gardner.house.gov/contact-me/email-me>

Rep. Jared Polis      2ND Cong. District    <https://polis.house.gov/Forms/WriteYourRep/>

Sincerely**,**

Trip Merklein

President

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**Sent:** Monday, January 31, 2011 1:36 PM

**Subject:** New Pay Increase Information

The following message is being provided in response to some of the inquiries received about new pay amounts. Please review the information below along with your December 2010 and January 2011 pay stubs to fully understand your new pay amount.

Your new pay amount is reflected in the Base Pay or Hourly Pay amount on your pay stub. Your pay increase can  be determined by comparing the Base Pay or Hourly Pay amounts listed on the December 2010 pay stub and the January 2011 pay stub. January Base Pay or Hourly Pay should be greater than the December amount. This difference is the agreed upon pay increase. **Please do not compare the Net Pay amounts!** The amounts listed in the Net Pay of each of these pay stubs will differ due to a variety of individual circumstances – ie. the specific pay increase amount; the impact of any taxes and pre-tax deductions you have designated, employee premium amounts for selected insurance benefit plans; Section 125 (Flex Spending) amounts; etc.

The federal and state income tax amounts for all employers and their respective employees were adjusted by both government entities beginning January 1, 2011. As a result, the amounts on your January pay stub reflect these adjustments. Depending on your individual designations and income level, your tax liability could have increased more or less than the pay increase received.

PLEASE NOTE:  Even though the many of the previous year cuts were continued into 2011, the “Work to Pay” provision expired December 31, 2010. The following link will provide more detailed information regarding the 2010 tax rates  <http://www.irs.gov/pub/newsroom/notice_1036.pdf>