

## Local Services Tax (LST) – Frequently Asked Questions

Q: Is there a website that has all the information relative to the LST?

A: Yes, please visit the DCED's website at: <http://www.newpa.com/default.aspx?id=257>

Q: What is the maximum yearly LST withholding?

A: \$52.00; staff will have \$2.00 biweekly deducted ( $\$52/26 = \$2.00$ )

Q: How much in LST will a 20 pay faculty member pay biweekly?

A: \$2.60 ( $\$52/20 = \$2.60$ )

Q: How much in LST will a 20 pay faculty member pay on the pay of 02/01/2008?

A: \$7.80 (\$2.60 for the current payroll period in addition to \$5.60 for the previous payroll periods)

Q: How much in LST will a 26 pay faculty member pay biweekly?

A: \$2.00 ( $\$52/26 = \$2.00$ )

Q: How much in LST will a 26 pay faculty member pay on the pay of 02/01/2008?

A: \$6.00 (\$2.00 for the current payroll period in addition to \$4.00 for the previous payroll periods)

Q: How much in LST will faculty members pay during the summer months?

A: Faculty will not have LST deducted from summer school payments

Q: How will the retroactive LST be generated?

A: A forced retro payroll will be processed back to period 01 of 2008 to generate retroactive LST; the retroactive amount will be reflected in the pay of 02/01/2008.

Q: If an employee will earn less than \$12,000 in 2008 what should an employee do to request an exemption from LST?

A: The employee must complete an exemption form; the form can be found on the following site <http://www.newpa.com/default.aspx?id=257>. Once you get to the site click on "Exemption Form with Primary Employer Form". Complete the form and return to Lindy Hampsher in room 106 Alumni Hall.

Q: Can a retroactive exemption be requested by an employee from LST and a refund generated?

A: Yes, so long as the refund is processed in the same calendar quarter as it was originally withheld

Q: Can MU exempt an eligible employee from LST indefinitely?

A: No, eligible employees can be exempted from LST for the current calendar year only; a new exemption form must be completed each calendar year.