

**STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION
DIVISION OF FINANCE**

**TERMINAL LEAVE PAYMENT TAX OPTIONS
FOR SEPARATING EMPLOYEES
(INCLUDING LAYOFF)**

At separation of State service, your terminal leave payment will be taxed by one of two methods:

1. Terminal leave payments will be taxed at the withholding rate you have previously requested for your payroll wages if the payout is combined with your final payroll wages, or
2. Per IRS regulations, the terminal leave payment will be taxed at a flat 22% rate if issued on a separate warrant from your final payroll wages.

This form only needs to be completed if you elect to have your terminal leave payment issued on a separate warrant from your final payroll wages and taxed at the 22% flat rate. Please indicate this option by completing and signing the form below.

This form must be received by your Payroll department along with your completed separation packet/forms prior to your last day worked.

By signing below, I elect my terminal leave payout to be issued on a separate warrant and taxed at 22%.

Name _____

Employee ID Number _____

Signature _____

Date _____