

**TERMINAL LEAVE PAYOFF TAX OPTION
FOR SEPARATING / LAYOFF EMPLOYEES**

Upon separation from State service, your terminal leave payoff will be taxed at the withholding rate previously requested for your wages. However, IRS regulations allow the option for lump sum terminal leave payments to be taxed at 25% on a separate warrant from final wages.

Please complete this form if you wish to elect the 25% flat rate tax. Indicate your selection by initialing the option and signing below.

This form must be included with your completed separation packet/forms and submitted to the Division of Personnel and Labor Relations, Payroll Services Section in order for this option to be applied.

I select lump sum payment taxed at 25% _____
(Initial here to select)

Signature: _____

Printed Name: _____

Employee ID: _____

Date: _____