

As of January 1, 2012, University cell phone stipends will be considered non-taxable, in accordance with IRS Notice 2011-72. For employees that currently receive a cell phone stipend, the amount of the **NET** payment (take home amount) will change very little. Current stipend amounts were originally increased to cover the tax (federal, state and FICA) that was withheld from the gross stipend amount. Effective January 1, 2012, cell phone stipend amounts will be restated to original net amounts for an average plan less any original increase to cover tax withholdings. NEW stipend amounts compared to the amounts prior to January 1, 2012 is provided below:

	Current Stipend Amount effective 7/21/07			NEW Stipend Amount effective 1/1/2012
	Net Stipend Amount	Gross-up Amount to cover tax <i>(federal, state and FICA)</i>	Gross Stipend Amount	Stipend Amount
<b>Voice Only:</b> 75% of cost	\$25.49	\$19.51	\$45.00	\$30.00
<b>Data Unlimited &amp; Voice</b> 75% of cost	\$63.74	\$41.26	\$105.00	\$64.00

As reflected in the above chart, the NEW stipend amounts are very similar to the net stipend that employees received prior to January 1.

Employees should keep in mind that