



[Date]

## **EMPLOYER STATEMENT – NEW PENNSYLVANIA LAW PERTAINING TO DEPENDENT CARE ASSISTANCE PROGRAMS**

Under PA Act 34 of 2023, effective on Dec. 14, 2023, amounts paid or incurred by an employer for dependent care assistance provided to an employee under Title 26 of the Internal Revenue Code are now excluded from the employee’s PA Personal Income Tax obligation. Due to the timing of this PA law change, we correctly withheld tax on this dependent care assistance throughout the 2023 tax year. This could create an issue when an employee who has received this benefit from an employer files their PA Personal Income Tax Return (PA-40).

Our employees received a W-2 that does not account for this update to PA law for the 2023 year pertaining to dependent care assistance programs. Therefore, we understand affected employees can file their 2023 PA-40 with the corrected W-2 amounts and receive a refund for the over withholding. In that case, they are instructed to:

1. Decrease the box 16 wages indicated on their 2023 W-2 by the amount of their 2023 dependent care benefits (up to \$5,000), and use that amount for line 1a of their PA-40, and
2. Include their 2023 W-2 along with a written statement from their employer to verify why the amounts on the W-2 do not match the amount reported on line 1a.

We respectfully request that PA accept this as the written statement from the employer to verify why the amount on the 2023 W-2 does not match the amount reported on line 1a. If you have any questions or need any additional information, please reach out to us.

[contact information]