

OLIVER WYMAN

Memo

To: **U.S. Consulting, Corporate, and Administrative Staff Who Travel**
Subject: **STATE-TAX WITHHOLDING REQUIREMENTS**

To comply with US tax laws, payroll taxes are withheld for time spent working outside of an employee's home state except when (1) the state has a reciprocity agreement with the employee's state of residence, (2) the time is related to training or (3) cumulative time in the state is less than ten days per calendar year.

This memo outlines important information about the actions you need to take in order to ensure that the correct tax is withheld from your paychecks. *Please read it with care.*

Withholding Authorization

All employees, upon beginning employment, are required to complete an Authorization for Withholding State Income Tax. This Authorization permits Oliver Wyman, Inc. (the 'Company') to withhold taxes for you in all tax jurisdictions, allowing you, in most cases, to avoid having to fill out multiple City and State Withholding Statements. If you did not complete one, please do so (Attachment 1) and return to your local HR Manager.

Timesheets

If you work outside your home state (and defined as your office location) you must complete the location code box on the timesheet. This is required whether or not the time is client billable and regardless of the number of hours work in another state¹. Therefore, time spent on recruiting and business development, outside of your home state, is considered out-of-state work, as is a two hour business meeting. The only exception, as noted above, is training time. The entire withholding and reporting process will be driven by the information you report on your timesheets. **It is essential that all timesheets be submitted on time and as accurately as possible.**

Reporting Process

The Company accumulates and pays appropriate tax withholdings for affected states. Rules vary by state and although you may report time in a given state, thresholds may be such that we would not withhold the tax. Information on your income and withholdings, allocated by state, will be reflected on your year-end W-2 earnings statement and on the Statement of Earnings that you receive each pay period.

¹ The state of New York, for example, defines any part of a day spent working in New York on company business as a full day of work.

Equalization Process

To the extent the amount of tax required to be withheld for Company wages exceeds what would normally be withheld if you did not travel, the Company pays that difference to you and makes you whole within the same paycheck. To the extent the amount of tax required to be withheld is less than what would normally be withheld if you did not travel, that difference will be withheld and paid to your home state. As a result, your gross semi-monthly paycheck or deposit will be unaffected by this program. Any additional amounts paid on your behalf by the Company will appear in your semi-monthly pay statement as income and be subject to payroll taxes as appropriate.

State Tax Filing and Reimbursements

Should any state taxes be withheld from your compensation, you will need to file a tax return for that state. The Company will assist you for tax preparation costs at a rate of \$200 for each additional tax return you file.

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We recognize the additional time burden these requirements place on you, and we appreciate the efforts you make. Please understand the importance of fulfilling these requirements.

If you have any further questions, please contact your Payroll Representative. (Attachment 2)

Attachment 1: Statement Authorizing Withholding of State Income Taxes

Attachment 2: Payroll Representatives

ATTACHMENT 1
Authorization for Withholding of State Income Taxes

The exemptions and marital status shown on my home state equivalent of Federal Form W-4: Employees' Withholding Allowance Exemption Certificate may be used for purposes of withholding tax in states other than my home state.

Employee's Signature

Print Name

Date

ATTACHMENT 2
U.S. Payroll Representatives

Office	Name	Telephone Number
Boston (Atlanta)	Lauren LeVeen	(617) 424-3406
California (LA, San Francisco)	Sarah Raymond	(415) 743-7933
Chicago, Cleveland, Pittsburgh Washington, DC, Dallas, & Houston	Joe Senase	(312) 902-7754
Dallas	Kim Carlson	(214) 758-1801
New York - 1166	Kim Martin	(212) 345-8209