



Dear Financial Incentive Recipient/USU Employee,

If you are a current USU employee, it is IRS regulation that Utah State University deduct taxes from your next payroll check due to your URPD Financial Incentive which is considered to be taxable income.

The amount deducted from your next payroll check for tax purposes depends on your personal financial/tax situation. The amount deducted could be up to the equivalent of 35% of your incentive **but is generally in the 7-10% range.**

If the % USU deducts from your next payroll check is not enough or too much to cover your tax requirement for your Financial Incentive then you will adjust for that when you prepare your next tax return.

Please contact URPD with any questions or concerns on this. 435-797-2468 or [urpd@usu.edu](mailto:urpd@usu.edu)