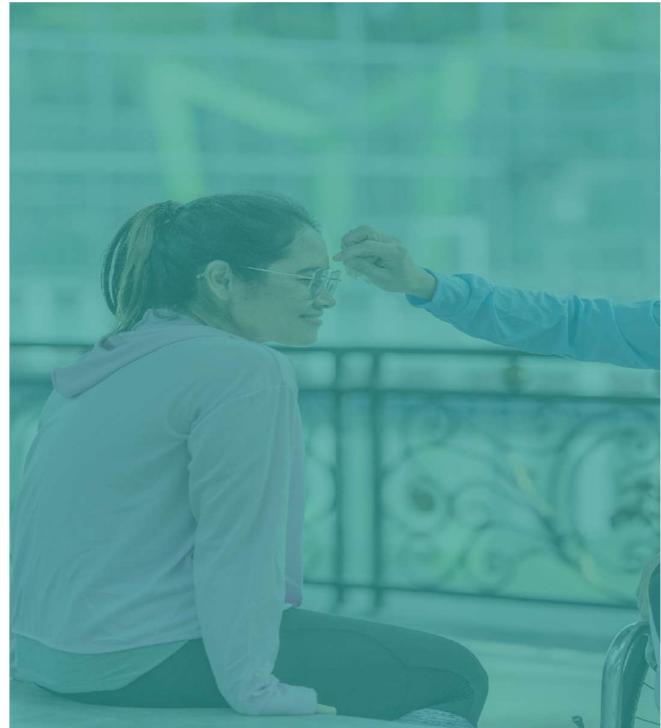


# NEW MEXICO SELF-DIRECTED PROGRAMS NEWSLETTER

December 2025

## W2 Forms

The IRS requires that all 2025 W-2s be issued to employees no later than January 31, 2026. Palco will issue all W-2s by mail to meet this deadline. If you expected a mailed W-2 and do not receive it by February 17, 2026, please call Consolidated Customer Service Center (CCSC) at 1-800-283-4465 and select option 5. If you received services from more than one employer in 2025, you will expect to receive a W-2 from each of those employers. Please ensure Conduent has your most up-to-date mailing address no later than 12/31/2025! You can update your mailing address by contacting CCSC at the number listed above or submit a Change of Information form to Conduent.



## W2 Forms, Exclusions and Exemptions

Per [IRS Notice 2014-7](#), when a worker lives full time with a

Medicaid self-directing program participant, for whom the worker provides care, the wages may be exempt from federal income tax withholding. This means that depending on when the exclusion went into effect, the W-2 could show \$0.00 wages paid or partial wages paid. Depending on the State, wages may also be exempt from state income tax withholding. The IRS also exempts some Employers and Workers from paying FICA (Social Security and Medicare) taxes. If a Worker is exempt from FICA taxes and qualifies for the Difficulty of Care (DOC) exclusion, it is likely they will have no reportable wages, and a **W-2 will not be sent out**. If a Worker feels they qualify for the DOC exclusion and did not notify Conduent, they should work with a Tax Professional on how to report those wages on their 1040. You can update your information with Palco at any time with Conduent.

## **2026 Payroll Schedule**

Payroll schedules will be updated and published in December 2025 for the 2026 calendar year. Please visit your program specific page on the Palco website to download a copy.

## **How to Fill Out Section 2 of the I-9?**

If you are a Worker who did not meet the annual FICA (Social Security and Medicare) threshold for 2024, Palco will file all required amended payroll tax returns and issue payments for instances where there have been over collected taxes from employees' compensation. Workers will receive refunds for over collected Social Security and Medicare taxes directly from Palco. These refunds will be paid to the Worker in January immediately following year-end. The Worker should not file a claim for refund of over collected Medicare or Social Security with the IRS. For more information about this please contact the IRS or go online to review Publication 15, Circular E-  
<https://www.irs.gov/publications/p15>

## **What is the Tax Information Authorization (TIA) Form?**

If a taxpayer wishes to authorize someone to receive their tax return or related information, they must submit a completed Tax Information Authorization Tax Disclosure form (ACD-31102) to the Taxation and Revenue Department (TRD). Once it is submitted, the TRD Secretary or their delegate may disclose the

taxpayer's return or return information to the authorized representative. If there is any doubt about the validity of the authorization, the Secretary or delegate may contact the taxpayer to confirm whether it remains in effect. Taxpayers may revoke or update a previously granted authorization at any time by submitting a new ACD-31102 form to TRD.

**IMPORTANT:** The Tax Information Authorization (TIA) form is valid for three years from the date the taxpayer signs the form.

Once this period expires, a new TIA must be submitted to Conduent to maintain the authorization.

## Where can these letters be returned?

**P.O. Box 13260**  
**Maumelle, AR 72113**  
**Fax:**  
1-866-302-6787  
**Drop off:**  
1720A Randolph Rd. Albuquerque, NM 87106  
**Mail:**  
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