



December 22, 2000

Payroll Letter 789
Supersedes Payroll Letter 767

To: Payroll Officers, Personnel Officers, Labor Relations Officers and Fiscal Officers of all Departments, Institutions, Boards and Commissions

From: Robert L. Cruse, State Payroll Administrator

Subject: Federal Withholding Tax – 2001

Federal withholding tax tables have changed and the personal exemption increased. The withholding tables to be used for wages paid after December 31, 2000 are listed below. Taxes are computed on the employees' gross pay less:

1. The number of exemptions claimed times the exemption amount.
 - a. Bi-weekly Payroll - deduct \$ 111.54 per exemption claimed.
 - b. Monthly Payroll - deduct \$ 241.67 per exemption claimed.
2. Employees share of retirement.
3. Employees share of hospitalization.
4. Deferred compensation amount.
5. Dependent care spending account (DCSA) amount.
6. Gross inflating items which may not be subject to Federal tax including:
 - a. \$3.00 a day commute policy (see corrected PL 572).
 - b. Moving expenses (see corrected PL 576).
 - c. Group Term Life Insurance Exceeding \$50,000 (see PL 578).

Biweekly Payroll - Single Person

<u>Earnings</u>		<u>Amount of Withholding</u>		
<u>Over</u>	<u>But Not Over</u>			
\$ 0	\$ 102		None	
\$ 102	\$ 1,104		15% of excess over	\$ 102
\$ 1,104	\$ 2,392	\$ 150.30	plus 28% of excess over	\$ 1,104
\$ 2,392	\$ 5,323	\$ 510.94	plus 31% of excess over	\$ 2,392
\$ 5,323	\$11,500	\$ 1,419.55	plus 36% of excess over	\$ 5,323
\$11,500		\$ 3,643.27	plus 39.6% of excess over	\$ 11,500

Biweekly Payroll - Married Person

<u>Earnings</u>		<u>Amount of Withholding</u>			
<u>Over</u>	<u>But Not Over</u>				
\$ 0	\$ 248	None			
\$ 248	\$ 1,919	15% of excess over \$ 248			
\$ 1,919	\$ 4,046	\$ 250.65	plus 28%	of excess over	\$ 1,919
\$ 4,046	\$ 6,585	\$ 846.21	plus 31%	of excess over	\$ 4,046
\$ 6,585	\$11,617	\$ 1,633.30	plus 36%	of excess over	\$ 6,585
\$11,617		\$ 3,444.82	plus 39.6%	of excess over	\$11,617

Monthly Payroll - Single Person

<u>Earnings</u>		<u>Amount of Withholding</u>			
<u>Over</u>	<u>But Not Over</u>				
\$ 0	\$ 221	None			
\$ 221	\$ 2,392	15% of excess over \$ 221			
\$ 2,392	\$ 5,183	\$ 325.65	plus 28%	of excess over	\$ 2,392
\$ 5,183	\$11,533	\$ 1,107.13	plus 31%	of excess over	\$ 5,183
\$11,533	\$24,917	\$ 3,075.63	plus 36%	of excess over	\$11,533
\$24,917		\$ 7,893.87	plus 39.6%	of excess over	\$24,917

Monthly Payroll - Married Person

<u>Earnings</u>		<u>Amount of Withholding</u>			
<u>Over</u>	<u>But Not Over</u>				
\$ 0	\$ 538	None			
\$ 538	\$ 4,158	15% of excess over \$ 538			
\$ 4,158	\$ 8,767	\$ 543.00	plus 28%	of excess over	\$ 4,158
\$ 8,767	\$14,267	\$ 1,833.52	plus 31%	of excess over	\$ 8,767
\$14,267	\$25,171	\$ 3,538.52	plus 36%	of excess over	\$14,267
\$25,171		\$ 7,463.96	plus 39.6%	of excess over	\$25,171

The results of the computation based on these tables will be rounded to the nearest dollar. Amounts less than fifty cents will be reduced to zero and fifty cents and over will be rounded to the next higher dollar.