



June 27, 2001

Payroll Letter 805
Supersedes Payroll Letter 789

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 Taxes for Wages Paid after June 30, 2001

Federal withholding tax tables have changed and the personal exemption increased. The withholding tables to be used for wages paid after June 30, 2001 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).

Note that the State of Ohio's contribution to the Medical Savings Account (MSA) portion of the Health Investment Savings Plan (HISP) is subject to Federal withholding tax. The current monthly amount is \$98.84 for single coverage and \$261.02 for family coverage. (See PL 803). The amount is included in the employees' gross pay and is shown as a gross inflating item.

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 27% of excess over	\$ 1,104
\$ 2,392	\$ 5,323	\$ 498.06 plus 30% of excess over	\$ 2,392
\$ 5,323	\$ 11,500	\$ 1,377.36 plus 35% of excess over	\$ 5,323
\$11,500		\$ 3,539.31 plus 38.6% 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 27% of excess over \$ 1,919
\$ 4,046	\$ 6,585	\$ 824.94	plus 30% of excess over \$ 4,046
\$ 6,585	\$ 11,617	\$ 1,586.64	plus 35% of excess over \$ 6,585
\$11,617		\$ 3,347.84	plus 38.6% 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 27% of excess over \$ 2,392
\$ 5,183	\$ 11,533	\$ 1,079.22	plus 30% of excess over \$ 5,183
\$11,533	\$ 24,917	\$ 2,984.22	plus 35% of excess over \$ 11,533
\$24,917		\$ 7,668.62	plus 38.6% 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 27% of excess over \$ 4,158
\$ 8,767	\$ 14,267	\$ 1,787.43	plus 30% of excess over \$ 8,767
\$14,267	\$ 25,171	\$ 3,437.43	plus 35% of excess over \$ 14,267
\$25,171		\$ 7,253.83	plus 38.6% 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, fifty cents and over will be rounded to the next higher dollar.

Effective for wages paid after August 6, 2001, the supplemental wage flat withholding rate will decrease from 28% to 27.5%. This will effect lump sum payments; including leave payoffs at termination and December leave conversions. It will become effective the payroll period ending July 28, 2001 for payday August 10, 2001.

If you have any questions, please contact Payroll Administration at (614) 466-6915.