



December 26, 2001

Payroll Letter 819
 Supersedes Payroll Letter 805

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 January 1, 2002

Federal withholding tax tables have changed, including a new 10% withholding bracket, and the personal exemption increased. The withholding tables to be used for wages paid after January 1, 2002 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 \$ 115.38 per exemption claimed.
 - b. Monthly Payroll - deduct \$ 250.00 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. Pre-tax commuter benefits (see PL 810).
7. 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	\$ 329	10% of excess over	\$ 102
\$ 329	\$ 1,140	\$ 22.70 plus 15% of excess over	\$ 329
\$ 1,140	\$ 2,493	\$ 144.35 plus 27% of excess over	\$ 1,140
\$ 2,493	\$ 5,498	\$ 509.66 plus 30% of excess over	\$ 2,493
\$ 5,498	\$ 11,875	\$ 1,411.16 plus 35% of excess over	\$ 5,498
\$11,875		\$ 3,643.11 plus 38.6% of excess over	\$ 11,875

Biweekly Payroll - Married Person

<u>Earnings</u>		<u>Amount of Withholding</u>		
<u>Over</u>	<u>But Not Over</u>			
\$ 0	\$ 248	None		
\$ 248	\$ 710	10%	of excess over	\$ 248
\$ 710	\$ 1,983	\$ 46.20 plus 15%	of excess over	\$ 710
\$ 1,983	\$ 4,219	\$ 237.15 plus 27%	of excess over	\$ 1,983
\$ 4,219	\$ 6,800	\$ 840.87 plus 30%	of excess over	\$ 4,219
\$ 6,800	\$ 11,996	\$ 1,615.17 plus 35%	of excess over	\$ 6,800
\$11,996		\$ 3,433.77 plus 38.6%	of excess over	\$ 11,996

Monthly Payroll - Single Person

<u>Earnings</u>		<u>Amount of Withholding</u>		
<u>Over</u>	<u>But Not Over</u>			
\$ 0	\$ 221	None		
\$ 221	\$ 713	10%	of excess over	\$ 221
\$ 713	\$ 2,471	\$ 49.20 plus 15%	of excess over	\$ 713
\$ 2,471	\$ 5,402	\$ 312.90 plus 27%	of excess over	\$ 2,471
\$ 5,402	\$ 11,913	\$ 1,104.27 plus 30%	of excess over	\$ 5,402
\$11,913	\$ 25,729	\$ 3,057.57 plus 35%	of excess over	\$ 11,913
\$25,729		\$ 7,893.17 plus 38.6%	of excess over	\$ 25,729

Monthly Payroll - Married Person

<u>Earnings</u>		<u>Amount of Withholding</u>		
<u>Over</u>	<u>But Not Over</u>			
\$ 0	\$ 538	None		
\$ 538	\$ 1,538	10%	of excess over	\$ 538
\$ 1,538	\$ 4,296	\$ 100.00 plus 15%	of excess over	\$ 1,538
\$ 4,296	\$ 9,142	\$ 513.70 plus 27%	of excess over	\$ 4,296
\$ 9,142	\$ 14,733	\$ 1,822.12 plus 30%	of excess over	\$ 9,142
\$14,733	\$ 25,992	\$ 3,499.42 plus 35%	of excess over	\$ 14,733
\$25,992		\$ 7,440.07 plus 38.6%	of excess over	\$ 25,992

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.

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

RLC/jam