



January 27, 2009

Payroll Letter 933
Supersedes Payroll Letter 919

To: Agency HR Specialists, Payroll Specialists, Budget Specialists, Benefits Specialists, Labor Relations Specialists, and Regulatory Requirements Specialists of All Departments, Institutions, Boards and Commissions

From: David S. Holbrook, HCM Administrator

Subject: Federal Withholding Taxes for Wages Paid in 2009

Federal withholding tax and personal exemption amounts have changed for wages paid in 2009. OAKS uses an annual percentage method of withholding. The calculation for federal withholding taxes is as follows: Employees' gross pay, less:

- The number of exemptions (allowances) claimed times the exemption amount
 - Bi-weekly payroll, deduct \$140.385 per exemption claimed
 - Monthly payroll, deduct \$304.17 per exemption claimed
- Employee's share of retirement (RETIRE deductions)
- Employee's share of hospitalization (HEALTH deductions)
- Deferred compensation amount (DEFCMP deductions)
- Dependent Care Spending Account (DCBBEN deductions)
- Health Care Spending Account (FLXHSA deductions)
- Pre-tax commuter and parking benefits (TRNSTP and COMQTP deductions)
- Gross inflating items which may not be subject to federal tax including:
 - Group Term Life Insurance exceeding \$50,000 (GPLIFE deductions)
 - \$3.00 a day commute policy (CARTX TRC Code)
 - Moving expenses

Result is the calculated federal tax gross. Using this figure, determine an annual salary by multiplying by 26 if paid biweekly, or 12 if paid monthly. Next, using the calculated annual amount, reference the appropriate table below to determine federal income tax. Finally, divide the tax amount by 26 or 12 to derive at the pay period withholding tax amount. The results of these computations are rounded to the nearest penny. Note - The flat rate for wage withholding for supplemental wage (lump sum) payments remains 25%.

Single Person

Annual Earnings		<u>Amount of Withholding Tax</u>
<u>Over</u>	<u>But Not Over</u>	
\$0	\$2,650	None
\$2,650	\$10,400	10% of excess over \$2,650
\$10,400	\$35,400	\$775.00 plus 15% of excess over \$10,400
\$35,400	\$84,300	\$4,525.00 plus 25% of excess over \$35,400
\$84,300	\$173,600	\$16,750.00 plus 28% of excess over \$84,300
\$173,600	\$375,000	\$41,754.00 plus 33% of excess over \$173,600
\$375,000		\$108,216.00 plus 35% of excess over \$375,000

Married Person

Annual Earnings		<u>Amount of Withholding Tax</u>
<u>Over</u>	<u>But Not Over</u>	
\$0	\$8,000	None
\$8,000	\$23,950	10% of excess over \$8,000
\$23,950	\$75,650	\$1,595.00 plus 15% of excess over \$23,950
\$75,650	\$144,800	\$9,350.00 plus 25% of excess over \$75,650
\$144,800	\$216,600	\$26,637.50 plus 28% of excess over \$144,800
\$216,600	\$380,700	\$46,741.50 plus 33% of excess over \$216,600
\$380,700		\$100,894.50 plus 35% of excess over \$380,700

For questions, please contact DAS HRD HCM Support at 1 (800) 409-1205 or email DASHRDHCMSupport@das.state.oh.us.

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