



March 10, 2009

**Payroll Letter 936**  
Supersedes Payroll Letter 933

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: Updated Federal Withholding Taxes for Wages Paid in 2009

Effective pay day March 13<sup>th</sup> the federal withholding tax amounts have changed for wages paid in 2009. These new tables have been developed due to changes to the tax law made in the American Recovery and Reinvestment Act of 2009. 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 the numbers of pay periods paid annually. Next, using the calculated annual amount, reference the appropriate table below to determine federal income tax. Finally, divide the tax amount by the number of pay periods 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**

<b>Annual Earnings</b>		<b><u>Amount of Withholding Tax</u></b>
<b><u>Over</u></b>	<b><u>But Not Over</u></b>	
\$0	\$7,180	None
\$7,180	\$10,400	10% of excess over \$7,180
\$10,400	\$36,200	\$322.00 plus 15% of excess over \$10,400
\$36,200	\$66,530	\$4,192.00 plus 25% of excess over \$36,200
\$66,530	\$173,600	\$11,774.50 plus 28% of excess over \$66,300
\$173,600	\$375,000	\$41,754.10 plus 33% of excess over \$173,600
\$375,000		\$108,216.10 plus 35% of excess over \$375,000

**Married Person**

<b>Annual Earnings</b>		<b><u>Amount of Withholding Tax</u></b>
<b><u>Over</u></b>	<b><u>But Not Over</u></b>	
\$0	\$15,750	None
\$15,750	\$24,450	10% of excess over \$15,750
\$24,450	\$75,650	\$870.00 plus 15% of excess over \$24,450
\$75,650	\$118,130	\$8,550.00 plus 25% of excess over \$75,650
\$118,130	\$216,600	\$19,170.00 plus 28% of excess over \$118,130
\$216,600	\$380,700	\$46,741.60 plus 33% of excess over \$216,600
\$380,700		\$100,894.60 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](mailto:DASHRDHCMSupport@das.state.oh.us).

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