

2014 Payroll Tax Information

(The new guidelines on Federal Income Tax withholding, Social Security, and Medicare are effective for wages PAID on and after January 1, 2014. The Medical Aid guidelines are effective for hours WORKED on and after January 1, 2014.)

A. FEDERAL INCOME TAX WITHHOLDING

1. Calculate the taxable gross:

$$\begin{array}{r} \text{Gross Pay minus Reductions} \\ \text{PERS, UWRP,} \\ \text{TRS, LEOFF, FSA, HSA} \\ \text{VIP, State Def Comp,} \\ \text{Pre-Tax Med Ins, Dependant Care,} \\ \text{Pre-Tax Parking} \end{array} = \text{Taxable Gross}$$

2. Calculate the Federal Withholding Allowance (amount per IRS)

$$\$164.60 \quad \times \quad \text{number of allowances claimed}$$

3. Calculate the Taxable Income:

$$\text{Taxable Gross minus Federal Withholding Allowance} = \text{Taxable Income}$$

4. Using Taxable Income, calculate Federal Income Tax Withholding using TABLE 3 below: (from IRS Publication 15)

TABLE 3 -- SEMIMONTHLY Payroll Period

(a) SINGLE person (including head of household)

If the amount of wages (after subtracting withholding allowances) is:

Not over \$94	\$0			
Over	But not over		of excess over	
\$94	\$472		10%	\$94
\$472	\$1,631	\$37.80 plus	15%	\$472
\$1,631	\$3,817	\$211.65 plus	25%	\$1,631
\$3,817	\$7,858	\$758.15 plus	28%	\$3,817
\$7,858	\$16,973	\$1,889.63 plus	33%	\$7,858
\$16,973	\$17,042	\$4,897.58 plus	35%	\$16,973
\$17,042		\$4,921.73 plus	39.6%	\$17,042

(b) MARRIED person

If the amount of wages (after subtracting withholding allowances) is:

Not over \$352	\$0			
Over	But not over		of excess over	
\$352	\$1,108		10%	\$352
\$1,108	\$3,427	\$75.60 plus	15%	\$1,108
\$3,427	\$6,554	\$423.45 plus	25%	\$3,427
\$6,554	\$9,804	\$1,205.20 plus	28%	\$6,554
\$9,804	\$17,231	\$2,115.20 plus	33%	\$9,804
\$17,231	\$19,419	\$4,566.11 plus	35%	\$17,231
\$19,419		\$5,331.91 plus	39.6%	\$19,419

B. SOCIAL SECURITY/MEDICARE

Taxable Gross = Gross Pay minus Pretax Med Ins, Dep. Care, Pre-Tax Parking, FSA, HSA

Social Security	6.2%	X	Taxable gross up to \$117,000 Maximum Tax \$7,254.00
Medicare	1.45%	X	all taxable gross pay up to \$200,000
Medicare	2.35%	X	all taxable gross pay over \$200,000 – no maximum

C. MEDICAL AID (Worker's Compensation) for hours worked on or after Jan. 1st

$$.08695 \quad \times \quad \text{hours worked (maximum 80 hours)}$$

The maximum deduction is:

$$.08695 \quad \times \quad 80 \text{ hours} = \$6.96$$

Employer Contribution: .22085 X hours up to a maximum of \$17.67