



Date: January 5, 2011
To: All Employees
From: Brenda Taubel, HR Specialist
Re: **2011 Payroll Tax Changes**
1) Social Security Tax
2) Federal Withholding Tax
3) Federal Withholding Allowance
4) State Withholding Tax

On December 17, 2010 President Obama signed into law the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (also known as the 2010 Tax Relief Act). This Act affects your social security and federal withholding tax for 2011. All changes are effective with your first paycheck in 2011.

1. Social Security Tax. Your portion of your 2011 social security tax is reduced to 4.2% of taxable earnings. The employer's portion remains at 6.2%.
2. Federal Withholding Tax. The 2011 withholding tables have been adjusted. Both the 2010 and 2011 tables are on the reverse side of this memo. You may see an increase in your federal withholding tax.
3. Federal Withholding Allowance. The 2011 amount for one withholding allowance on an annual basis is \$3,700 (up from \$3,650 in 2010).
4. State Withholding Tax. No change.

Please contact your tax preparer/professional if you have any questions on how this impacts you and your tax liability.

2011 SINGLE				MARRIED			
If the amount of wages after subtracting withholding allowances is:				If the amount of wages after subtracting withholding allowances is:			
		The amount of income tax to withhold is:				The amount of income tax to withhold is:	
Not over \$2,100		\$0		Not over \$7,900		\$0	
Over	But not over			Over	But not over		
\$ 2,100	\$ 10,600	\$ 0.00 plus 10%	\$ 2,100	\$ 7,900	\$ 24,900	\$ 0.00 plus 10%	\$ 7,900
\$ 10,600	\$ 36,600	\$ 850.00 plus 15%	\$ 10,600	\$ 24,900	\$ 76,900	\$ 1,700.00 plus 15%	\$ 24,900
\$ 36,600	\$ 85,700	\$ 4,750.00 plus 25%	\$ 36,600	\$ 76,900	\$ 147,250	\$ 9,500.00 plus 25%	\$ 76,900
\$ 85,700	\$ 176,500	\$ 17,025.00 plus 28%	\$ 85,700	\$ 147,250	\$ 220,200	\$ 27,087.50 plus 28%	\$ 147,250
\$ 176,500	\$ 381,250	\$ 42,449.00 plus 33%	\$ 176,500	\$ 220,200	\$ 387,050	\$ 47,513.50 plus 33%	\$ 220,200
\$ 381,250	.....	\$ 110,016.50 plus 35%	\$ 381,250	\$ 387,050	.....	\$ 102,574.00 plus 35%	\$ 387,050

2010 SINGLE				MARRIED			
If the amount of wages after subtracting withholding allowances is:				If the amount of wages after subtracting withholding allowances is:			
		The amount of income tax to withhold is:				The amount of income tax to withhold is:	
Not over \$6,050		\$0		Not over \$13,750		\$0	
Over	But not over			Over	But not over		
\$ 6,050	\$ 10,425	\$ 0.00 plus 10%	\$ 6,050	\$ 13,750	\$ 24,500	\$ 0.00 plus 10%	\$ 13,750
\$ 10,425	\$ 36,050	\$ 437.50 plus 15%	\$ 10,425	\$ 24,500	\$ 75,750	\$ 1,075.00 plus 15%	\$ 24,500
\$ 36,050	\$ 67,700	\$ 4,281.25 plus 25%	\$ 36,050	\$ 75,750	\$ 94,050	\$ 8,762.50 plus 25%	\$ 75,750
\$ 67,700	\$ 84,450	\$ 12,193.75 plus 27%	\$ 67,700	\$ 94,050	\$ 124,050	\$ 13,337.50 plus 27%	\$ 94,050
\$ 84,450	\$ 87,700	\$ 16,716.25 plus 30%	\$ 84,450	\$ 124,050	\$ 145,050	\$ 21,437.50 plus 25%	\$ 124,050
\$ 87,700	\$ 173,900	\$ 17,691.25 plus 28%	\$ 87,700	\$ 145,050	\$ 217,000	\$ 26,687.50 plus 28%	\$ 145,050
\$ 173,900	\$ 375,700	\$ 41,827.25 plus 33%	\$ 173,900	\$ 217,000	\$ 381,400	\$ 46,833.50 plus 33%	\$ 217,000
\$ 375,700	.....	\$ 108,421.25 plus 35%	\$ 375,700	\$ 381,400	.....	\$ 101,085.50 plus 35%	\$ 381,400