



STATE OF ILLINOIS
COMPTROLLER
JUDY BAAR TOPINKA

PAYROLL BULLETIN

To: All State Agencies, Boards, and Commissions
From: Steven L. Valasek, Assistant Comptroller - Operations
Date: June 4, 2013
Subject: Additional Employee Medicare Withholdings
Number: 3-13

Starting in 2013, the Affordable Care Act raised the employee portion for the Medicare tax percentage for wages that exceed \$200,000 in a calendar year. Last calendar year employees contributed Medicare taxes at a rate of 1.45% on all wages and the employer matched that amount. The new Medicare tax rate for employees was raised to 2.35% for the amount that exceeds \$200,000. The employee portion that does not exceed \$200,000 will remain at 1.45%. The employer portion remains at 1.45% on all wages.

Agencies are required to begin withholding the additional Medicare tax from the employee's wages in the pay period in which the wages paid exceed \$200,000 for the employee. Agencies should withhold at the new rate for all wages over \$200,000.

To assist agencies in overseeing the proper calculations for these taxes, two new fields have been added to the agency's return file/tape. The "YTD FICA GROSS" (Bytes 314-321) field and "YTD Medicare Gross" (Bytes 322-329) field is now available.

Agencies may access this and other Payroll, SAMS and Accounting Bulletins on the Comptroller's website at www.ioc.state.il.us under Resource Library.

If you have any questions regarding this bulletin, please contact our payroll office at (217) 782-4758.