



PAYROLL BULLETIN

To: All State Agencies, Boards, Commissions and Universities
From: Steven L. Valasek, Director of State Accounting
Date: December 11, 2001
Subject: Federal Withholding Tax Tables – 2002
Number: 4-01

Attached are new withholding tax tables which will become effective with the December 16-31, 2001 payroll period. These tables will remain in effect until you are further notified.

To use the attached federal tables, you must first determine the taxable earnings for the employee, calculated as follows:

- (1) Multiply the number of exemptions by the amount of one exemption for the applicable type payroll period. The amount of one withholding exemption is:

Semi-monthly	\$125.00
Monthly	\$250.00
Bi-weekly	\$115.38

- (2) Subtract from gross pay, the following:
 - (a) Exemptions as determined in (1) above
 - (b) Deferred Compensation
 - (c) Tax Sheltered Annuity
 - (d) Non-taxable Benefits
 - (e) Flexible Spending
 - (f) Any other Non-taxable Income
 - (g) Deducted Retirement
 - (h) Tax Deferral Retirement Service Purchases
- (3) Add any other compensation subject to withholding.



(4) Determine the amount to be withheld from the appropriate percentage withholding table (page 3).

(5) Example:

(a)	Gross pay, semi monthly	\$2,000.00
(b)	Less exemptions (married with 5 exemptions) $\$125.00 \times 5 =$	- 625.00
(c)	Less: deductions described in 2(b) through (h) page 1	- 75.16
(d)	Plus: Other Compensation subject to withholding	<u>+ 30.00</u>
(e)	Taxable Gross	\$1,329.84
(f)	Tax on \$1,329.84 from semi-monthly married table on page 3.	

$$\begin{array}{r} \$1,329.84 \\ - 769.00 \\ \hline \$ 560.84 \times 15\% + 50.00 = 134.13 \end{array}$$

The Advance Payment of Earned Income Credit is being revised by the IRS. A separate bulletin with the revised schedule will be sent at a later date.

Agencies may reproduce this bulletin as needed for internal distribution purposes.

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

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