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PAYROLL BULLETIN
(6-93)

TO: All State Agencies, Departments, Boards, Commissions and
Universities

SUBJECT: Federal Withholding Tax Tables - 1994

Attached are new withholding tax tables which will become effective with the December 16-31, 1993 payroll period. These tables will remain in effect until you are further notified.

To use the attached 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 | \$102.08 |
| Monthly | \$204.17 |
| Bi-weekly | \$ 94.23 |

- (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

- (3) Add any other compensation subject to withholding.

- (4) Round the total to the nearest dollar.

(5) Determine the amount to be withheld from the applicable withholding table.

(6) Example:

| | | |
|--|----------|--------------|
| (a) Gross pay, semi-monthly | | \$1,000.00 |
| (b) Less exemptions (married with 5 exemptions) \$102.08 x 5 = | - | 510.40 |
| (c) Less: deductions described in 2(b) through (g) above | - | 75.16 |
| (d) Plus: Other Compensation subject to withholding | <u>+</u> | <u>30.00</u> |
| (e) Taxable Gross (rounded to the nearest dollar) | | \$ 444.00 |
| (f) Tax on \$465.00 from semi-monthly married table on page 13 | | \$ 26.85 |

The new federal withholding tax will be computed on the pre-lists furnished by this office to non-tape submitting agencies for the December 16-31, 1993 pay period.* The appropriate monthly pre-lists will also be re-computed.* The computation will be based on the marital status and exemptions shown on the payroll voucher. If an employee has additional withholding, it will be the responsibility of the payroll officer to make the appropriate change. Tape submitting agencies should calculate federal taxes on payrolls from the appropriate percentage method of withholding table shown on page 33.

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 Dan Steven or Nancy Smith at (217) 782-4758.

*Note: Trailer records will not be recomputed on the pre-lists. It will be the responsibility of the payroll officer to adjust the applicable trailer record totals.

PERCENTAGE METHOD

Tables for Percentage Method of Withholding
(For Wages Paid in 1994)

TABLE 2—BIWEEKLY Payroll Period

| (a) SINGLE person (including head of household)— | | | | (b) MARRIED person— | | | |
|---|--------------------|--|----------|---|--------------------|--|----------|
| If the amount of wages (after subtracting withholding allowances) is: | | The amount of income tax to withhold is: | | If the amount of wages (after subtracting withholding allowances) is: | | The amount of income tax to withhold is: | |
| Not over \$99 | | \$0 | | Not over \$244 | | \$0 | |
| Over— | But not over— | of excess over— | | Over— | But not over— | of excess over— | |
| \$99 | —\$927 | 15% | —\$99 | \$244 | —\$1,612 | 15% | —\$244 |
| \$927 | —\$1,936 | \$124.20 plus 28% | —\$927 | \$1,612 | —\$3,212 | \$205.20 plus 28% | —\$1,612 |
| \$1,936 | —\$4,475 | \$406.72 plus 31% | —\$1,936 | \$3,212 | —\$5,535 | \$653.20 plus 31% | —\$3,212 |
| \$4,475 | —\$9,667 | \$1,193.81 plus 36% | —\$4,475 | \$5,535 | —\$9,765 | \$1,373.33 plus 36% | —\$5,535 |
| \$9,667 | | \$3,062.93 plus 39.6% | —\$9,667 | \$9,765 | | \$2,896.13 plus 39.6% | —\$9,765 |

TABLE 3—SEMIMONTHLY Payroll Period

| (a) SINGLE person (including head of household)— | | | | (b) MARRIED person— | | | |
|---|---------------------|--|-----------|---|---------------------|--|-----------|
| If the amount of wages (after subtracting withholding allowances) is: | | The amount of income tax to withhold is: | | If the amount of wages (after subtracting withholding allowances) is: | | The amount of income tax to withhold is: | |
| Not over \$107 | | \$0 | | Not over \$265 | | \$0 | |
| Over— | But not over— | of excess over— | | Over— | But not over— | of excess over— | |
| \$107 | —\$1,004 | 15% | —\$107 | \$265 | —\$1,746 | 15% | —\$265 |
| \$1,004 | —\$2,097 | \$134.55 plus 28% | —\$1,004 | \$1,746 | —\$3,479 | \$222.15 plus 28% | —\$1,746 |
| \$2,097 | —\$4,848 | \$440.59 plus 31% | —\$2,097 | \$3,479 | —\$5,996 | \$707.39 plus 31% | —\$3,479 |
| \$4,848 | —\$10,473 | \$1,293.40 plus 36% | —\$4,848 | \$5,996 | —\$10,579 | \$1,487.66 plus 36% | —\$5,996 |
| \$10,473 | | \$3,318.40 plus 39.6% | —\$10,473 | \$10,579 | | \$3,137.54 plus 39.6% | —\$10,579 |

TABLE 4—MONTHLY Payroll Period

| (a) SINGLE person (including head of household)— | | | | (b) MARRIED person— | | | |
|---|---------------------|--|-----------|---|---------------------|--|-----------|
| If the amount of wages (after subtracting withholding allowances) is: | | The amount of income tax to withhold is: | | If the amount of wages (after subtracting withholding allowances) is: | | The amount of income tax to withhold is: | |
| Not over \$215 | | \$0 | | Not over \$529 | | \$0 | |
| Over— | But not over— | of excess over— | | Over— | But not over— | of excess over— | |
| \$215 | —\$2,008 | 15% | —\$215 | \$529 | —\$3,492 | 15% | —\$529 |
| \$2,008 | —\$4,194 | \$268.95 plus 28% | —\$2,008 | \$3,492 | —\$6,958 | \$444.45 plus 28% | —\$3,492 |
| \$4,194 | —\$9,696 | \$881.03 plus 31% | —\$4,194 | \$6,958 | —\$11,992 | \$1,414.93 plus 31% | —\$6,958 |
| \$9,696 | —\$20,946 | \$2,586.65 plus 36% | —\$9,696 | \$11,992 | —\$21,158 | \$2,975.47 plus 36% | —\$11,992 |
| \$20,946 | | \$6,636.65 plus 39.6% | —\$20,946 | \$21,158 | | \$6,275.23 plus 39.6% | —\$21,158 |