

# YEAR 2010 TAX RATES

and Other Employee Deductions  
See Reverse for General Tax Calculation Procedures

**TABLE "A"**  
**FEDERAL ANNUAL TAX RATES**

Rates are applied to *annual taxable earnings\** (annual gross earnings less salary reductions) less \$3,650 times number of exemptions claimed.

**SINGLE person — including HEAD OF HOUSEHOLD**

If the amount of wages (after subtracting withholding allowances) is: The amount of income tax to be withheld is:

Not over \$6,050 . . . . .	\$0	
<b>Over—</b>	<b>But not over—</b>	<b>of excess over—</b>
\$ 6,050 — \$ 10,425 . . . . .	10%	—\$ 6,050
\$ 10,425 — \$ 36,050 . . . . .	\$ 437.50 plus 15%	—\$ 10,425
\$ 36,050 — \$ 67,700 . . . . .	\$ 4,281.25 plus 25%	—\$ 36,050
\$ 67,700 — \$ 84,450 . . . . .	\$ 12,193.75 plus 27%	—\$ 67,700
\$ 84,450 — \$ 87,700 . . . . .	\$ 16,716.25 plus 30%	—\$ 84,450
\$ 87,700 — \$173,900 . . . . .	\$ 17,691.25 plus 28%	—\$ 87,700
\$173,900 — \$375,700 . . . . .	\$ 41,827.25 plus 33%	—\$173,900
\$375,700 . . . . .	\$108,421.25 plus 35%	—\$375,700

**MARRIED person**

If the amount of wages (after subtracting withholding allowances) is: The amount of income tax to be withheld is:

Not over \$13,750 . . . . .	\$0	
<b>Over—</b>	<b>But not over—</b>	<b>of excess over—</b>
\$ 13,750 — \$ 24,500 . . . . .	10%	—\$ 13,750
\$ 24,500 — \$ 75,750 . . . . .	\$ 1,075.00 plus 15%	—\$ 24,500
\$ 75,750 — \$ 94,050 . . . . .	\$ 8,762.50 plus 25%	—\$ 75,750
\$ 94,050 — \$124,050 . . . . .	\$ 13,337.50 plus 27%	—\$ 94,050
\$124,050 — \$145,050 . . . . .	\$ 21,437.50 plus 25%	—\$124,050
\$145,050 — \$217,000 . . . . .	\$ 26,687.50 plus 28%	—\$145,050
\$217,000 — \$381,400 . . . . .	\$ 46,833.50 plus 33%	—\$217,000
\$381,400 . . . . .	\$101,085.50 plus 35%	—\$381,400

**AEIC ANNUAL TABLE**

**(ADVANCED EARNED INCOME CREDIT)**

Available only to eligible employees filing Form W-5.

**SINGLE or HEAD OF HOUSEHOLD**

If the amount of wages (before deducting withholding allowance) is: The amount of payment to be made shall be:

<b>Over—</b>	<b>But not over—</b>	
\$ 0 — \$ 8,970 . . . . .	20.40% of wages	
\$ 8,970 — \$16,450 . . . . .	\$1,830	
\$16,450 — \$35,536 . . . . .	\$1,830 less 9.588% of wages in excess of \$16,450	
\$35,536 . . . . .	\$0	

**MARRIED Without Spouse Filing Certificate**

If the amount of wages (before deducting withholding allowance) is: The amount of payment to be made shall be:

<b>Over—</b>	<b>But not over—</b>	
\$ 0 — \$ 8,970 . . . . .	20.40% of wages	
\$ 8,970 — \$21,460 . . . . .	\$1,830	
\$21,460 — \$40,546 . . . . .	\$1,830 less 9.588% of wages in excess of \$21,460	
\$40,546 . . . . .	\$0	

**MARRIED With Both Spouses Filing Certificate**

If the amount of wages (before deducting withholding allowance) is: The amount of payment to be made shall be:

<b>Over—</b>	<b>But not over—</b>	
\$ 0 — \$ 4,485 . . . . .	20.40% of wages	
\$ 4,485 — \$10,730 . . . . .	\$915	
\$10,730 — \$20,273 . . . . .	\$915 less 9.588% of wages in excess of \$10,730	
\$20,273 . . . . .	\$0	

**SALARY REDUCTIONS**

Salary reductions which reduce taxable earnings include Employee contributions to:

Deferred Tax Sheltered Annuity (403b/TSA)	Deferred Compensation (457b)
Section 125 Plan benefits	Employee portion of STRS/PERS, if under pick-up
Alternative Retirement Plans	

**TABLE "B"**  
**STATE ANNUAL TAX RATES**

Rates apply to *annual taxable earnings\** (annual gross earnings less salary reductions) as follows.

- a) \$0 tax if annual taxable earnings are equal to or less than \$11,130 if SINGLE or MARRIED — 0 or 1 exemption  
\$22,261 if UNMARRIED HEAD of HOUSEHOLD or MARRIED—2 or more exemptions

- b) Apply rate to annual taxable earnings less standard deduction and less \$1,000 for each Estimated Deduction\*\* Allowance

Standard deduction	
MARRIED — 0 or 1 exemption	\$3,637
2 or more exemptions	\$7,274
SINGLE —	\$3,637
UNMARRIED HEAD of HOUSEHOLD —	\$7,274

**SINGLE, MARRIED WITH DUAL INCOME, or MARRIED WITH MULTIPLE EMPLOYERS**

If the taxable income is:

<b>Over—</b>	<b>But not over—</b>	<b>Computed tax is:</b>	<b>Of amount over—</b>
\$ 0 — \$ 7,060		\$ 0.00 plus 1.375%	—\$ 0
\$ 7,060 — \$ 16,739		\$ 97.08 plus 2.475%	—\$ 7,060
\$ 16,739 — \$ 26,419		\$ 336.64 plus 4.675%	—\$ 16,739
\$ 26,419 — \$ 36,675		\$ 789.18 plus 6.875%	—\$ 26,419
\$ 36,675 — \$ 46,349		\$ 1,494.28 plus 9.075%	—\$ 36,675
\$ 46,349 — \$1,000,000		\$ 2,372.20 plus 10.505%	—\$ 46,349
\$1,000,000 and over		\$102,553.24 plus 11.605%	—\$1,000,000

**MARRIED person —**

If the taxable income is:

<b>Over—</b>	<b>But not over—</b>	<b>Computed tax is:</b>	<b>Of amount over—</b>
\$ 0 — \$ 14,120		\$ 0.00 plus 1.375%	—\$ 0
\$ 14,120 — \$ 33,478		\$ 194.15 plus 2.475%	—\$ 14,120
\$ 33,478 — \$ 52,838		\$ 673.26 plus 4.675%	—\$ 33,478
\$ 52,838 — \$ 73,350		\$ 1,578.34 plus 6.875%	—\$ 52,838
\$ 73,350 — \$ 92,698		\$ 2,988.54 plus 9.075%	—\$ 73,350
\$ 92,698 — \$1,000,000		\$ 4,744.37 plus 10.505%	—\$ 92,698
\$1,000,000 and over		\$100,056.45 plus 11.605%	—\$1,000,000

**UNMARRIED HEAD OF HOUSEHOLD—**

If the taxable income is:

<b>Over—</b>	<b>But not over—</b>	<b>Computed tax is:</b>	<b>Of amount over—</b>
\$ 0 — \$ 14,130		\$ 0.00 plus 1.375%	—\$ 0
\$ 14,130 — \$ 33,479		\$ 194.29 plus 2.475%	—\$ 14,130
\$ 33,479 — \$ 43,157		\$ 673.18 plus 4.675%	—\$ 33,479
\$ 43,157 — \$ 53,412		\$ 1,125.63 plus 6.875%	—\$ 43,157
\$ 53,412 — \$ 63,089		\$ 1,830.66 plus 9.075%	—\$ 53,412
\$ 63,089 — \$1,000,000		\$ 2,708.85 plus 10.505%	—\$ 63,089
\$1,000,000 and over		\$101,131.35 plus 11.605%	—\$1,000,000

- c) Reduce result of b) by personal allowance tax credit to arrive at annual tax:

Personal allowance credit\*\*\* for Single, Married, and Head of Household  
0 Allowance — \$0  
1 or More Allowances — \$107.80 for each allowance

**OTHER EMPLOYEE RATES**

Social Security Rate—Not including Medicare	6.2 percent
Medicare Rate	1.45 percent
Social Security maximum wage base	\$106,800.00
Medicare maximum wage base	No limit
Maximum Social Security contribution	\$6,621.60
Maximum Medicare contribution	No limit
SEF U.I. Rate (FY09-10)	0.3 percent
CA Disability Insurance (SDI & FTDI)	1.1 percent
SDI maximum wage base	\$93,316.00
STRS	8 percent
PERS†	7 percent
IRS Standard Mileage Rate	50 cents per mile
Federal Supplemental Tax Rate	25 percent
State Supplemental Tax Rate	6.6 percent

\* See reverse side for calculation of annual taxable earnings.

\*\* **Estimated deductions** are *not* the same as the personal allowances on Form DE-4, California "Employee's Withholding Allowance Certificate." Apply personal allowances credit only in step (c) of the computation.

\*\*\* Credit is for personal allowances only; exclude estimated deduction allowances.

† L.A. County Office of Education Employees only @ 8%. If in Social Security, monthly wages less \$133.33 times 8%.

## Tax Withholding—General Calculation Procedures

The following is provided as a general explanation of how tax withholding is calculated for a basic **payment situation**.

An employee is being paid for the prime job only and for one pay period only, and the payment is made on the employee's prime cycle.

Step 1: Determine *gross earnings* for pay period.

Step 2: Determine *salary reductions* for pay period.

Step 3: Subtract *salary reductions* from *gross earnings*. This result equals *period taxable earnings*.

Step 4: Multiply *period taxable earnings* by the calendar number of months (10, 11 or 12) of the job. The result equals federal/state *annual gross earnings*.

Step 5: Calculate *annual* taxes from Step 4 using Tax Tables A and B. See reverse side.

Step 6: Divide Step 5 *annual* taxes by pay calendar months to arrive at taxes withheld for the pay period.

### **IMPORTANT:**

The calculation process **above** is a very basic example. More complex situations include:

- Earnings for more than one assignment
- Payments involving different pay periods or different calendars
- Supplemental pay
- Payments on cycles other than the prime cycle
- Payments involving adjustments
- Payments using the flat tax rate option for additional earnings