

# YEAR 2012 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 \$3,800 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 \$2,150 . . . . . \$0

Over—	But not over—	Computed tax is:	Of excess over—
\$ 2,150 —	\$ 10,850 . . . . .	\$ 0.00 plus 10% —	\$ 2,150
\$ 10,850 —	\$ 37,500 . . . . .	\$ 870.00 plus 15% —	\$ 10,850
\$ 37,500 —	\$ 87,800 . . . . .	\$ 4,867.50 plus 25% —	\$ 37,500
\$ 87,800 —	\$ 180,800 . . . . .	\$ 17,442.50 plus 28% —	\$ 87,800
\$ 180,800 —	\$ 390,500 . . . . .	\$ 43,482.50 plus 33% —	\$ 180,800
\$ 390,500 . . . . .		\$ 112,683.50 plus 35% —	\$ 390,500

**MARRIED person**

If the amount of wages (after subtracting withholding allowances) is: The amount of income tax to be withheld is:  
Not over \$8,100 . . . . . \$0

Over—	But not over—	Computed tax is:	Of excess over—
\$ 8,100 —	\$ 25,500 . . . . .	\$ 0.00 plus 10% —	\$ 8,100
\$ 25,500 —	\$ 78,800 . . . . .	\$ 1,740.00 plus 15% —	\$ 25,500
\$ 78,800 —	\$ 150,800 . . . . .	\$ 9,735.00 plus 25% —	\$ 78,800
\$ 150,800 —	\$ 225,550 . . . . .	\$ 27,735.00 plus 28% —	\$ 150,800
\$ 225,550 —	\$ 396,450 . . . . .	\$ 48,665.00 plus 33% —	\$ 225,550
\$ 396,450 . . . . .		\$ 105,062.00 plus 35% —	\$ 396,450

**OTHER EMPLOYEE RATES**

OASDI Rate—Not including Medicare ( <i>Employer</i> )	6.2 percent
<sup>†</sup> OASDI Rate—Not including Medicare ( <i>Employee</i> )	4.2 percent
OASDI maximum wage base ( <i>Employer and Employee</i> )	\$110,100.00
Maximum OASDI contribution ( <i>Employer</i> )	\$6,826.20
Maximum OASDI contribution ( <i>Employee</i> )	\$4,624.20
Medicare Rate	1.45 percent
Medicare maximum wage base	No limit
Maximum Medicare contribution	No limit
SEF U.I. Rate (FY11-12)	1.61 percent
CA Disability Insurance (SDI & FTDI)	1.0 percent
SDI maximum wage base	\$95,585.00
STRS	8 percent
PERS <sup>††</sup>	7 percent
IRS Standard Mileage Rate (1-1-12)	55.5 cents per mile
Federal Supplemental Tax Rate	25 percent
State Supplemental Tax Rate	6.6 percent

<sup>†</sup>Employee 4.2% rate currently scheduled to change to 6.2% for payments received after February 29, 2012.

**SALARY REDUCTIONS**

Salary reductions which reduce taxable earnings include Employee contributions to:

Deferred Tax Sheltered Annuity (403b/TSA)	Deferred Compensation (457b)
Employee portion of STRS/PERS, if under pick-up	Section 125 Plan benefits 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 \$12,527 if SINGLE or MARRIED — 0 or 1 exemption \$25,054 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	\$ 3,769
2 or more exemptions	\$ 7,538
SINGLE —	\$ 3,769
UNMARRIED HEAD of HOUSEHOLD —	\$ 7,538

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

If the taxable income is:

Over—	But not over—	Computed tax is:	Of amount over—
\$ 0 —	\$ 7,316 . . .	\$ 0.00 plus 1.10% —	\$ 0
\$ 7,316 —	\$ 17,346 . . .	\$ 80.48 plus 2.20% —	\$ 7,316
\$ 17,346 —	\$ 27,377 . . .	\$ 301.14 plus 4.40% —	\$ 17,346
\$ 27,377 —	\$ 38,004 . . .	\$ 742.50 plus 6.60% —	\$ 27,377
\$ 38,004 —	\$ 48,029 . . .	\$ 1,443.88 plus 8.80% —	\$ 38,004
\$ 48,029 —	\$ 1,000,000 . . .	\$ 2,326.08 plus 10.23% —	\$ 48,029
\$ 1,000,000 and over . . . . .		\$ 99,712.71 plus 11.33% —	\$ 1,000,000

**MARRIED person —**

If the taxable income is:

Over—	But not over—	Computed tax is:	Of amount over—
\$ 0 —	\$ 14,632 . . .	\$ 0.00 plus 1.10% —	\$ 0
\$ 14,632 —	\$ 34,692 . . .	\$ 160.95 plus 2.20% —	\$ 14,632
\$ 34,692 —	\$ 54,754 . . .	\$ 602.27 plus 4.40% —	\$ 34,692
\$ 54,754 —	\$ 76,008 . . .	\$ 1,485.00 plus 6.60% —	\$ 54,754
\$ 76,008 —	\$ 96,058 . . .	\$ 2,887.76 plus 8.80% —	\$ 76,008
\$ 96,058 —	\$ 1,000,000 . . .	\$ 4,652.16 plus 10.23% —	\$ 96,058
\$ 1,000,000 and over . . . . .		\$ 97,125.43 plus 11.33% —	\$ 1,000,000

**UNMARRIED HEAD OF HOUSEHOLD—**

If the taxable income is:

Over—	But not over—	Computed tax is:	Of amount over—
\$ 0 —	\$ 14,642 . . .	\$ 0.00 plus 1.10% —	\$ 0
\$ 14,642 —	\$ 34,692 . . .	\$ 161.06 plus 2.20% —	\$ 14,642
\$ 34,692 —	\$ 44,721 . . .	\$ 602.16 plus 4.40% —	\$ 34,692
\$ 44,721 —	\$ 55,348 . . .	\$ 1,043.44 plus 6.60% —	\$ 44,721
\$ 55,348 —	\$ 65,376 . . .	\$ 1,744.82 plus 8.80% —	\$ 55,348
\$ 65,376 —	\$ 1,000,000 . . .	\$ 2,627.28 plus 10.23% —	\$ 65,376
\$ 1,000,000 and over . . . . .		\$ 98,239.32 plus 11.33% —	\$ 1,000,000

- c) Reduce result of b) by personal allowance tax credit to arrive at annual tax: Personal allowance credit<sup>\*\*\*</sup> for Single, Married, and Head of Household  
0 Allowance — \$0  
1 or More Allowances — \$112.20 for each allowance

\* 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.

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

(over)

## 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 the pay period.

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

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