GLENDALE COMMUNITY COLLEGE DISTRICT

ADMINISTRATIVE SERVICES

MEMORANDUM

April 05, 2013

To: All Employees

From: Amir Nour, Controller

Subject: Year 2013 Income Tax Changes and Withholding Information – Effective January 1, 2013

Federal and State Income Tax Withholding

The annual federal withholding allowance for one allowance is $3,900 for year 2013. The federal and state income tax withholding brackets have been revised for 2013.

Employee Social Security/OASDI and Medicare

The new employee rate for 2013 is 6.2 percent. The maximum wages subject to Social Security/OASDI in 2013 will be $113,700. There is no Medicare wage cap for employees. Employee rates remain unchanged at 1.45%; however, the new Additional Medicare Tax for 2013 requires that employers withhold an additional 0.9 percent on wages paid to employees in excess of $200,000 in a calendar year. This additional tax must be withheld in the pay period in which wages are paid in excess of $200,000.

Tax Summary	Year 2012	**Year 2013**
Social Security/OASDI Rate	4.2 percent	**6.2 percent**
Medicare Rate	1.45 percent	***1.45 percent**
Social Security Maximum Wage Base	$110,000	**$113,700.00**
Medicare Maximum Wage Base	no limit	**no limit**
Maximum Medicare Contribution (1.45%)	no limit	**no limit**

***Additional Medicare Tax = 0.9 percent for wages in excess of $200,000 per year.**

Federal Withholding - Form W-4

You must file a new or amended Form W-4, *"Employee's Withholding Allowance Certificate,"* if your filing status, exemption allowances, or exempt status have changed since your last W-4 was filed. If you claimed exemption from withholding tax on your year 2012 Form W-4, you must file a new W-4 for year 2013 no later than February 18, 2013, if you want to continue to claim the exemption in 2013. If you no longer claim exempt status, you must file a new W-4 for January tax withholdings.

State Withholding - Form DE-4

Unless you file a state Form DE-4, state tax withholding is based on your **federal** W-4. You may elect to have different federal and state exemption levels or claim state personal estimated withholding allowances by filing both forms.

Some items in this notice are intended to comply with employee notification requirements of the IRS. If you have questions regarding this information, please contact the Payroll Office.