

# PAYROLL

## Important Payroll Information and News

### FICA (Social Security) for 2016

- Maximum Taxable Earnings: \$ 118,500
- Employee Tax Rate: 6.2%
- Employer Tax Rate: 6.2%

### Medicare for 2016

- Maximum Taxable Earnings: No Limit
- Employee Tax Rate 1.45% on first \$199,999
- Employee Tax Rate 2.35% on wages \$200,000 and above
- Employer Tax Rate: 1.45%
- Maximum Deduction: No Limit

### Supplemental Wage/Bonus Rate

- Flat rate withholding method: 25%
- Supplemental wages over \$1 Million: 35%

### IRS Form W-4 Information

Form W-4 claiming exemption from withholding expires on February 15, 2017

Form W-4 must be submitted annually to Payroll to claim the exemption

Refer to Publication 15 from the IRS <http://www.irs.gov/pub/irs-pdf/p15.pdf>

### Nonresident Alien Employees

- Nonresident alien employees must file Form W-4 ➤ May not claim "Married"
  - May not claim "Exempt"
  - May not claim more than "01" allowances
  - Must write "Nonresident Alien" or "NRA" above the dotted line on Line 6
- Must file Form 8233 to claim exempt due to tax treat
- Form 8233 expires annually on December 31