### FEDERAL ANNUAL TAX RATES

**Table A**

Rates are applied to *annual* taxable earnings* (annual gross earnings less salary reductions) less $4,150 times number of exemptions claimed.

#### SINGLE person — including HEAD OF HOUSEHOLD

If the amount of wages (after subtracting withholding allowances) is:

- Not over $3,700
- Not over $11,550
- Not over $50,264

The amount of income tax to be withheld is:

- $0
- Salary reductions which reduce taxable earnings include Employee contributions to:

  - Deferred Tax Sheltered Annuity (403b/TSA)
  - Deferred Compensation (457b)
  - Employee portion of CalSTRS/CalPERS
  - Section 125 Plan benefits

- Alternative Retirement Plans

- **Other Rates**

  - OASDI Tax Rate—Employee and Employer (Not including Medicare)
    - **OASDI maximum wage base—Employee and Employer** $128,400.00
    - **Medicare Tax Rate** 1.45 percent
    - **Additional Medicare Tax—Employee wages over $200,000** 0.90 percent
  - Medicare maximum wage base
  - Medicare maximum contribution
  - School Employees Fund SUI Rate (FY17-18) 0.05 percent
  - CA Disability Insurance (SDI) 1.0 percent
  - SDI maximum wage base $114,967.00
  - CalSTRS/CalPERS
  - IRS Standard Mileage Rate (1-1-18) 54.5 cents per mile
  - Federal Supplemental Tax Rate 22 percent
  - State Supplemental Tax Rate 6.6 percent

#### MARRIED person

If the amount of wages (after subtracting withholding allowances) is:

- Not over $11,550
- Not over $32,650
- Not over $161,550

The amount of income tax to be withheld is:

- $0
- **Salary Reductions**

  Salary reductions which reduce taxable earnings include Employee contributions to:

  - Deferred Tax Sheltered Annuity (403b/TSA)
  - Deferred Compensation (457b)
  - Employee portion of CalSTRS/CalPERS
  - Section 125 Plan benefits

  **Alternative Retirement Plans**

- **Other Rates**

  - OASDI Tax Rate—Employee and Employer (Not including Medicare)
    - **OASDI maximum wage base—Employee and Employer** $128,400.00
    - **Medicare Tax Rate** 1.45 percent
    - **Additional Medicare Tax—Employee wages over $200,000** 0.90 percent
  - Medicare maximum wage base
  - Medicare maximum contribution
  - School Employees Fund SUI Rate (FY17-18) 0.05 percent
  - CA Disability Insurance (SDI) 1.0 percent
  - SDI maximum wage base $114,967.00
  - CalSTRS/CalPERS
  - IRS Standard Mileage Rate (1-1-18) 54.5 cents per mile
  - Federal Supplemental Tax Rate 22 percent
  - State Supplemental Tax Rate 6.6 percent

#### MARRIED person

If the amount of wages (after subtracting withholding allowances) is:

- Not over $11,550
- Not over $32,650
- Not over $161,550

The amount of income tax to be withheld is:

- Salary reductions which reduce taxable earnings include Employee contributions to:

  - Deferred Tax Sheltered Annuity (403b/TSA)
  - Deferred Compensation (457b)
  - Employee portion of CalSTRS/CalPERS
  - Section 125 Plan benefits

  **Alternative Retirement Plans**

- **Other Rates**

  - OASDI Tax Rate—Employee and Employer (Not including Medicare)
    - **OASDI maximum wage base—Employee and Employer** $128,400.00
    - **Medicare Tax Rate** 1.45 percent
    - **Additional Medicare Tax—Employee wages over $200,000** 0.90 percent
  - Medicare maximum wage base
  - Medicare maximum contribution
  - School Employees Fund SUI Rate (FY17-18) 0.05 percent
  - CA Disability Insurance (SDI) 1.0 percent
  - SDI maximum wage base $114,967.00
  - CalSTRS/CalPERS
  - IRS Standard Mileage Rate (1-1-18) 54.5 cents per mile
  - Federal Supplemental Tax Rate 22 percent
  - State Supplemental Tax Rate 6.6 percent

### SALARY REDUCTIONS

Salary reductions which reduce taxable earnings include Employee contributions to:

- Deferred Tax Sheltered Annuity (403b/TSA)
- Deferred Compensation (457b)
- Employee portion of CalSTRS/CalPERS
- Section 125 Plan benefits
- Alternative Retirement Plans

attachment No: 1

### STATE ANNUAL TAX RATES

**Table B**

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

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

If the taxable income is:

- Over $0
- Over $16,446
- Over $38,990
- Over $62,206
- Over $50,264
- Over $61,538
- Over $161,550
- Over $326,550
- Over $503,700

The amount of income tax to be withheld is:

- $0
- **Salary Reductions**

  Salary reductions which reduce taxable earnings include Employee contributions to:

  - Deferred Tax Sheltered Annuity (403b/TSA)
  - Deferred Compensation (457b)
  - Employee portion of CalSTRS/CalPERS
  - Section 125 Plan benefits

  **Alternative Retirement Plans**

- **Other Rates**

  - OASDI Tax Rate—Employee and Employer (Not including Medicare)
    - **OASDI maximum wage base—Employee and Employer** $128,400.00
    - **Medicare Tax Rate** 1.45 percent
    - **Additional Medicare Tax—Employee wages over $200,000** 0.90 percent
  - Medicare maximum wage base
  - Medicare maximum contribution
  - School Employees Fund SUI Rate (FY17-18) 0.05 percent
  - CA Disability Insurance (SDI) 1.0 percent
  - SDI maximum wage base $114,967.00
  - CalSTRS/CalPERS
  - IRS Standard Mileage Rate (1-1-18) 54.5 cents per mile
  - Federal Supplemental Tax Rate 22 percent
  - State Supplemental Tax Rate 6.6 percent

#### MARRIED person

If the taxable income is:

- Over $0
- Over $16,446
- Over $38,990
- Over $62,206
- Over $50,264
- Over $61,538
- Over $161,550
- Over $326,550
- Over $503,700

The amount of income tax to be withheld is:

- $0
- **Salary Reductions**

  Salary reductions which reduce taxable earnings include Employee contributions to:

  - Deferred Tax Sheltered Annuity (403b/TSA)
  - Deferred Compensation (457b)
  - Employee portion of CalSTRS/CalPERS
  - Section 125 Plan benefits

  **Alternative Retirement Plans**

- **Other Rates**

  - OASDI Tax Rate—Employee and Employer (Not including Medicare)
    - **OASDI maximum wage base—Employee and Employer** $128,400.00
    - **Medicare Tax Rate** 1.45 percent
    - **Additional Medicare Tax—Employee wages over $200,000** 0.90 percent
  - Medicare maximum wage base
  - Medicare maximum contribution
  - School Employees Fund SUI Rate (FY17-18) 0.05 percent
  - CA Disability Insurance (SDI) 1.0 percent
  - SDI maximum wage base $114,967.00
  - CalSTRS/CalPERS
  - IRS Standard Mileage Rate (1-1-18) 54.5 cents per mile
  - Federal Supplemental Tax Rate 22 percent
  - State Supplemental Tax Rate 6.6 percent

### UNMARRIED/HEAD OF HOUSEHOLD—

If the taxable income is:

- Over $0
- Over $16,457
- Over $38,991
- Over $62,206
- Over $50,264
- Over $61,538
- Over $161,550
- Over $326,550
- Over $503,700

The amount of income tax to be withheld is:

- $0
- **Salary Reductions**

  Salary reductions which reduce taxable earnings include Employee contributions to:

  - Deferred Tax Sheltered Annuity (403b/TSA)
  - Deferred Compensation (457b)
  - Employee portion of CalSTRS/CalPERS
  - Section 125 Plan benefits

  **Alternative Retirement Plans**

- **Other Rates**

  - OASDI Tax Rate—Employee and Employer (Not including Medicare)
    - **OASDI maximum wage base—Employee and Employer** $128,400.00
    - **Medicare Tax Rate** 1.45 percent
    - **Additional Medicare Tax—Employee wages over $200,000** 0.90 percent
  - Medicare maximum wage base
  - Medicare maximum contribution
  - School Employees Fund SUI Rate (FY17-18) 0.05 percent
  - CA Disability Insurance (SDI) 1.0 percent
  - SDI maximum wage base $114,967.00
  - CalSTRS/CalPERS
  - IRS Standard Mileage Rate (1-1-18) 54.5 cents per mile
  - Federal Supplemental Tax Rate 22 percent
  - State Supplemental Tax Rate 6.6 percent

**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.**
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; and
- Payments using the flat-tax rate option for additional earnings.