GLENDALE COMMUNITY COLLEGE DISTRICT ADMINISTRATIVE SERVICES MEMORANDUM

Date: December 23, 2014

To: All Employees

From: Amir Nour, Controller

Subject: Year 2015 Income Tax Changes and Withholding Information – Effective January 1, 2015

Federal and State Income Tax Withholding

The annual federal withholding allowance for one allowance is \$4,000 for year 2015. The federal and state income tax withholding brackets have been revised for 2015.

Employee Social Security/OASDI and Medicare

Social Security/OASDI: The employee rate for 2015 remains at 6.2 percent. The maximum wages subject to Social Security/OASDI in 2015 will be \$118,500.

Medicare: There is no Medicare wage cap for employees. Employee rates remain unchanged at 1.45%; however, the Additional Medicare Tax introduced in 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.

<u>Year 2015</u>	<u>Year 2014</u>	<u>Tax Summary</u>
6.2 percent	6.2 percent	Social Security/OASDI Rate
*1.45 percent	1.45 percent	Medicare Rate
\$118,500	\$117,000	Social Security Maximum Wage Base
no limit	no limit	Medicare Maximum Wage Base
no limit	no limit	Maximum Medicare Contribution (1.45%)

^{*}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 2014 Form W-4, you must file a new form for year 2015 no later than February 17, 2015, if you want to continue to claim the exemption in 2015. 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.