

Social Security Tax

Subject: Summary of Tax Related Withholding Requirements for 2013

Purpose

The Social Security wage base limit will increase to \$113,700 for 2013.

The temporary reduction in Social Security payroll tax rate (4.2%) for employees expires December 31, 2012. Effective, January 1, 2013 the tax rate for employees is 6.2%. The maximum social security tax employees and employers will each pay in 2013 is \$7,049.40.

Medicare Tax

The Medicare tax rate for employees and employers is 1.45%. There is no wage base limit for this tax.

New Additional Medicare Tax

Beginning January 2013, employees receiving income in excess of \$200,000 will be subject to an additional Medicare Tax. The additional tax rate is 0.9%.

Federal Withholding Rates

The IRS has not published the new Federal income tax withholding rates for 2013. Employers have been instructed to continue to withhold using the 2012 withholding rates until further notice.

New York State, New York City and Yonkers Withholding

Allowance

The value of one New York State, New York City and Yonkers Withholding Allowance remains at \$1,000.

New York State and Yonkers Withholding Rates

The New York State and Yonkers withholding tax tables have been revised for 2013.

Please refer to the following publications accessible at the NYS Department of Taxation and Finance website at www.tax.ny.gov for additional information.

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NYS-50-T-NYS

New York State Withholding Tax Tables and Methods

NYS-50-T-Y

Yonkers Withholding Tax Tables and Methods

OSC

Actions

OSC will update PayServ with these tax related changes for 2013. OSC will also issue a new bulletin once the IRS publishes the 2013 tax withholding tables.

Agency Actions