


PAYROLL ADMINISTRATION MEMORANDUM - NO. 7, 2007 – 2008

DATE: January 18, 2008
TO: ISC Executive Directors (via e-mail)
Principals (via "Principal's Weekly Newsletter")
School Secretaries
FROM: Vincent A. Giordano 
Executive Director
SUBJECT: Year 2008 Federal Tax Withholding and Social Security/Medicare Tax

Please make the following payroll tax information available to all employees:

- 1) The annual Federal withholding allowance for exemptions has been increased to \$3,500 for the year 2008.
- 2) The 2008 Social Security (FICA) and Medicare taxable rates and wage bases will be as follows:

	<u>Tax Rate</u>	<u>Taxable Wages (Maximum)</u>
Social Security	6.20%	\$102,000.00
Medicare	1.45%	No Ceiling

Therefore, the maximum Social Security tax will be \$6,324.00 for 2008. As there is no longer a ceiling for Medicare tax, all wages are subject to the 1.45 % tax rate.

VAG/co

c: J. Hederman
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