

Memorandum

BONITA UNIFIED SCHOOL DISTRICT

Business Services

TO: All Employees
CC: Sonia Eckley, Sr. Dir. Fiscal Services
FROM: Anita Carlos, Payroll Manager
DATE: January 29, 2019
SUBJECT: Year 2019 Income Tax Changes and Withholding Information Effective January 1, 2019

Federal and State Income Tax Withholding

Newly-released federal tax changes will be implemented for payrolls issuing on and after January 1, 2019. The federal and state income tax withholding brackets have been revised and are included with this notice.

Employee Social Security/OASDI and Medicare

The Social Security/OASDI employee rate for 2019 remains unchanged at 6.2 percent. The maximum wages subject to Social Security/OASDI has increased for 2019. There is no Medicare wage cap for employees. Employee rates remain unchanged at 1.45 percent; 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.

Tax Summary	Year 2018	Year 2019
Annual Federal Withholding Allowance	\$ 4,150	\$ 4,200
Social Security/OASDI Rate	6.2 percent	6.2 percent
Medicare Rate*	1.45 percent	1.45 percent
Social Security Maximum Wage Base	\$128,400	\$132,900
Medicare Maximum Wage Base	no limit	no limit
Maximum Medicare Contribution (1.45%)	no limit	no limit

*Additional Medicare Tax = 0.9 percent for wages in excess of \$200,000 per year

Federal Withholding – IRS 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 has changed since your last form W-4 was filed. If you claimed exemption from withholding tax in 2018, you must amend your current *Form W-4* for year 2019 no later than February 15, 2019, if you want to continue to claim the exemption in 2019. If you no longer wish to claim exempt status, you must file a new form W-4 for January tax withholding.

State Withholding – Form DE 4

Unless you file a state *Form DE 4*, state tax withholding is based on your federal form W-4. You may elect to have different federal and state exemption levels by filing both forms with your employer.

If you have any questions about how these changes affect you, please contact your tax advisor. If you have any other questions, please contact Anita Carlos at 909.971.8320 x5213.