

MEMORANDUM

TO: Personnel Specialists

FROM: Julie Henton
Assistant Director

DATE: December 21, 2010

RE: 2011 Social Security Wage Base, 2011 Form W-4 Exemption Renewal, and
2011 Form W-4
2011 Form K-4

For all paychecks issued on or after January 1, 2011, new withholding tax rates will apply. The federal standard deduction for each withholding allowance remains unchanged at \$3,700 per year in calendar year 2011.

The current Kansas withholding tax tables will remain in effect. The Kansas standard deduction for each withholding allowance remains the same at \$2,250.00.

Beginning January 1, 2011, the social security wage base for OASDI remains unchanged at \$106,800. The employee contribution rates will decrease to 4.2%, a maximum contribution of \$4,485.60. The employer contribution will remain at 6.2%, for a maximum contribution of \$6,621.60. There is no limit on the Medicare wage base and the employer and employee contribution rates remain at 1.45%.

The 2011 versions of the Form W-4, Employee's Withholding Allowance Certificate, Form K-4, Kansas Employee's Withholding Allowance Certificate, will be available on the HR website at <http://www.ksu.edu/hr/forms> as soon as they are released by the IRS. Please use the 2011 forms for any paycheck dated January 1, 2011 or later, and destroy all 2010 forms. Additionally, remind your employees (except non-resident aliens, employees working or living in another state, and employees claiming exempt or more than 10 allowances) that they are now able to change W-4 and K-4 information in Employee Self Service.

New employees must complete a Form K-4. This form was developed by the Kansas Department of Revenue for State withholding tax purposes. This form must also be used by existing employees wishing to change their State withholding options.

Enclosed is a listing of employees in your department who are currently claiming "Exempt" from federal and state income tax withholding, if applicable. Tax law requires a new Form W-4 and K-4 to be filed each year by those employees who claim exempt, because **exempt status expires February 15 each year.**

A new 2011 Form W-4 and K-4 must be submitted to Human Resources as soon as possible, but no later than January 14, 2011. If a new Form W-4 is not received, the employee's tax status will be changed to Single with Zero exemptions per IRS regulations, on the February 4, 2011 paycheck.

Employees may be eligible for the withholding tax exempt status if the following criteria are met:

1. The employee incurred no federal income tax liability for 2010; and,
2. The employee anticipates no federal income tax liability to be incurred for 2011.

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Employees must complete a new 2011 Form W-4 and K-4 to extend or change their exempt status for the calendar year 2011. Please contact the employees on the enclosed listing, as well as new employees who are not listed, to advise them of these mandatory requirements. Employees working concurrently in more than one department have been included on each department listing. However, the employee needs only to submit one W-4 and K-4 Exempt Renewal for each company of employment. **This listing does not include non-resident alien employees as they may only claim exempt from withholding if they are eligible for tax treaty benefits. Non-resident alien tax treaty information was provided in a separate memo.**

If you have any questions, please contact your payroll processing liaison (Dennis Jones or Anna Carroll) at (785) 532-6277. Thanks for your assistance.