

## MEMORANDUM

TO: Personnel Specialists

FROM: Julie Henton  
Assistant Director

DATE: December 23, 2008

RE: 2009 Earned Income Credit Tables,  
2009 Social Security Wage Base, 2009 Form W-4 Exemption Renewal, and  
2009 Form W-4 and Form W-5  
2009 Form K-4

For all paychecks issued on or after January 1, 2009, new withholding tax rates will apply. The federal standard deduction for each withholding allowance has increased from \$3,500.00 to \$3,650.00 per year in calendar year 2009.

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.

The percentage tables for computing the Advance Earned Income Credit (EIC) payments are revised effective for all paychecks issued on or after January 1, 2009 (Attachment 1).

Beginning January 1, 2009, the social security wage base for OASDI increases to \$106,800, up from the 2008 wage base of \$102,000. The employer and employee contribution rates remain at 6.2% with 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 2009 versions of the Form W-4, Employee's Withholding Allowance Certificate, Form K-4, Kansas Employee's Withholding Allowance Certificate and Form W-5, Earned Income Credit Advance Payment Certificate are available on the HR website at <http://www.ksu.edu/hr/forms>. Please use the 2009 forms for any paycheck dated January 1, 2009 or later, and destroy all 2008 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 employee's 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.**

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**A new 2009 Form W-4 and K-4 must be submitted to Human Resources as soon as possible, but no later than January 16, 2009.** 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 6, 2009 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 2008; and,
2. The employee anticipates no federal income tax liability to be incurred for 2009.

Employees must complete a new 2009 Form W-4 and K-4 to extend or change their exempt status for the calendar year 2009. 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.

Attachments  
Enclosures

Attachment 1

ADVANCE EARNED INCOME CREDIT  
2009

To determine the amount of advance earned income credit use the following tables. Do not deduct the withholding exemption from the gross wages.

ANNUAL  
SINGLE PERSON OR HEAD OF HOUSEHOLD DETERMINING THE AMOUNT OF PAYMENT TO  
BE MADE

IF THE AMOUNT  
OF WAGES (BEFORE  
DEDUCTING WITHHOLDING  
ALLOWANCES) IS:

THE AMOUNT OF PAYMENT TO BE  
MADE SHALL BE:

| <u>OVER</u> | <u>BUT NOT OVER</u> |
|-------------|---------------------|
| \$ 0.00     | \$ 8,950.00         |
| \$ 8,950.00 | \$16,420.00         |
| \$16,420.00 |                     |

20.40% OF WAGES  
\$1,826.00  
\$1,826.00 LESS 9.588% OF WAGES  
IN EXCESS OF \$16,420.00

ANNUAL  
MARRIED PERSON WITHOUT SPOUSE FILING CERTIFICATE

IF THE AMOUNT  
OF WAGES (BEFORE  
DEDUCTING WITHHOLDING  
ALLOWANCES) IS:

THE AMOUNT OF PAYMENT TO BE  
MADE SHALL BE:

| <u>OVER</u> | <u>BUT NOT OVER</u> |
|-------------|---------------------|
| \$ 0.00     | \$ 8,950.00         |
| \$ 8,950.00 | \$19,540.00         |
| \$19,540.00 |                     |

20.40% OF WAGES  
\$1,826.00  
\$1,826 LESS 9.588% OF WAGES  
IN EXCESS OF \$19,540.00

ANNUAL  
MARRIED PERSON WITH BOTH SPOUSES FILING CERTIFICATE

IF THE AMOUNT  
OF WAGES (BEFORE  
DEDUCTING WITHHOLDING  
ALLOWANCES) IS:

THE AMOUNT OF PAYMENT TO BE  
MADE SHALL BE:

| <u>OVER</u> | <u>BUT NOT OVER</u> |
|-------------|---------------------|
| \$ 0.00     | \$ 4,475.00         |
| \$ 4,475.00 | \$ 9,770.00         |
| \$ 9,770.00 |                     |

20.40% OF WAGES  
\$913.00  
\$913.00 LESS 9.588% OF WAGES  
IN EXCESS OF \$9,770.00