

GEMINI ACCOUNTING PROGRAM IMPORTANT CY 2009 PAYROLL TAX TABLE CHANGES

The following changes to your Payroll Tax Tables replace the corresponding tables previously included in 2009 IRS Publication 15 (Circular E, *Employer's Tax Guide*) and Prosoft document TXRATE09.GEM, dated 12/23/08. They are effective upon receipt for the remainder of calendar year 2009. You should begin using the updated withholding information as soon as possible for wages paid after Feb 21, 2009 but no later than 1 April 2009.

New Payroll deduction table data is extracted from IRS Notice 1036, *Early Release Copies of New Wage Withholding and Advance Earned Income Credit Payment Tables*, dated February 2009, and is a result of the *American Recovery and Reinvestment Act of 2009*. The new tables will also be published in IRS Publication 15-T, *New Wage Withholding and Advance Earned Income Credit Payment Tables (For Wages Paid Through December 2009)* and will be mailed out to employers in March 2009.

To update your existing 2009 Payroll tax tables, *select each company in which you process Payroll, in turn, and update the tax tables as follows:*

1. Select option **PR | Payroll Setup | Deduction Tables**. Highlight each of the following tables, in turn, and click on **Change**. Insert new table data or change updated/corrected table data as necessary. Select **OK** as each table is updated and **Close** after both have been updated.

| <u>Tax Table</u> | <u>Lower Limit</u> | <u>Fixed Limit</u> | <u>Variable Rate</u> |
|------------------|--------------------|--------------------|----------------------|
| MFEDERAL | 15,750.00 | 0.00 | 10.0000 |
| | 24,450.00 | 870.00 | 15.0000 |
| | 75,650.00 | 8,550.00 | 25.0000 |
| | 118,130.00 | 19,170.00 | 28.0000 |
| | 216,600.00 | 46,741.60 | 33.0000 |
| | 380,700.00 | 100,894.60 | 35.0000 |
| SFEDERAL | 7,180.00 | 0.00 | 10.0000 |
| | 10,400.00 | 322.00 | 15.0000 |
| | 36,200.00 | 4,192.00 | 25.0000 |
| | 66,530.00 | 11,774.50 | 28.0000 |
| | 173,600.00 | 41,754.10 | 33.0000 |
| | 375,000.00 | 108,216.10 | 35.0000 |

2. There are no changes to **Federal Tax Rates** which were updated after closing December 2008. However, you may wish to verify they are correct. Select option **PR | Payroll Setup | Tax Rates**. Highlight **Federal Taxes** and click on **Change**. Verify/Enter updated/correct data as shown below. Select **OK** and **Close** when finished.

Employee Rates

| | <u>% Rate</u> | <u>Cutoff</u> |
|------------|---------------|---------------|
| FICA RATE: | 6.200 | 106,800.00 |
| Medicare: | 1.450 | 99,999,999.99 |
| Annual: | 3,650.00 | |

Employer Rates

| | <u>%Rate</u> | <u>Cutoff</u> |
|-----------|--------------|---------------|
| FUTA: | 0.800 | 7,000.00 |
| FICA: | 6.200 | 106,800.00 |
| Medicare: | 1.450 | 99,999,999.99 |