

Important Notice Regarding New Payroll Federal Tax Withholding Tables

New federal tax withholding tables went into effect this month. The new tables, prescribed by the Department of the Treasury, reflect changes resulting from the American Recovery and Reinvestment Act of 2009, specifically the “Making Work Pay” tax credit, and will reduce the amount of federal income tax withheld from your pay.

This legislation provides a \$400 individual income tax credit (\$800 for joint filers) for Cy 2009 and Cy 2010 for most tax filers. The Federal tax table adjustments will reduce the amount of income tax that is withheld from your pay during this time period.

You are encouraged to consult with your individual tax or financial advisor to see if this reduced withholding will require a modification to your current Federal tax withholding elections/amounts as reported on Form W-4 (Employee’s Withholding Allowance Certificate). Factors such as dual income families, multiple employers, non-employment related income, etc., should be considered in your analysis of the adequacy of the adjusted withholding amounts. Further, the tax credit begins to be phased out for taxpayers filing as single with a modified adjusted gross income (AGI) above \$75,000 (\$150,000 for joint filers), and is totally phased out for taxpayers filing as single with modified AGI in excess of \$95,000 (\$190,000 for joint filers).

You can view your current tax withholding elections on your W-4 through the new Employee Self-Service Web Application via the [Campus Administrative Portal](#) (instructions for using the Employee Self-Service Web Application are available at: <http://www.hrs.colostate.edu/datasys/ESSInstr.pdf>). To make changes to your W-4, download the Form from the HRS website at: <http://www.irs.gov/pub/irs-pdf/fw4.pdf?portlet=3>, and return this completed Form to the Payroll Office, 555 South Howes Street, 2nd floor, by the 10th of the month you wish the change to take effect.

Additional information about this change, including a “withholding calculator”, is available on the IRS website at www.irs.gov. You are also advised to consult with your tax or financial advisor.