



Monterey County Office of Education


Leadership, Support, and Service to Prepare All Students for Success

*Dr. Nancy Kotowski
County Superintendent of Schools*

Finance and Business Services

Bulletin No. 12-022

TO: Superintendents, Chief Business Officials and Payroll Staff

FROM:  Suzette Burns, Administrator
Business Services

DATE: December 20, 2011

SUBJECT: Social Security Tax Increase

On Saturday, December 17, 2012 the United States Senate passed a two-month extension of the reduced Social Security tax. However, the House of Representatives has yet to approve the Senate's Plan. Currently, the reduced Social Security tax of 4.2% withheld from your employees' paycheck is set to expire on December 31, 2011. Provided no Federal legislation is passed, the Social Security tax will revert to 6.2% for your employees. In order to meet the January 3, 2012 payroll deadline, MCOE must process your district's certificated payroll on December 21, 2011. Since no Federal legislation has been enacted and the certificated payroll must use the 2012 tax rates, the January 3rd payroll will be processed with the 6.2% Social Security tax rate. If legislation is passed to extend the reduced Social Security tax rate, after payroll has been processed, MCOE will refund the 2% of the certificated employees' Social Security tax withheld. Please contact me at (831) 755-0305 if you have any questions.

cc: Garry P. Bousum
Candi Clark
Rais Abbasi