



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. 13-025

TO: Superintendents, Chief Business Officials and Payroll Staff

FROM:  Suzette Burns, Administrator
Business Services

DATE: December 20, 2012

SUBJECT: Certificated Split Payroll Tax Calculation

In order to meet the January 2, 2013 payroll deadline, MCOE must process your district's certificated payroll on December 20, 2012. Unfortunately, the Internal Revenue Service hasn't released the 2013 Federal Income Tax Withholding tables. Therefore, the January 2nd payroll will be processed using the 2012 Federal Income Tax Withholding tables and adjustments will need to be made once the new tables have been received.

In addition, the reduced Social Security tax of 4.2% withheld from your employees' paycheck is set to expire on December 31, 2012. Provided no Federal legislation is passed, the Social Security tax will revert to 6.2% for your employees. 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
Colleen Stanley
Rais Abbasi