

# Federal Percentage Method of Withholding For Payroll Paid April 1 – December 31, 2009

Source: UW Service Center (March 2009)

Procedures used to calculate federal taxes withheld\*:

1. Obtain the employee's gross wage for the payroll period.
2. Determine the allowance amount from the "Withholding Allowance Table" below according to the employee's number of withholding allowances and frequency of payment.
3. Determine the deduction amounts, which can be approximated from a previous earnings statement, for pre-tax deductions such as health insurance, tax sheltered annuities (TSA), and employee reimbursement accounts (e.g. ERA).
4. Subtract the pre-tax deductions and withholding allowance amount from the employee's gross wages to determine the taxable wage.

Below are examples how to calculate withholding taxes using the tables presented here within. The examples below include the following assumptions: 2 personal allowances and pre-tax deductions for health insurance, TSA & ERA.

\*If you have any questions, please contact your Payroll Coordinator.

Biweekly Example			Monthly Example		
1. Single employee's gross biweekly wage		\$1,500.00	1. Married employee's gross monthly wage		\$5,400.00
2. Less amount for two personal allowances (\$140.38 x 2)		- \$280.76	2. Less amount for two personal allowances (\$304.17 x 2)		- \$608.34
3. Less pre-tax deductions			3. Less pre-tax deductions		
3A.	Pre-tax health insurance	- \$5.00	3A.	Pre-tax health insurance	- \$20.00
3B.	Pre-tax TSA	- \$20.00	3B.	Pre-tax TSA	- \$80.00
3C.	Pre-tax ERA	- \$25.00	3C.	Pre-tax ERA	- \$100.00
4. Taxable wage (line 1 minus lines 2, 3A , 3B & 3C)		\$1,169.24	4. Taxable wage (line 1 minus lines 2, 3A, 3B & 3C)		\$4,591.66
5. Percentage withholding (withholding on \$1,169.24 from <b>Table 2 Biweekly Payroll Period, Single Person status</b> )			5. Percentage withholding (withholding on \$4,591.66 from <b>Table 4 Monthly Payroll Period, Married Person status</b> )		
5A.	Tax on minimum amount of 15% bracket (\$400.00)	\$12.40	5A.	Tax on minimum amount of 15% bracket (\$2,038.00)	\$72.50
5B.	Taxable wage (from line 4)	\$1,169.24	5B.	Taxable wage (from line 4)	\$4,591.66
5C.	Minus minimum amount of 15% bracket	-400.00	5C.	Minus minimum amount of 15% bracket	-2,038.00
5D.	Amount over bracket minimum	\$769.24	5D.	Amount over bracket minimum	\$2,553.66
5E.	15% of 5D	\$115.39	5E.	15% of 5D	\$383.05
5F.	Biweekly withholding (5A plus 5E)	\$127.79	5F.	Monthly withholding (5A plus 5E)	\$455.55

**WITHHOLDING ALLOWANCE TABLE**  
**Source: UW Service Center (March 2009)**

Number of Allowances Is	And wages are paid		
	Biweekly	Monthly	Annually
	The total amount of withholding allowances for the payroll period is		
0	\$0	\$0	\$0
1	140.38	304.17	3,650.00
2	280.76	608.34	7,300.00
3	421.14	912.51	10,950.00
4	561.52	1,216.68	14,600.00
5	701.90	1,520.85	18,250.00
6	842.28	1,825.02	21,900.00
7	982.66	2,129.19	25,500.00
8	1,123.04	2,433.36	29,200.00
9	1,263.42	2,737.53	32,850.00
10	1,403.80	3,041.70	36,500.00
11 or More	Multiply the amount of one withholding allowance for the specific payroll period by the number of allowances claimed		

**TABLES FOR PERCENTAGE METHOD OF WITHHOLDING**

Source: IRS Publication 15-T (March 2009)

Table 2 Biweekly Payroll Period			
(a) SINGLE person (including head of household)		(b) MARRIED person	
If the amount of wages (after subtracting withholding allowances) is:	The amount of income tax to withhold is:	If the amount of wages (after subtracting withholding allowances) is:	The amount of income tax to withhold is:
Not over \$276	\$0	Not over \$606	\$0
\$276 - \$400	10% of excess over \$276	\$606 - \$940	10% of excess over \$606
\$400 - \$1,392	\$12.40 plus 15% of excess over \$400	\$940 - \$2,910	\$33.40 plus 15% of excess over \$940
\$1,392 - \$2,559	\$161.20 plus 25% of excess over \$1,392	\$2,910 - \$4,543	\$328.90 plus 25% of excess over \$2,910
\$2,559 - \$6,677	\$452.95 plus 28% of excess over \$2,559	\$4,543 - \$8,331	\$737.15 plus 28% of excess over \$4,543
\$6,677 - \$14,423	\$1,605.99 plus 33% of excess over \$6,677	\$8,331 - \$14,642	\$1,797.79 plus 33% of excess over \$8,331
\$14,423 or Greater	\$4,162.17 plus 35% of excess over \$14,423	\$14,642 or Greater	\$3,880.42 plus 35% of excess over \$14,642

**TABLES FOR PERCENTAGE METHOD OF WITHHOLDING (continued)**

Source: IRS Publication 15-T (March 2009)

Table 4 Monthly Payroll Period			
(a) SINGLE person (including head of household)		(b) MARRIED person	
If the amount of wages (after subtracting withholding allowances) is:	The amount of income tax to withhold is:	If the amount of wages (after subtracting withholding allowances) is:	The amount of income tax to withhold is:
Not over \$598	\$0	Not over \$1,313	\$0
\$598 - \$867	10% of excess over \$598	\$1,313 - \$2,038	10% of excess over \$1,313
\$867 - \$3,017	\$26.90 plus 15% of excess over \$867	\$2,038 - \$6,304	\$72.50 plus 15% of excess over \$2,038
\$3,017 - \$5,544	\$349.40 plus 25% of excess over \$3,017	\$6,304 - \$9,844	\$712.40 plus 25% of excess over \$6,304
\$5,544 - \$14,467	\$981.15 plus 28% of excess over \$5,544	\$9,844 - \$18,050	\$1,597.40 plus 28% of excess over \$9,844
\$14,467 - \$31,250	\$3,479.59 plus 33% of excess over \$14,467	\$18,050 - \$31,725	\$3,895.08 plus 33% of excess over \$18,050
\$31,250 or Greater	\$9,017.98 plus 35% of excess over \$31,250	\$31,725 or Greater	\$8,407.83 plus 35% of excess over \$31,725

**TABLES FOR PERCENTAGE METHOD OF WITHHOLDING (continued)**

Source: IRS Publication 15-T (March 2009)

Table 7 Annual Payroll Period			
(a) SINGLE person (including head of household)		(b) MARRIED person	
If the amount of wages (after subtracting withholding allowances) is:	The amount of income tax to withhold is:	If the amount of wages (after subtracting withholding allowances) is:	The amount of income tax to withhold is:
Not over \$7,180	\$0	Not over \$15,750	\$0
\$7,180 - \$10,400	10% of excess over \$7,180	\$15,750 - \$24,450	10% of excess over \$15,750
\$10,400 - \$36,200	\$322.00 plus 15% of excess over \$10,400	\$24,450 - \$75,650	\$870.00 plus 15% of excess over \$24,450
\$36,200 - \$66,530	\$4,192.00 plus 25% of excess over \$36,200	\$75,650 - \$118,130	\$8,550.00 plus 25% of excess over \$75,650
\$66,530 - \$173,600	\$11,774.50 plus 28% of excess over \$66,530	\$118,130 - \$216,600	\$19,170.00 plus 28% of excess over \$118,130
\$173,600 - \$375,000	\$41,754.10 plus 33% of excess over \$173,600	\$216,600 - \$380,700	\$46,741.60 plus 33% of excess over \$216,600
\$375,000 or Greater	\$108,216.10 plus 35% of excess over \$375,000	\$380,700 or Greater	\$100,894.60 plus 35% of excess over \$380,700