

Notice to Employees

The IRS new income tax withholding tables may reduce the amount of income tax withheld from your wages. The new tables reflect the Making Work Pay credit and other changes resulting from the American Recovery and Reinvestment Act of 2009.

For 2009 and 2010, the Making Work Pay provision of the American Recovery and Reinvestment Act will provide a refundable tax credit of up to \$400 for working individuals and \$800 for married taxpayers filing joint returns.

This tax credit will be calculated at a rate of 6.2 percent of earned income and will begin phasing out for taxpayers with adjusted gross income in excess of \$75,000, or \$150,000 for married couples filing jointly. The credit is completely phased out at \$95,000 for individuals and \$190,000 for married couples. Non-resident aliens (NRA) do not qualify for the credit and employees who can be claimed as a dependent of another taxpayer are also not eligible for the credit.

The federal income tax withholding change will be automatic; you do not have to submit a Form W-4, Employee's Withholding Allowance Certificate. The tax calculation will not take the credit for individuals who have completed their Form W-4 as an NRA. Individuals and couples with multiple jobs may want to submit revised Form W-4 forms to ensure enough withholding is held to cover the tax for the combined income. If you do not want to have your withholding reduced (because, for example, you can be claimed as a dependent, you have more than one job, you are married, or your income places you in a higher tax bracket), you may want to file a new Form W-4. You may claim fewer withholding allowances on line 5 or request additional amounts to be withheld on line 6.

Take-home pay rules different for single and married workers

For 2009, individuals claiming single on their Form W-4 will see a decrease in their federal tax withholding of \$400 (about \$45 per month), the full amount of the credit, during the last nine months of the year. Individuals claiming married on their Form W-4 will see a decrease in their federal tax withholding of \$600 (about \$67 per month). The additional \$200 will be received when they file their tax returns next year. The government was concerned that married couples might receive too much withholding and therefore restricted the benefit to \$600 for the rest of 2009.

For 2010, both those claiming single and those claiming married on their Form W-4s will receive the full amount of the credit (\$400 and \$800 respectively).

Effect of Tax Table Changes

Since the tax tables have been changed, all employees (with the exception of non-resident aliens) will have less federal taxes being withheld as outlined above. Employees who can be claimed as a dependent of another taxpayer, have more than one job, have a working spouse, or whose income exceeds the tax credit limits may need to evaluate the effect of the tax withholding change on their personal tax situation. Please talk with your tax advisor or visit the IRS website at www.irs.gov, Publication 919, How Do I Adjust My Tax Withholding? or use the "Withholding Calculator" provided on the website.

Notice to Employees

Changes in Income Tax Withholding

New withholding tables may reduce the amount of income tax withheld from your wages.

The new tables, prescribed by the Department of the Treasury, reflect the Making Work Pay credit and other changes resulting from the American Recovery and Reinvestment Act of 2009.

You do not have to submit a **Form W-4**, Employee's Withholding Allowance Certificate, to get the automatic withholding change. If you do not want to have your withholding reduced (because, for example, you have more than one job or you are married and your combined income places you in a higher tax bracket), you may want to file a new Form W-4 with your employer. You may claim fewer withholding allowances on line 5 or request additional amounts to be withheld on line 6. For additional help, get IRS **Publication 919**, How Do I Adjust My Tax Withholding? or visit the IRS website at www.irs.gov and use the "Withholding Calculator."