



THE NEW YORK CITY DEPARTMENT OF EDUCATION
JOEL I. KLEIN, *Chancellor*

Vincent A. Giordano, *Executive Director*
Division of Financial Operations

PAYROLL ADMINISTRATION MEMORANDUM - NO. 12, 2006 – 2007

DATE: January 3, 2007

TO: ROC Directors, Heads of Offices (via e-mail)
Principals (via "Principal's Weekly Newsletter")
School Secretaries

FROM: Vincent A. Giordano
Executive Director

SUBJECT: Year 2007 Federal Tax Withholding and Social Security/Medicare Tax

Please make the following payroll tax information available to all employees:

- 1) The annual Federal withholding allowance for exemptions has been increased to \$3,400 for the year 2007.
- 2) The 2007 Social Security (FICA) and Medicare taxable rates and wage bases will be as follows:

	<u>Tax Rate</u>	<u>Taxable Wages (Maximum)</u>
Social Security	6.20%	\$97,500
Medicare	1.45%	No Ceiling

Therefore, the maximum Social Security tax will be \$6,045.00 for 2007. As there is no longer a ceiling for Medicare tax, all wages are subject to the 1.45 % tax rate.

VAG/ms

c: P. Rini
Y. Kong
J. Hederman