

IMPORTANT NOTICE REGARDING FEDERAL INCOME TAX CHANGES FOR 2009

As you may be aware, the President and Congress have passed the American Recovery and Reinvestment Act of 2009. As part of this act, employers have been provided new federal withholding tax tables. We have implemented those changes with the March 12, 2009 checks per IRS instruction. Most employees will have their federal income tax withholding reduced. The amount that your federal tax withholding will be reduced by depends on your federal taxable wages for the pay period and the tax status that you are claiming on your federal W-4 form. As a result, you may see a small increase in your net pay.

PLEASE NOTE: THE FOLLOWING EMPLOYEES MAY BE AFFECTED

Married couples with both spouses earning wages:

If you file your taxes as Married-filing jointly and have incomes from two employers, and claim Married at one or both jobs for your payroll tax status, both employers may be giving you the tax credit when calculating your withholdings. However, you may only claim the credit once when you file your taxes. Therefore, it may result in your being under withheld for the total year.

Individuals working multiple jobs at one time:

Each employee may provide the credit through the employees' pay calculation, However, you may only claim the credit once when you file your tax return. Therefore, it may result in your being under withheld for the total year.

Anyone who can be claimed as a dependent on another person's return:

Working individual whose parent's can claim them on their tax return.

Individuals receiving pension income:

Pension income is processed using the new tax tables; however, it is taxed differently on the individual 1040 and thus may result in under withholding for the total year.

Anyone wanting to adjust their allowances should submit a revised Federal Form W-4 to ensure enough taxes are withheld to cover the tax for the combined incomes. The 2009 W-4 form is available on the payroll website: <http://payroll.sbmc.org>

Additional resources to consult in adjusting your W-4 are:

IRS Withholding calculator and IRS Publication 919. Both are linked from the Payroll Website, under Tax Information.