

STATE CONTROLLER'S OFFICE  
PERSONNEL AND PAYROLL SERVICES DIVISION  
P.O. BOX 942850  
SACRAMENTO, CA 94250-5878

DATE: December 20, 2011

PAYROLL LETTER #11-022

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: Lisa Crowe, Chief  
Personnel and Payroll Services Division (PPSD)

**RE: EXPIRATION OF THE TAX RELIEF, UNEMPLOYMENT INSURANCE  
REAUTHORIZATION, AND JOB CREATION ACT OF 2010 (TRA 2010)**

This is to advise you that the TRA 2010 is set to expire on December 31, 2011. The TRA 2010 temporarily reduced the social security tax rate paid by employees from 6.2% to 4.2% for wages paid beginning January 1, 2011 through and inclusive to, December 31, 2011.

At this time, the Personnel/Payroll Services Division (PPSD) has revised the payroll tax tables per the Internal Revenue Service (IRS) Notice 1036 (revised December 2011). This notice has prescribed 6.2% as the social security tax rate to be paid by employees beginning with payrolls that are issued dated January 1, 2012. The notice also changes the withholding of social security taxes to the first \$110,100. Thus, the annual maximum amount that can be withheld will be \$6,826.20.

The revised payroll tax tables have been implemented beginning with the December 2011 monthly and second half semi-monthly master payrolls. Further, subsequent payrolls with an issue date of January 1, 2012 and thereafter will have the federally prescribed employee social security tax rate of 6.2% in effect.

The revised rate will be published in the next update of the Payroll Procedures Manual. Also, the following calculators have been updated and are accessible from the State Controller's Office public web site:

[Paycheck calculators](#)

[Industrial Disability Leave Supplementation calculator](#)

A subsequent Payroll Letter will be issued if any revisions to the employee social security tax rate are received from the IRS. In the meantime, if you have any questions regarding this Payroll Letter, agencies should contact the Payroll Liaison at (916) 323-3081 and campuses should contact the CSU Payroll Liaison at (916) 322-7980.

LC:CJ:SACS