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M E M O R A N D U M

TO: Human Resources Directors

FROM: Tonia L. Morris, CPA
Assistant Comptroller General

SUBJECT: 2012 Payroll Changes

DATE: December 21, 2011

Effective for 2011 only, the employee rate for Social Security was reduced from 6.2% to 4.2%. This reduction is scheduled to expire on December 31, 2011. At this time, Congress has not extended these payroll tax cuts. Accordingly, the employee's Social Security rate will revert back to 6.2 % for 2012. In addition, the Internal Revenue Service has released new income tax withholding tables for 2012.

Payroll has also been updated for Employee Insurance Program (EIP) rate changes for health and dental plans.

Please notify employees that as a result of these changes, employees' net check amounts will change starting with the January 1, 2012 payroll check or direct deposit.

We will continue to monitor legislation related to renewing payroll tax cuts. You will be notified of any last minute changes.

If you have any questions regarding this matter, please contact me at tmorris@cg.sc.gov or at 803-734-2347.