

<b>HUMAN RESOURCES MEMORANDUM 12-012</b>	DATE ISSUED: 12/28/2012
SUBJECT: <b>EXPIRATION OF THE MIDDLE CLASS TAX RELIEF AND JOB CREATION ACT OF 2012 (TRA 2012)</b>	REFERENCE: None
TO: All DGS Employees	SUPERCEDES: None

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**PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES**

**Purpose**

This is to advise you that the TRA 2012 is set to expire on December 31, 2012. The TRA 2012 temporarily reduced the social security tax rate paid by employees from 6.2% to 4.2% for wages paid through December 31, 2012.

**Payrolls Issued After January 1, 2013**

The revised payroll tax tables have been implemented beginning with the December 2012 monthly and second half semi-monthly master payrolls. Further, subsequent payrolls with an issue date of January 1, 2013 and thereafter will have the federally prescribed employee social security tax rate of 6.2% in effect. A subsequent Human Resource memorandum will be issued if any revisions to the employee social security tax rate are received from the IRS.

**Annual Limit**

The withholding of social security taxes will apply to the first \$113,700. Thus, the annual maximum amount that can be withheld will be \$7,049.40.

**Internal Revenue Service Rates**

The following calculators have been updated and are accessible from the State Controller's Office public website:

- [Paycheck calculator](https://sco.ca.gov/ppsd_se_paycheck_calc.html)  
[https://sco.ca.gov/ppsd\\_se\\_paycheck\\_calc.html](https://sco.ca.gov/ppsd_se_paycheck_calc.html)
- [Industrial Disability Leave Supplementation calculator](https://sco.ca.gov/ppsd_idls.html)  
[https://sco.ca.gov/ppsd\\_idls.html](https://sco.ca.gov/ppsd_idls.html)

**Questions**

If you have any questions regarding this memorandum, please contact your assigned Personnel Specialist.

/s/

TERRI HAMILTON, Chief  
Office of Human Resources

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cc: Personnel Specialists  
Personnel Liaisons  
Attendance Clerks