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2009 Payroll Tax and Tax Shelter Limit Changes

Please be advised that the Social Security wage base for calendar year 2009 has been increased from \$102,000.00 to 106,800.00. The Social Security tax rate for 2009 remains at 6.2 %, with a maximum tax of \$6,621.16.

The Medicare tax rate remains at 1.45 %, with no maximum.

The New Jersey Department of Labor has advised us of the following changes which are also effective January 1, 2009.

- The newly enacted tax for the NJ Family Leave Insurance program is .09% of taxable wages up to a maximum wage of \$28,900.00. The maximum tax is \$26.01.
- The State Unemployment and Temporary Disability Insurance maximum taxable wages for calendar year 2009 has increased from \$27,700.00 to \$28,900.00.
- The Combined Unemployment/Disability Insurance tax rate for NJ remains at .925%, the maximum combined tax for 2009 is \$267.33 For calendar year 2009, the allocations are as follows:
 - State Temporary Disability Insurance Rate is .5%
 - State Unemployment Insurance Rate is .3825%
 - Workforce Development/Supplemental Workforce Fund Rate is .0425%

If you would like to make changes to your federal or state withholdings for calendar year 2009, you may obtain a new federal or state W-4 form by calling the Payroll Office at ext. 2885 or you may find them on our [forms web site](#):

The IRS contribution limit for 403(b) and 457 plans for 2009 will increase to \$16,500.00 per plan. An additional \$5,500.00 catch-up contribution is allowed for employees who are age 50 or older for a total contribution of \$22,000.00. Please contact the Benefits Office at extension 2884 if you wish to increase your tax shelter contributions for 2009.

The pay schedules for calendar year 2009 can be found on our [pay calendar web site](#).