

POSITION BUDGETING TAX CALCULATION FY2009

The Maximum Gross amount of \$52,175 for tax rate line of 6.2% (OASDI) is correct.

The Maximum Gross amount of \$ 6,900 for tax rate line of 1.0% (Unemployment) is correct.

Tax calculation is based on a **Calendar Year** salary and earnings accumulator for Budget Impact, Position Budgeting Analysis and Reporting.

The effective date of all positions in Position Budgeting is 07/01/2008. The “behind the scenes” salary and earnings accumulator for each position begins on 07/01/2008.

On 01/01/2009, the “behind the scenes” salary and earnings accumulator begins again at \$0 and accumulates through 06/30/2009.

It is necessary to enter one-half (1/2) of the Maximum Gross for the Fiscal Year in the Position Data Tax Rate page to correctly calculate taxes. (FICA max gross of \$104,250, Unemployment max gross of \$13,800)

However, the tax rate calculation on the Position Data page/record in Position Budgeting bases the calculation on a maximum gross of \$52,175 and \$6,900, respectively.

The tax rate calculation shown on the Position Data page/record is *lower* than the tax rate calculated for Budget Impact, Position Budgeting Analysis and Reporting. The page/record calculation *does not* use the “behind the scenes” salary and earnings accumulator in the calculation “rules”.

The calculated tax for Budget Impact, Position Budget Inquiry (online analysis) and Reporting ***is correct***.