



IMPORTANT EMPLOYEE NOTICE

*****Payday of February 1, 2011*****

2011 Social Security (OASDI) Payroll Tax Cut for Employees

The Tax Relief, Job Creation Act of 2010 provides a two percentage point payroll tax cut effective January 1, 2011 for employees, reducing workers' Social Security tax withholding rate from 6.2 percent to 4.2 percent of wages paid. This reduced Social Security withholding will have no effect on the employee's future Social Security benefits.

For any Social Security tax over withheld on January 4 and 18, the City & County of San Francisco Payroll/Personnel Service Division will make an offsetting adjustment in your OASDI tax withheld on the payday of **February 1, 2011**.

Below is a payday by payday illustration for your reference,

PayDay	Paid	OASDI at 6.2 %	OASDI at 4.2%	Excess Tax
1/4/2011	\$2500.00	\$155.00	\$105.00	\$50.00
1/18/2011	\$2500.00	\$155.00	\$105.00	\$50.00

Employee has \$100 in excess tax for these two paydays.

PayDay	Paid	OASDI at 4.2%	Minus Excess Tax	Tax deducted payday of 2/1/2011
2/1/2011	\$2500.00	\$105.00	\$100.00	\$5.00

Only \$5.00 will be deducted on this payday because the System has applied the excess tax of \$100

PayDay	Paid	OASDI at 4.2%		
2/15/2011	\$2500.00	\$105.00		

This is the normal tax that will be applied starting this payday

If you have any questions regarding your Social Security Tax refund, please contact your department payroll office.