



## LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

### PAYROLL MEMORANDUM 2016.03

#### *Changing Lives, Creating Futures*

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**TO:** All Employees of Community and Technical Colleges, including Baton Rouge Community College, Bossier Parish Community College, Central Louisiana Technical Community College, Delgado Community College, L. E. Fletcher Technical Community College, Louisiana Delta Community College, Northshore Technical Community College, Northwest Louisiana Technical College, Nunez Community College, River Parishes Community College, South Central Louisiana Technical College, South Louisiana Community College, SOWELA Technical Community College and the LCTCS Office

**FROM:** Sharon Dunham  
LCTCS Payroll, Senior Payroll Manager

**DATE:** January 21, 2016

**RE:** Tax Rates for Calendar Year 2016

Effective January 11, 2016, the new Federal Tables for income tax withholding will be used in calculating tax deductions. The 2016 amount for one withholding allowance amount for a biweekly payroll period is \$155.80 for 2016.

The Social Security wage base for 2016 is unchanged from 2015 and remains \$118,500. The employee and employer Social Security tax rates remain at 6.2%. The maximum Social Security tax withheld from the employee and matched by the employer has increased to \$7,347.00.

The Medicare tax rate remains at 1.45% for employee and employer for 2016. There is no wage base limit for Medicare tax. However, an additional Medicare tax of 0.9% will be withheld from any employee's Medicare wages in excess of \$200,000. The additional Medicare tax will be withheld beginning with the pay period in which wages exceed \$200,000 and will continue for the remainder of the calendar year. This additional Medicare tax is only imposed on the employee. There is no employer share of additional Medicare tax.

IRS Publication 15, Circular E, Employer's Tax Guide, revised for 2016 has been released. The entire publication can be accessed through the IRS website at <http://www.irs.gov/pub/irs-pdf/p15.pdf>. The new tax tables begin on page 43 of the publication. Agencies will not receive a hard copy in the mail.

Employees may see a difference in their net pay due to the tax changes noted above.

Should you have any questions, please contact your local human resources department.