



## 2009 California Payroll Tax Changes

**There are changes** in the payroll tax rates and wage limits for the California tax tables. These changes are effective **January 1<sup>st</sup>, 2009**. (You may access this information online at the Compusource web site at the following address: [www.compusource.com](http://www.compusource.com).)

\*Please note that there have been **revisions to the 2009 California tax tables**. Please review the '**Custom**', '**Single**', '**Married**', and '**Head of Household**' screens for those revisions.

These changes should be made **AFTER** the final payroll of 2008 has been run, **AFTER** the "Save Year-end Info and Reset" program has been run, but **BEFORE** the first payroll run of 2009 is begun.

**Do NOT change your tax tables with year-2009 rates until you have completed the "Save Year- end Info and Reset" for 2008:** the system saves some of the 2008 tax rate information along with the 2008 employee data for later use by the W2 programs.

*\*\* If you change your tax tables before you run the "Save Info and Reset" option, you will save year-2009 tax rates with year-2008 employee data and your W2 forms **won't print the correct amounts**.*

Use the "**State/Federal Tax Tables**" option in your Payroll system to make the table changes. (Note: on some systems, the option is called "Tax Parameter File Maintenance".)

### Overview

#### **Increase in the State of California Standard Deduction**

The standard deduction for the State of California for 2009 increases to \$3,692 for Single, and \$7,384 for Married/Head of Household. You can update these fields yourself on the Custom Screen (option "U") of the "CA" (California) record of the Tax Data File--see the sample screen that follows. (Reference: "2009 California Employer's Guide", DE44MM Rev35, Table 3, p63.)

#### **Decrease in the State of California Low Income Exemption**

The low income exemption for the State of California for 2009 decreases to \$11,278 for Single, and \$22,556 for Married/Head of Household. You can update these fields yourself on the Custom Screen (option "U") of the "CA" (California) record of the Tax Data File--see the sample screen that follows. (Reference: "2009 **Revised** California Employer's Guide",..)

#### **Increase in the State of California Personal Exemption Credit**

The personal exemption credit for the State of California for 2009 increases to \$99 per allowance. You can update these fields yourself on the Custom Screen (option "U") of the "CA" (California)

record of the Tax Data File. (Reference: "2009 California Employer's Guide", DE44MM, Table 4, p63.)

### **No Change in the State of California Unemployment Wage Limit**

The California Unemployment wage limit for 2009 remains unchanged at \$7,000. The California Unemployment Contribution rate, however, varies from company to company, from 1.5% to 6.2%. The Employment Training Tax rate for 2009 remains at 0.1%. **Refer to your Form DE-2088 that you receive from the State of California Employment Development Department (EDD) for your contribution rates for Unemployment Insurance and Employment Training Tax.** Add these two rates together, and enter the sum as a decimal number for the employer unemployment rate. For example, if your DE-2088 indicates an Unemployment Contribution rate of 3.1% and an Employment Training Tax (ETT) rate of 0.1%, the total rate would be 3.2% or .03200 expressed as a decimal. Keep the "UNEMPLOYMENT TAX WAGE LIMIT" of the "CA" (California) record of the Tax Data File as 7000.00; the "UNEMPLOYMENT EMPLOYEE TAX RATE" is 0.00000, and the "UNEMPLOYMENT EMPLOYER TAX RATE" would be 0.03200, in the example I've just described-- but your rate will probably be different. (If you have any questions on what your Unemployment rates should be, you can contact EDD Taxpayer Assistance Center at 888.745.3886.)

### **Increase in the State of California Disability Wage Limit**

The California Disability Insurance (SDI) wage limit for 2009 increases to \$90,669. Change the "DISABILITY TAX WAGE LIMIT" of the "CA" (California) record of the Tax Data File to 90669.00. (Reference: "Notice of Contribution Rates and Statement of UI Reserve Account for Calendar Year 2009")

### **Increase in the State of California Disability Tax Rate**

The California Disability Insurance (SDI) contribution rate for 2009 increases to 1.1%. Change the "DISABILITY EMPLOYEE TAX RATE" to 0.01100; the "DISABILITY EMPLOYER TAX RATE" is 0.00000. (Reference: "Notice of Contribution Rates and Statement of UI Reserve Account for Calendar Year 2009".)

### **No Change in California Deduction for Additional Allowances**

The Estimated Deduction for Additional Withholding Allowances remains at \$1,000 per allowance. (Reference: "2009 California Employer's Guide", DE44MM, Table 2, p62.)

### **New California Withholding Tables**

Following this notice are sample screens with the withholding rates for 2009. These changes should be made to the "CA" (California) record of the Tax Parameter File. You must access the Single, Married, and Head of Household) screens individually. (Reference: "2009 **Revised** California Employer's Guide")

# 2009 California Tax Changes

## Taxdata Screen

PR920	Compusource Corporation		01/01/09
	TAX DATA FILE MAINTENANCE		
	LOCALITY #:	CA	
	NAME:	CALIFORNIA-2009	
	ID #:	Your TaxID HERE	
ANNUAL EXEMPTIONS-SELF:	0.00	W/H TAX PAYABLE ACCT#.....:	
DEPENDENTS.....:	0.00	EIC ADVANCES RECEIVABLE ACCT#:	
BONUS PAY W/H RATE.....:	0.0600	W-2 FORM DESCRIPTION.....:	WM-46
W/H METHOD.....:	C	941 FORM DESCRIPTION.....:	
RATE.....:	0.0000	QTRLY USER-DEFINED FORM #'S...:	21
	FICA/DISABILITY		FUI/UNEMPLOYMENT
	90669.00	.....TAX WAGE LIMIT.....	7000.00
	0.01100	.....EMPLOYEE TAX RATE.....	0.00000
	0.00000	.....EMPLOYER TAX RATE.....	See note below
		...EMPLOYEE TAX PAY ACCT#...	
		...EMPLOYER TAX PAY ACCT#...	
		...EMPLOYER TAX EXP ACCT#...	
F-FIND, N-NEXT, A-ADD, C-CHG, P-PRT, S-SNGL, M-MRD, H-HOH, U-CUS, E-END			

### 2009 California SDI Tax Rate and Wage Base

The maximum wages subject to California SDI tax increases to \$90,669 for 2009. The Employee SDI withholding rate increases to 1.1% (.01100).

### 2009 California Unemployment Employer Tax Rate and Wage Base

The Employer Tax Rate for California Unemployment varies by company. Refer to the Notice of Contribution Rates (Form DE2088) you receive from the California Employment Development Department. To calculate the SUI rate, take your Unemployment Insurance (UI) Contribution and add your Employment Training Tax rate. Take the answer (a percent), change it to decimal form, and put the result in the EMPLOYER TAX RATE field under the column UNEMPLOYMENT. (For example, if your UI Contribution is 3.1% and your Employment Training Tax is 0.1%, your combined rate is 3.2%, and you enter .03200 in the Employer Rate field.) The Unemployment Wage Base remains at \$7000.

#### Reference:

"Notice of Contribution Rates and Statement of UI Reserve Account for Calendar Year 2009",  
Employment Development Department Publication DE2088 Rev 50.

# 2009 California Tax Changes Custom Screen

PR920	Compusource Corporation TAX DATA FILE MAINTENANCE				06/01/09
LOCALITY #: CA		NAME: CALIFORNIA-2009R			
CUSTOM FIELD #	DESCRIPTION	NUMBER	CUSTOM FIELD #	DESCRIPTION	NUMBER
1	S/M1 LIL	11278	11		0
2	HOH/M2 LIL	22556	12		0
3	ITM EXEMPT	1000	13		0
4	S/M1 STD	3692	14		0
5	HOH/M2 STD	7384	15		0
6	TAX CREDIT	99	16		0
7		0	17		0
8		0	18		0
9		0	19		0
10		0	20		0
OVERRIDE CUSTOM ROUTINE CODE:					
F-FIND, N-NEXT, A-ADD, C-CHG, P-PRT, T-DATA, S-SNGL, M-MRD, H-HOH, E-END					

## 2009 California Low Income Exemption

The Low Income Exemption for Singles and Marrieds with 1 or fewer allowances decreases to \$11,278 . . . for Heads of Households and for Marrieds with 2 or more allowances, it decreases to \$22,556. Change the amount for the custom field #1 labeled "S/M1 LIL" to 12226. Change the amount for the custom field #2 labeled "HOH/M2 LIL" to 24452. (Reference: "2009 Revised California Employer's Guide", Employment Development Department Publication)

## 2009 California Standard Deduction

The Standard Deduction for Singles and Marrieds with 1 or fewer allowances increases to \$3,692 . . . for Heads of Households and for Marrieds with 2 or more allowances, it increases to \$7,384. Change the amount for the custom field #4 labeled "S/M1STD" to 3692. Change the amount for the custom field #5 labeled "HOH/M2 STD" to 7384.

## 2009 California Personal Exemption Credit

The Personal Exemption Credit increases to \$99. Change the amount for the custom field #6 labeled "TAX CREDIT" to 99.

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**Reference:**

"2009 California Employer's Guide", Employment Development Department Publication DE44MM, Rev 35, Tables 1, 2, 3, and 4 (Method B—Exact Calculation Method, Annual Payroll Period), p62-63.

# 2009 California Tax Changes Single Screen

<b>PR920</b>	<b>Compusource Corporation</b>			<b>06/01/09</b>
	<b>TAX DATA FILE MAINTENANCE</b>			
	<b>LOCALITY #:</b> CA	<b>NAME:</b> CALIFORNIA-2009R		
	<b>LOWER</b>			
	<b>WAGE LIMIT</b>	<b>BASE</b>	<b>W/H RATE</b>	
	0.00	0.00	0.0125	
S	7168.00	89.60	0.0225	S
I	16994.00	310.69	0.0425	I
N	26821.00	728.34	0.0625	N
G	37233.00	1379.09	0.0825	G
L	47055.00	2189.41	0.0955	L
E	1000000.00	93195.66	0.1055	E
	9999999.99	0.00	0.0000	
	0.00	0.00	0.0000	
	0.00	0.00	0.0000	
	0.00	0.00	0.0000	
	0.00	0.00	0.0000	
	0.00	0.00	0.0000	
	0.00	0.00	0.0000	
	0.00	0.00	0.0000	
F-FIND, N-NEXT, A-ADD, C-CHG, P-PRT, T-DATA, M-MRD, H-HOH, U-CUS, E-END				

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Reference:  
 "2009 **Revised** California Employer's Guide", Employment Development Department Publication

# 2009 California Tax Changes Head of Household Screen

PR920	Compusource Corporation TAX DATA FILE MAINTENANCE			06/01/09
	LOCALITY #:	CA	NAME:	CALIFORNIA-2009R
	LOWER			
	WAGE LIMIT	BASE	W/H RATE	
	0.00	0.00	0.0125	
H	14345.00	179.31	0.0225	H
E	33989.00	621.30	0.0425	E
A	43814.00	1038.86	0.0625	A
D	54225.00	1689.55	0.0826	D
	64050.00	2500.11	0.0955	
0	1000000.00	91883.34	0.1055	0
F	9999999.99	0.00	0.0000	F
	0.00	0.00	0.0000	
H	0.00	0.00	0.0000	H
0	0.00	0.00	0.0000	0
U	0.00	0.00	0.0000	U
S	0.00	0.00	0.0000	S
E	0.00	0.00	0.0000	E
	0.00	0.00	0.0000	
F-FIND, N-NEXT, A-ADD, C-CHG, P-PRT, T-DATA, M-MRD, H-HOH, U-CUS, E-END				

Reference:

"2009 Revised California Employer's Guide", Employment Development Department Publication

# 2009 California Tax Changes Married Screen

PR920		Compusource Corporation TAX DATA FILE MAINTENANCE		06/01/09	
LOCALITY #:		NAME:			
		CA	CALIFORNIA-2009R		
LOWER					
	WAGE LIMIT	BASE		W/H RATE	
	0.00	0.00		0.0125	
M	14336.00	179.20		0.0225	M
A	33988.00	621.37		0.0425	A
R	53642.00	1456.67		0.0625	R
R	74466.00	2758.17		0.0825	R
I	94110.00	4378.80		0.0955	I
E	1000000.00	90891.30		0.1055	E
D	9999999.99	0.00		0.0000	D
	0.00	0.00		0.0000	
	0.00	0.00		0.0000	
	0.00	0.00		0.0000	
	0.00	0.00		0.0000	
	0.00	0.00		0.0000	
	0.00	0.00		0.0000	
	0.00	0.00		0.0000	
	0.00	0.00		0.0000	
F-FIND, N-NEXT, A-ADD, C-CHG, P-PRT, T-DATA, M-MRD, H-HOH, U-CUS, E-END					

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Reference:  
 "2009 **Revised** California Employer's Guide", Employment Development Department Publication