# Computing Federal Income Tax Withholding (FITW)

The following charts show how federal income tax withholding (FITW) is computed
The charts reflect year 1 January 2008 federal withholding rates.

| Step | Procedure | | Result |
|---|---|---|---|
| 1 | Enter Monthly Taxable Income from Block 38, LES | | A = |
| 2 | Multiply Allowances From Block 41 of LES by $291.67 | | B = $291.67x  = |
| 3 | Subtract B from A to get monthly Nonexempt Income | | C = |

## Step 4 - If Member is Claiming Married in Block 41 of LES

| If C Is Over | But C Is Not Over | Compute Monthly FITW By | Amount |
|---|---|---|---|
| $0 | $667 | Member has no FITW | $0.00 |
| $667 | $1963 | (C Minus $667) Times 10% | $ |
| $1963 | $6013 | [(C Minus $1963) times 15%] Plus $129.60 | $ |
| $6013 | $11488 | [(C Minus $6013) Times 25%] Plus $737.10 | $ |
| $11488 | $17308 | [(C Minus $11488) Times 28%] Plus $2105.85 | $ |
| $17308 | $30425 | [(C Minus $17308) Times 33%] Plus $3735.45 | $ |
| $30425 | | [(C Minus $30425) Times 35%] Plus $8064.06 | $ |

## Step 4 - If Member Is Claiming Single in Block 41 of LES

| If C Is Over | But C Is Not Over | Compute Monthly FITW By | Amount |
|---|---|---|---|
| $0 | $221 | Member Has No FITW | $0.00 |
| $221 | $858 | (C Minus $221) Times 10% | $ |
| $858 | $2830 | [(C Minus $858) Times 15%]Plus $63.70 | $ |
| $2830 | $6644 | {(C Minus $2830) Times 25%] Plus $359.50 | $ |
| $6644 | $13875 | [(C Minus $6644) Times 28%] Plus $1313.00 | $ |
| $13875 | $29971 | [(C Minus $13875) Times 33%] Plus $3337.68 | $ |
| $29971 | | [(C Minus $29971) Times 35%] Plus $8649.36 | $ |

Social Security  6.2%
Medicare         1.45%
Base Limit       $102,000.00

Supplemental Withholding rate is 25%

More information: http://www.irs.gov/pub/irs-pdf/p15.pdf (Percentage method as described on page 36 for an employee paid monthly)