Purpose

To comply with both federal and state laws regarding the withholding of taxes from employee wages.

Applicability

All Employees

Policy

The College is required, by law, to withhold all taxes mandated by federal and state governments from employee salary payments. The following taxes are required federal and state payroll deductions:

**Federal Withholding Tax:** This deduction is computed at the rate prescribed by law from Internal Revenue (IRS) tax tables, based on marital status and the number of exemptions claimed on Federal Form W-4. If an employee wishes to change the number of exemptions, they may do so at any time during the year. Federal Form W-4 is available in the payroll office.

**Social Security Tax (FICA):** This deduction is computed at the rate prescribed by law and is matched by the College.

**Medicare Tax:** This deduction is computed at the rate prescribed by law and is matched by the College.

**Rhode Island State Tax:** This deduction is computed at the rate prescribed by law from state tax tables using information from the employee’s RI W-4 form.

**Temporary Disability Insurance (TDI):** The cost of the state Temporary Disability Insurance is established by the state of Rhode Island. This rate is subject to change on an annual basis.

If you live in a state other than Rhode Island, you may request the payroll office to deduct additional Rhode Island taxes to offset the taxes in your state of residence. If you work in a state other than Rhode Island, you may request that the payroll office withhold taxes from the state you are working from and forgo Rhode Island taxes.

Responsibility

The associate vice president for human resources, or his/her designee, is responsible for the overall administration of this policy.