

**Date:** January 10, 2003

**To:** Deans, Directors, and Department Heads

**From:** Juan A. Jarrett  
Assistant Vice Chancellor for Human Resources

**Subject:** 2003 Federal Tax Withholding Changes

The Internal Revenue Service has issued new inflation-adjusted federal tax brackets and raised the personal exemption amount from \$3,000 to \$3,050 for 2003. This means that most employees will see a slight increase in their take-home pay.

The amount of federal tax withheld from an employee's check is based on the number of personal exemptions or allowances claimed on the W-4 form. In 2002, one personal exemption was equal to \$115.38 biweekly; the new amount for 2003 is \$117.31.

State income tax rate is 5.3%.

If you have any questions about this information, please call Brenda Libertine in the Payroll Office, 545-6119.

Please circulate this information to all employees in your department.