

Dear Employee:

The New York State Department of Taxation and Finance (DTF) has issued revised state and local withholding tables effective for the pay period of May 15<sup>th</sup>, 2009. These tables reflect changes in the New York State personal income tax rates and in the Yonkers resident personal income surcharge tax rates. The New York City personal income tax rates and the Yonkers nonresident earnings tax rates have not changed.

Many employees will not notice a change in their tax withholdings. The new tax tables would mostly affect highly paid individuals and employees who receive supplemental pay, such as an Honorarium or a Stipend, in addition to their regular pay. Please see the schedule provided below for the revised rates on supplemental pay.

**Supplemental Taxation Rate Withholdings are as follows:**

**SUPPLEMENTAL RATES (AS OF 04/30/09)**

Description	Tax Rates
Federal	25% . . . . . (.25)
<b>New York State</b>	<b>7.35% . . . . . (.0735)</b>
NY City	4.00% . . . . (.04)
<b>Yonkers Resident</b>	<b>0 .735% . . . (.00735)</b>
Yonkers Non-Resident	0.50% . . . . (.0050)

**SUPPLEMENTAL RATES (EFFECTIVE 05/01/09)**

Description	Tax Rates
Federal	25% . . . . . (.25)
<b>New York State</b>	<b>11.03% . . . . (.1103)</b>
NY City	4.00% . . . . (.04)
<b>Yonkers Resident</b>	<b>1.103% . . . . (.01103)</b>
Yonkers Non-Resident	0.50% . . . . (.0050)

If you need further guidance, please review Publication NYS-50-T.1 available at [http://www.tax.state.ny.us/pdf/publications/withholding/nys50\\_t1.pdf](http://www.tax.state.ny.us/pdf/publications/withholding/nys50_t1.pdf). The DTF has also issued a revised Form IT-2104, Employee's Withholding Allowance Certificate, which Pace has begun to use. You can download this form at [http://www.tax.state.ny.us/pdf/2009/killin/wt/it2104\\_409\\_fill\\_in.pdf](http://www.tax.state.ny.us/pdf/2009/killin/wt/it2104_409_fill_in.pdf). If you need additional information on these changes please refer to the New York State tax website at <http://www.tax.state.ny.us/>.

If additional help is required, please contact the Payroll Department at 914-923-2898.