



Virginia Workplace Law

Why Your Paycheck Might Be Different in 2013

By: Donna Ray Berkelhammer. *Monday, January 14th, 2013*

The first paycheck of 2013 may have more money taken out than the last paycheck of 2012. Here's why:

SOCIAL SECURITY TAX

For the past two years, employees received a break on the amount they were paying into Social Security, which was reduced from 6.2% to 4.2% for 2011 and 2012. Congress did not act to extend this payroll tax relief, so most employees will see a reduction in their take-home pay in 2013 as the rate reverts to the original 6.2%. Additionally, the social security taxable wage base will increase to \$113,700 for 2013.

MEDICARE TAX INCREASE FOR HIGH EARNERS

Most employees will see no change to their Medicare withholdings. The Medicare rate will remain at a flat 1.45% for 2013. Employees earning over \$200,000 will be subject to an additional Medicare tax of 0.9% beginning in 2013. For these individuals, the Medicare tax rate will be 1.45% on wages up to \$200,000 and 2.35% for wages exceeding \$200,000.

INDIVIDUAL TAX RATE CHANGES

Beginning in tax year 2013 (generally for tax returns filed in 2014), a new tax rate of 39.6% has been added for individuals whose income exceeds \$400,000 (\$450,000 for married taxpayers filing a joint return). The other marginal rates — 10, 15, 25, 28, 33 and 35% — remain the same as in prior years. The guidance contains the taxable income thresholds for each of the marginal rates. The standard deduction rises to \$6,100 (\$12,200 for married couples filing jointly), up from \$5,950 (\$11,900 for married couples filing jointly) for tax year 2012.

For a more comprehensive review of how your situation will change in 2013, please contact a **tax attorney**.

<http://virginiaworkplacelaw.com/>

[Richmond](#) • [Christiansburg](#) • [Fredericksburg](#) • [Research Triangle](#) • [McLean](#)

Copyright Sands Anderson PC

THE INFORMATION CONTAINED IN OUR WEB SITE DESCRIBES LEGAL MATTERS HANDLED IN THE PAST BY OUR ATTORNEYS. OF COURSE, THE RESULTS WE HAVE ACHIEVED DEPEND UPON A VARIETY OF FACTORS UNIQUE TO EACH MATTER. BECAUSE EACH MATTER IS DIFFERENT, OUR PAST RESULTS CANNOT PREDICT OR GUARANTEE A SIMILAR RESULT IN THE FUTURE.