



GEORGETOWN UNIVERSITY
Payroll Services

Dear Colleagues:

In an effort to make you aware of changes that may impact you and your paycheck, Payroll Services would like to provide you with this very important 2016 tax and mileage rate information.

Social Security Tax

For 2016, the employee tax rate for Social Security is 6.2%.

The Social Security Wage Base Limit is \$118,500 for 2016 (no changes from 2015). To that end, Social Security Tax will only be collected on the first \$118,500 earned in 2016.

Medicare Tax

The Medicare tax rate will remain at 1.45% and there is no wage base limit for Medicare tax. The 0.9% Additional Medicare Tax will be withheld from wages for those earning more than \$200,000 in a calendar year.

Mileage Reimbursement

Lastly, I'd like to bring your attention to the new standard mileage reimbursement rates for 2016. Effective January 1, 2016, the standard mileage rates for the use of a car are:

- 54 cents per mile for business miles driven. This is a decrease of 3.5 cents from the 2015 rate.
- 19 cents per mile driven for moving expenses. This is a decrease of 4 cents from the 2015 rate.

We will continue to provide you with any relevant updates and impacts as we become aware of them. Please feel free to [contact Payroll Services](#) with any questions or concerns you may have on these, or any other payroll-related, issues.

Regards,

Claudette Richardson
Director of Payroll Services