

NEW YORK STATE
OFFICE OF THE STATE COMPTROLLER

DIVISION OF AUDITS AND ACCOUNTS

BULLETIN NO. P-243

December 15, 1980

To : Payroll Officers - All Departments and Agencies

Subject: 1981 Social Security Deductions

Effective January 1, 1981 Social Security contributions will be deducted from the first \$29,700 in covered wages paid to an employee by each employer.

The rate of contribution for employer and employee will be 6.65% (total rate 13.30%). The maximum deduction for the 1981 calendar year will be \$1,975.05.

Also beginning in 1981, social security covered wages will be reported annually to the Social Security Administration. The Social Security Administration will credit each individual with one quarter of coverage for each \$310.00 of wages reported and with a full year of coverage when \$1240.00 or more in annual wages is reported. As a result of this change, the quarter-to-date social security tax field will no longer appear on the Payroll Summary (PRG-1).

Beginning in 1981, any social security deductions omitted within a calendar year can be recovered at anytime within the same calendar year the salary was earned. To process an adjustment an AC-1040 should be prepared entering the total amount of the adjustment in block 514 (Total Adj Amt) and the number of payroll periods required to liquidate the amount due in block 515 (No Per). However, if an adjustment would continue beyond the current year or if the adjustment is for a previous year's wages you can not process it on an AC-1040. Prepare a letter indicating the wages paid, the dates involved, and the amount due and send it to:

Department of Audit and Control
Bureau of Payroll Audit
Deduction Section - 8th Floor
A.E. Smith State Office Building
Albany, New York 12236