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## Circular Letter

January 3, 2013

TO: **ALL CALPERS EMPLOYERS**

SUBJECT: **THE AMERICAN TAXPAYER RELIEF ACT OF 2012 (H.R. 8)**

The California Public Employees' Retirement System (CalPERS) is the State Social Security Administrator for California. As such, the purpose of this Circular Letter is to inform you of recent legislation that may affect you and your employees.

The American Taxpayer Relief Act of 2012 (Act) was passed by the Senate and House of Representatives on January 1, 2013, and was signed by President Obama on January 2, 2013.

The Act does not directly address the Social Security employee payroll tax rate, since the Middle Class Tax Relief and Job Creation Act of 2012 only extended the 4.2% employee tax rate through the end of 2012. The employee Social Security payroll tax rate for 2013 will therefore revert to 6.2%, as it had been until the "payroll tax holiday" of 2011-2012. Please refer to [Circular Letter #200-008-12](#) for more information.

The employer Social Security payroll tax rate has remained at 6.2% over the past two years, and the Medicare tax rate remains at 1.45% for employers and employees. It is possible that subsequent legislation may again reduce the employee tax rate.

### **State Social Security Administrator Program Newsletter**

The CalPERS State Social Security Administrator Program (SSSAP) unit publishes occasional newsletters about Social Security matters, which are sent by email to interested subscribers. This bulletin contains not only news about Social Security items, but also information about Social Security topics of general interest.

Past newsletters have included:

- Information about the laws and rules regarding retired (or "rehired") annuitants, and their treatment for Social Security and Medicare purposes;
- The Windfall Elimination Provision [WEP];
- Dual Entitlement, and the Government Pension Offset (GPO).

Future topics will include Medicare enrollment dates to be aware of, computation of "credits" (formerly known as "quarters") for Social Security/Medicare eligibility, and other subjects of interest.

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If you would like to receive this newsletter, you can sign up on the “[CalPERS Email Subscriptions](#)” page on CalPERS On-Line. There is no limit to how many persons at an agency may subscribe.

If you have any questions, please contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**). You may also direct other Social Security-related questions to the SSSAP unit via email at: [socialsecurity@calpers.ca.gov](mailto:socialsecurity@calpers.ca.gov).

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