

## IRS Issues Guidance Regarding Medicare Tax Effective January 1, 2013

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July 18, 2012

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Effective January 1, 2013, employers must withhold an additional Medicare tax of 0.9% from the wages of employees who earn \$200,000 or more. The IRS issued Frequently Asked Questions (FAQs) to help employers implement this new tax. The FAQs state that the employer must withhold the additional tax beginning with the pay period in which it pays wages in excess of \$200,000 to an employee. The tax applies only to the wages over the \$200,000 threshold. There is no requirement to notify employees once the employer begins withholding the additional tax and there is no employer contribution required with respect to the tax. The IRS plans to release revised Forms 941, 943 and the tax return schemas for the Form 94X series of returns. The IRS' FAQs can be found [here](#).