



STATE OF NEVADA  
DEPARTMENT OF ADMINISTRATION  
*Division of Human Resource Management*

100 N. Stewart Street, Suite 200 | Carson City, NV 89701  
Phone: (775) 684-0150 | <http://hr.nv.gov>

MEMORANDUM

TO:

FROM: Keyna Jones, Central Payroll Manager  
Division of Human Resource Management

DATE: July 1, 2013

SUBJECT: Medicare Tax Withholding From Paycheck

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The Department of Administration and the Division of Human Resource Management have made a determination that previous treatment of certain employees as exempt from Medicare tax withholding was erroneous. Internal Revenue Code section 3101 requires the withholding of Medicare tax from wages.

Employees impacted by this determination include most members of boards and commissions paid through Central Payroll. Effective July 19, 2013 and going forward, Central Payroll will begin making the required deductions and remittances to the Internal Revenue Service (IRS). State governmental employees are mandatorily covered by Medicare. The employer must withhold and pay the employee share of the taxes and must pay the employer share. The Medicare tax rate is 1.45% of wages for each the employee and the employer.

The requirement to withhold Medicare tax from wages has existed for many years. However, under IRS regulations, the State of Nevada is statutorily required to correct the current year tax withholding and three prior years for the employee owed and employer owed tax amounts. These amounts are due and payable immediately to the IRS.

Employees impacted by this change in tax withholding will be afforded a process to reimburse the State for the employee share of the Medicare tax owed. This process will be provided to you, along with the options to make payments as soon as the process is completed.

If you have any questions, please do not hesitate to contact Keyna Jones, Central Payroll Manager at [kjones@admin.nv.gov](mailto:kjones@admin.nv.gov).