

# State of Alabama



Department of Finance  
*Office of the Comptroller*  
Montgomery, Alabama 36130-2602

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TO: All Payroll and Personnel Officers

DATE: February 12, 2018

SUBJECT: Changes due to 2018 Tax Reform Legislation

In accordance with the 2018 Tax Reform Legislation, federal tax tables have been updated in GHRS. Tax changes will be reflected on paychecks issued after January 16<sup>th</sup>.

In addition to the tax bracket changes, the Federal flat rate has changed from 25% to 22%. The State flat rate remains at 5%. Attached is an updated Deferred Compensation Worksheet for 2018 incorporating the new rates. Please begin using the updated worksheet as needed in computing future deferral amounts for separation pay.

If you have questions, please contact the GHRS hotline at 334 242-2188.

