

1 17 NCAC 06C .0117 is amended without notice pursuant to G.S. 150B-1(d)(4) as follow:

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3 **17 NCAC 06C .0117 SUPPLEMENTAL WAGE PAYMENTS**

4 (a) If an employer pays supplemental wages separately (or combines them with regular wages in a single payment  
5 and specifies the amount of each), the income tax withholding method depends on whether the employer withholds  
6 income tax from the employee's regular wages and whether the wages and supplemental wages are paid in a single  
7 payment.

8 (b) If tax has been withheld on the regular wages and the supplemental amount is not paid in a single payment  
9 together with regular wages, the employer may treat the supplemental wages as wholly separate from the regular  
10 wages and apply the income tax rate of five and three fourths percent for that tax year pursuant to G.S. 105-153.7(a)  
11 plus one-tenth of one percent to the supplemental wage payment without consideration for allowances claimed on  
12 the employee's withholding allowance certificate. Otherwise, the supplemental wages shall be added to the regular  
13 wages for the most recent payroll period. The income tax shall be figured as if the regular wages and supplemental  
14 wages constitute a single payment. The tax already withheld from the regular wages is subtracted from this amount.

15 (c) The remaining tax determined under Paragraph (b) of this Rule shall be withheld from the supplemental wages.  
16 If the employer did not withhold income tax from the employee's regular wages, the employer shall add the  
17 supplemental wages to the employee's regular wages paid for the current or last preceding payroll period and  
18 withhold tax as though the supplemental wages and regular wages were one payment.

19 (d) Tips shall be treated as supplemental wages. The employer shall withhold the income tax on tips from wages or  
20 collect the tax from funds the employee provides. If an employee receives regular wages and reports tips, the  
21 employer shall figure income tax as if the tips were supplemental wages. If the employer has not withheld income  
22 tax from the regular wages, the employer shall add the tips to the regular wages and withhold income tax on the  
23 total. If the employer withheld income tax from the regular wages, the employer shall withhold on the tips as  
24 explained in Paragraphs (b) and (c) of this Rule.

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26 *History Note: Authority G.S. 105-153.7; 105-163.1(13); 105-163.2; 105-262;*

27 *Eff. February 1, 1976;*

28 *Amended Eff. June 1, 1990; ~~Readopted Eff. May 1, 2016.~~ May 1, 2016; August 1, 2016.*