SUPPLEMENT I

FEDERAL INCOME TAX
WITHHOLDING RATES
Effective January 1, 1993

INSTRUCTIONS:
MONTHLY RATED EMPLOYEES:

EXAMPLE:
A married employee, earning $4,967 per month, with $50/month tax shelter. Employee has spouse and two children, also claims three allowances for itemized deductions. Spouse not working.

4 Exemptions for family members
3 Allowances for itemized deductions
7 Exemptions on Form UCW-4, Line 3

Step 1:
From the taxable gross (after deducting tax shelter, TSP, retirement) deduct $195.83 for each withholding allowance claimed on line "3" of the Form UCW-4 to obtain the adjusted taxable gross.

$ 4,967.00 Total Gross
( 70.34) Retirement Reduction
( 50.00) Tax Shelter Savings
4,846.66 Taxable Gross

(1,370.81) $195.83 x 7 Exemptions
3,475.85 Adjusted Taxable Gross

Step 2:
Using the appropriate attached table for marital status and pay period, seek the adjusted taxable gross (determined in Step 1) range in the two left columns.
Married Employee, paid monthly, range is
$3,396 - $6,771 ... $431.85 plus 28% of excess over $3,396

Step 3:
Deduct the range minimum in the right column from the adjusted taxable gross and multiply the difference by the percentage indicated.
Step 4:
Add the fixed dollar amount (if tax rate is more than 15%) to the amount calculated in Step 3. This is the amount of Federal Tax.

431.85 Fixed Amount
23.36 Subtotal
454.21 Federal Tax to Withhold

HOURLY RATED EMPLOYEE:

Use the same procedure as above, except deduct $90.38 for each deduction in Item 1.
1993 SOCIAL SECURITY/UCRS WAGE BASES

The Revenue Reconciliation Act of 1990 provides different wage base caps for the OASDI and Medicare components of the social security tax. Effective with earnings paid on or after January 1, 1991, the OASDI and Medicare wage base will increase. The tax rate percentages remain unchanged.

FICA:

- OASDI covered wages: 57,600.00
- OASDI employee contribution rate: 6.20%
- OASDI employer contribution rate: 6.20%
- Maximum OASDI employee contribution: 3,571.20
- Medicare covered wages: 135,000.00
- Medicare employee contribution rate: 1.45%
- Medicare employer contribution rate: 1.45%
- Maximum Medicare employee contribution: 1,957.50

UCRP:

- UCRP wage base: 57,600.00
- UCRP contribution rate: 2.0%
  - FICA coordinated within UCRP wage base: 2.0%
  - FICA coordinated above UCRP wage base: 4.0%
  - Not coordinated with FICA: 4.5%

SAFE HARBOR:

- Safe Harbor wage base: 57,600.00
- Safe harbor contribution rate: 7.5%
- Maximum Safe Harbor contribution: 4,320.00

EXEMPTIONS TABLE

Effective 1/1/93

Refer to the following table for the federal exemption amount:

<table>
<thead>
<tr>
<th></th>
<th>Value of One FEDERAL Exemption</th>
<th>Value of One STATE Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
<td>$2,350.00</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Monthly</td>
<td>195.83</td>
<td>83.00</td>
</tr>
<tr>
<td>Bi-Weekly</td>
<td>90.38</td>
<td>38.00</td>
</tr>
</tbody>
</table>
FEDERAL INCOME TAX WITHHOLDING RATES

### Biweekly Employee

| Single Person – including Head of Household: | Married Persons: |
| If the amount of wages (after subtracting withholding allowances) is: | The amount of income tax to be withheld shall be: |
| Not over $97.00...............$0 | Not over $238.00.............$0 |
| Over - But Not Over - | Over - But Not Over - | Of Excess Over |
| $97 | __$902 | 15% | __$97 |
| $902 | __$1,884 | $120.75 | __$902 |
| $1,884 | | $395.71 | __$1,884 |
| | | plus 31% | |

### Monthly Employee

| Single Person – including Head of Household: | Married Persons: |
| If the amount of wages (after subtracting withholding allowances) is: | The amount of income tax to be withheld shall be: |
| Not over $210.00.............$0 | Not over $517.00............$0 |
| Over - But Not Over - | Over - But Not Over - | Of Excess Over |
| $210 | __$1,854 | 15% | __$210 |
| $1,954 | __$4,081 | $261.60 | __$1,954 |
| $4,081 | | $857.16 | __$4,081 |
| | | plus 31% | |