

NEW CASTLE COUNTY

PERSONNEL POLICY

NUMBER 5.19

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DATE 03/18/16

SUBJECT: CITY WAGE TAX

APPROVED:



OBJECTIVE: To outline the procedures for collecting city wage tax from employees who live or work within the City of Wilmington corporate limits.

STATEMENT: The City of Wilmington Earned Income Tax - commonly known as the City Wage Tax - is calculated as a percentage of gross wages, in accordance with the Earned Income Tax Regulations of the City of Wilmington. The current tax rate in effect as of the date of this policy is 1.25% of gross earnings. The tax will be collected by New Castle County and submitted to the City of Wilmington for all employees who either reside or work in the City.

Coverage: This policy applies to all employees, appointees and elected officials.

Procedure:

1. All new employees will fill out a City of Wilmington Wage Tax Information form upon hire, indicating whether or not their residence address or work location is within City of Wilmington corporate limits.
2. Employees must notify New Castle County of any change in residence address. A residence address must be provided, even if a PO Box is the preferred method of mail delivery.
3. The Office of Human Resources will check addresses against the City of Wilmington Address Coding Guide and/or Parcel View to determine if the residence address is located within City of Wilmington limits.
4. The Office of Human Resources will conduct periodic reviews, queries of the payroll system and self-audits.
5. Semi-annual reminders will be sent to remind employees that they are individually responsible for ensuring that city wage tax is withheld from their checks.
6. Notwithstanding the above quality control measures, individual employees who either reside or work in the City of Wilmington are responsible for ensuring that the appropriate deductions are being made from their paychecks, and will be responsible for all taxes, penalties and interest.

REQUIRED ACTION: The Office of Human Resources and all County employees are responsible for the implementation of and compliance with the above-stated policy.