

How to calculate your PTO donation

PTO donations are reflected as income and the law requires a 22% Federal withholding, 6% State withholding (rounded to the nearest dollar), and 7.65% Social Security/Medicare tax (= 35.65%). This percentage (35.65) will be used to calculate the tax-deductible donation. Use this formula to calculate your PTO estimated donation:

$$\frac{\text{Hourly Rate (\$ amount)}}{\text{Hourly Rate (\$ amount)}} \times \frac{\text{Hours Donated (\# hours)}}{\text{Hours Donated (\# hours)}} = \text{Pre-Tax Donation}$$

$$\frac{\text{Pre-Tax Donation (\$ amount)}}{\text{Pre-Tax Donation (\$ amount)}} - \frac{\text{Taxes (35.65\% x Pre-Tax Donation)}}{\text{Taxes (35.65\% x Pre-Tax Donation)}} = \text{Value of PTO Donation After Taxes}$$

This is an estimate only. Note that Social Security / Medicare tax is subject to change per Federal government changes.

Questions about your PTO donation?

Contact Jenny Buschbom, Payroll Coordinator, buschbom@mgmc.com