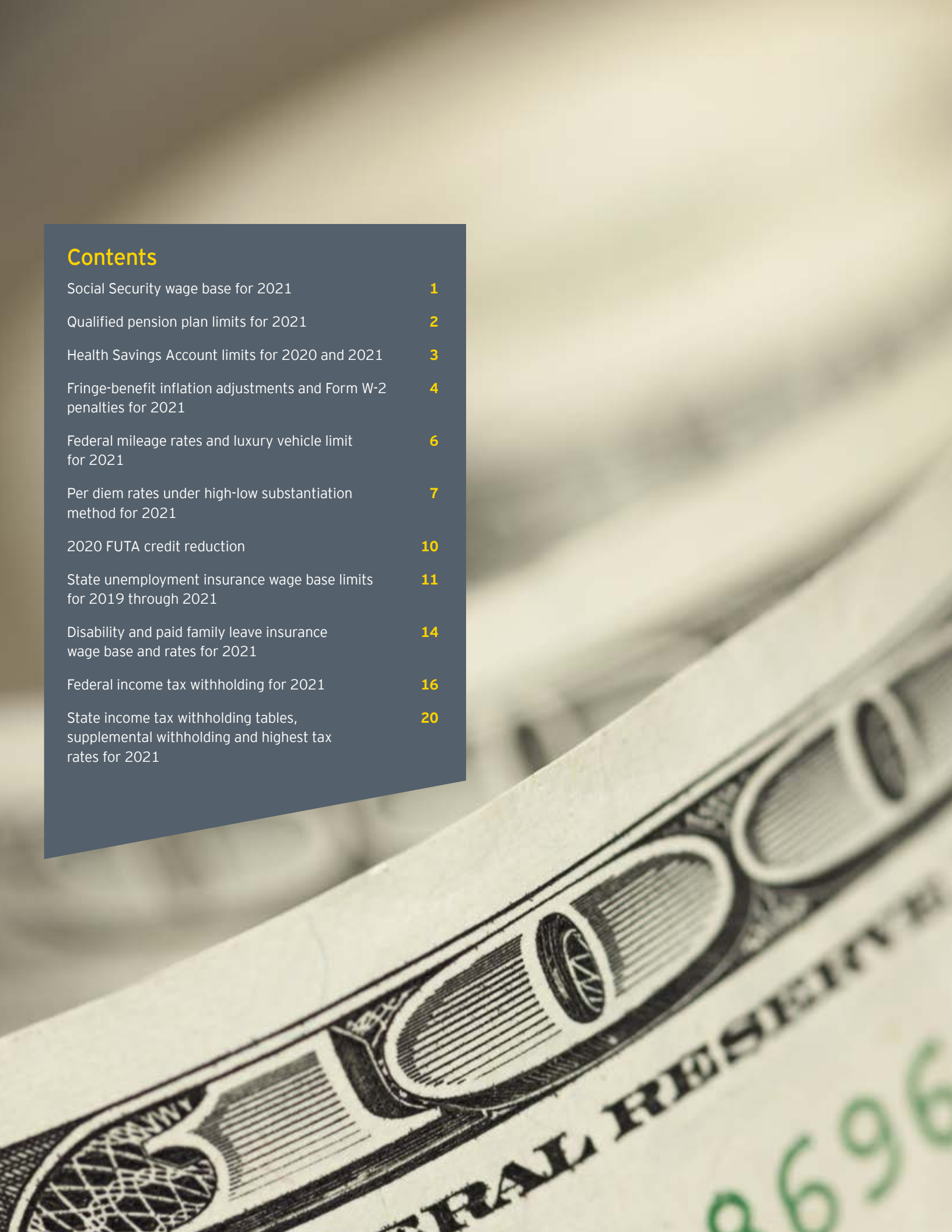
A close-up photograph of a glass hourglass with white sand, resting on a golden, textured stand. The hourglass is positioned on the right side of the frame, with the sand level in the bottom bulb being low. The background is a blurred, light-colored surface.

US employment tax rates and limits for 2021

Preliminary as of July 15, 2021

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Social Security wage base for 2021

The Social Security wage base will increase from \$137,700 to \$142,800 in 2021, higher than the \$141,900 high-cost and \$142,200 low-cost estimate published in the April 2020 Annual Report of the Board of Trustees. (See *EY Tax Alert 2020-1087*, 4-23-2030; *Social Security Administration Press Release*.)

The Medicare tax rate for 2020 remains at 1.45% of all covered earnings for employers and employees. The Additional Medicare Tax of 0.9% applies to earned income of more than \$200,000 (\$250,000 for married couples filing jointly). While employers are required to withhold the additional 0.9% on covered wages over \$200,000, there is no employer matching contribution.

For the complete Social Security Administration fact sheet go [here](#).

Social Security, Medicare and disability insurance contributions 2020 compared to 2021

Description	2021	2020	Increase
Social Security tax rate for employees	6.20%	6.20%	-0-
Social Security tax rate for employers	6.20%	6.20%	-0-
Social Security wage base	\$142,800.00	\$137,700.00	\$ 5,100.00
Maximum Social Security tax for employees	\$ 8,853.60	\$ 8,537.40	\$ 316.20
Medicare tax rate for employers	1.45%	1.45%	-0-
Medicare tax rate for employees	1.45%*	1.45%	-0-
Medicare tax rate for employees on wages above \$200,000*	2.35% (1.45% Medicare +0.9% Additional Medicare)	2.35% (1.45% Medicare +0.9% Additional Medicare)	-0-
Medicare wage base	No limit	No limit	N/A

* Employers must withhold the Additional Medicare Tax of 0.9% of wages over \$200,000. There is no employer matching contribution.



Qualified pension plan limits for 2021

The dollar limitations for qualified retirement and certain non-qualified plans that become effective January 1, 2020, were released by the IRS in [Notice 2020-79](#).

The dollar limitations adjusted by reference to IRC §415(d) are modified annually for inflation and consequently, most of them are changed for 2021.

Of particular note, the 2021 pretax limit that applies to elective deferrals to 401(k), 403(b) and most 457(b) plans is unchanged at \$19,500. The dollar limitation for catch-up contributions for participants age 50 is unchanged at \$6,500.

Plan participants in qualified retirement plans will need to consider the impact of the 2021 dollar limitations in their overall financial planning.

A summary of some of the cost-of-living adjustments applicable to dollar limitations for qualified retirement plans and other items for 2021 is provided on the following pages.

Qualified retirement plan limitations (2020 vs. 2021)

Description	2020 limit	2021 limit
Participant pretax contribution limit for 401(k) and 403(b) plans Section 402(g)(1)	\$19,500	\$19,500
Deferral limit for deferred compensation plans of state and local governments and tax-exempts Section 457(e)(15)	\$19,500	\$19,500
Dollar Limitation for Catch-Up Contributions for Participants Age 50 or over in 401(k), 403(b), governmental 457 plans and SEPs Section 414(v)(2)(B)(i)	\$6,500	\$6,500
Dollar Limitation for Catch-Up for Participants Age 50 or over Contributions to a SIMPLE IRA or a SIMPLE 401(k) Section 414(v)(2)(B)(ii)	\$3,000	\$3,000
Defined Benefit Plan Limit ¹ Section 415(b)(1)(A)	Lesser of \$230,000 or 100% of the participant's 3-year high compensation	Lesser of \$230,000 or 100% of the participant's 3-year high compensation
Defined Contribution Plan Limit Section 415(c)(1)(A)	Lesser of \$57,000 or 100% of participant's compensation	Lesser of \$58,000 or 100% of participant's compensation
Maximum ESOP account balance subject to a 5-year distribution period/increments for additional year Section 409(o)(1)(C)(ii)	\$1,150,000/\$230,000	\$1,165,000/\$230,000
Highly Compensated Employee dollar threshold Section 414(q)(1)(B)	\$130,000	\$130,000
Definition of Key Employee in a Top-Heavy Plan – officer compensation threshold Section 416(i)(1)(A)(i)	\$185,000	\$185,000
Annual limit on includible compensation for benefits and allocations ² Sections 401(a)(17), 404(l), 408(k)(3)(C) and 408(k)(6)(D)(ii)	\$285,000	\$290,000
SEP employee participation floor Section 408(k)(2)(C)	\$600	\$600
Simple Retirement Accounts contribution limit Section 408(p)(2)(E)	\$13,500	\$13,500
Compensation amount of control employees for fringe benefit valuation purposes Treas. Reg. Section 1.61-21(f)(5)(i) and (iii)	\$115,000/\$230,000	\$115,000/\$235,000

Footnotes

¹ For a participant who separated from service before January 1, 2021, the participant's limitation under a defined benefit plan under IRC §415(b)(1)(B) is computed by multiplying the participant's compensation limitation, as adjusted through 2020, by 1.0122.

² For eligible participants in certain governmental plans that allow cost-of-living adjustments to the compensation limit to be taken into account, such limit is increased to \$430,000 for 2021, up from \$425,000 in 2020.

Health Savings Account limits for 2020 and 2021

Health Savings Accounts limits for 2020 and 2021

In [Rev. Proc. 2020-32](#), the IRS announced the inflation adjustments that will apply to Health Savings Accounts (HSAs) under IRC §223 effective for calendar year 2021.

Health Savings Account limit type	2021	2020
Contribution*		
Self (IRC §223(b)(2)(A))	\$3,600	\$3,550
Family (IRC §223(b)(2)(B))	\$7,200	\$7,100
Out-of-pocket		
Self (IRC §223(c)(2)(A))	\$7,000	\$6,900
Family (IRC §223(c)(2)(A))	\$14,000	\$13,800
Deductible (high-deductible health plan)		
Self (IRC §223(c)(2)(A))	\$1,400	\$1,400
Family (IRC §223(c)(2)(A))	\$2,800	\$2,800

* Additional contribution of \$1,000 is permitted for individuals age 55 and older. Those enrolled in Medicare are not eligible to participate.

Form W-2 reporting reminder

Employer contributions and employee pre-tax contributions to an HSA are required to be reported on Form W-2, box 12, Code W. Employer and employee pretax contributions, that when combined exceed the annual calendar year limit, are required to be treated as taxable wages and reported in Form W-2, boxes 1, 3 (up to the Social Security limit) and 5. ([2020 Form W-2 instructions, page 11.](#))



It's time to review HSA and other employee health spending account benefits

HRA- and HSA-eligible health plans constitute what are called "consumer-driven" health plans (CDHPs) because they give employees the choice of electing health plan options that best meet their projected out-of-pocket medical expenses. CDHPs also raise payroll challenges because the rules governing each of these medical reimbursement account options (FSA, HRA, HSA and MSA) are unique in terms of their tax treatment and reporting.

How companies name their health plans may not clearly communicate the type of medical reimbursement vehicle that applies, causing time-consuming and potentially costly errors in payroll system configurations.

To avoid year-end reporting complications, now is a good time to review employee elections and how they are being handled in your payroll system.

2021 inflation adjustments for fringe benefits and Form W-2 penalties



In [Revenue Procedure 2020-45](#), the IRS announced the inflation adjustments that will apply to various fringe benefits in 2021.

Medical Savings Account (MSA) limits go up in 2021

Summarized below are the 2021 limits that apply to MSAs under IRC § 220(c)(2)(A).

Provision	Self-only coverage	Family coverage
High-deductible health plan: annual deductible	Not less than \$2,400 (up from \$2,350 in 2020) and not more than \$3,600 (up from \$3,500 in 2020)	Not less than \$4,800 (up from \$4,750 in 2020) and not more than \$7,150 (up from \$7,100 in 2020)
Annual out-of-pocket (other than for premiums)	Not to exceed \$4,800 (up from \$4,750 in 2020)	Not to exceed \$8,750 (up from \$8,650 in 2020)

Adoption assistance limit goes up in 2021

The limit on qualified adoption assistance (including special-needs children) under IRC §137 for 2021 is \$14,400, up from \$14,300 in 2020.

For 2021, the amount excludable from an employee's gross income begins to phase out under IRC § 137(b)(2)(A) for taxpayers with modified adjusted gross income in excess of \$216,660 and is completely phased out for taxpayers with modified adjusted gross income of \$256,660 or more.

Health flexible spending account (FSA) limit unchanged from 2020

The 2021 annual limit on the amount of pretax contributions employees can make toward their health flexible spending account through a cafeteria plan under IRC §125(i) is \$2,750, unchanged from 2020.

Transportation fringe benefits (parking and transit) limit unchanged from 2020

The 2021 monthly limit on parking benefits under IRC §132(f)(2)(B) is \$270, unchanged from 2020.

The 2021 aggregate monthly limit for transportation in a commuter highway vehicle and any transit pass under IRC §132(f)(2)(A) is also \$270, unchanged from 2020.

Foreign earned income exclusion for 2021

For taxable years beginning in 2021, the foreign earned income exclusion amount under § 911(b)(2)(D)(i) is \$108,700.

Reporting penalties for Forms W-2/1099 increase for tax year 2021

The penalties that apply to late or incorrect Forms W-2 are indexed each year for inflation. Following are the penalties that apply to late or incorrect Forms W-2 required to be furnished to employees and/or filed with the Social Security Administration for tax year 2021 (filed in 2022).

§6721 Failure to timely file an accurate information return with IRS (for returns required to be filed in 2022)				
Filed/corrected				
On or after	On or before	Penalty	Maximum	Maximum small employer
1/1	1/31	\$0	N/A	N/A
2/1	2/28	\$50	\$571,000	\$199,500
3/1	8/1	\$110	\$1,713,000	\$571,000
8/1		\$280	\$3,426,000	\$1,142,000
	Intentional disregard	\$570	No limit	No limit

§6722 Failure to timely furnish an accurate employee statement (for returns required to be filed in 2022)				
Filed/corrected				
On or after	On or before	Penalty	Maximum	Maximum small employer
1/1	1/31	\$0	N/A	N/A
2/1	2/28	\$50	\$571,000	\$199,500
3/1	8/1	\$110	\$1,713,000	\$571,000
8/1		\$280	\$3,426,000	\$1,142,000
	Intentional disregard	\$570	No limit	No limit

Federal mileage rates and luxury vehicle limit for 2021



Effective January 1, 2021, the business standard mileage rate for use of a car (including vans, pickup trucks and panel trucks) decreases from \$0.575 to \$0.560 and the rate for medical and relocation mileage decreases from \$0.17 to \$0.16. Mileage related to charity is set by law and remains at \$0.14 per mile. (*Notice 2021-02.*)

It is important to note that under the Tax Cuts and Jobs Act, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. Taxpayers also cannot claim a deduction for moving expenses incurred after December 31, 2017, except members of the Armed Forces on active duty moving under orders to a permanent change of station.

Note that the business standard mileage rate may not be used (1) after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS), (2) after claiming the IRC §179 deduction for that vehicle, (3) after claiming depreciation using a method other than straight-line for the estimated useful life, or (4) to compute the deductible expenses for more than four vehicles used simultaneously. (*Rev. Proc. 2010-51, IRB 883.*)

Luxury vehicle limitation for 2021

Pursuant to the vehicle valuation limit that applies to use of the optional fleet-average and vehicle cents-per-mile valuation methods, the maximum fair market value of the vehicle (including trucks and vans) first made available to employees in calendar year 2021 is \$51,100, an increase from the 2020 limit of \$50,400.

Summary of mileage rates – 2021 compared to 2020

Type of mileage	Effective January 1, 2021	Effective January 1, 2020
Business standard	\$0.560	\$0.575
Charity	\$0.140	\$0.140
Relocation and medical	\$0.160	\$0.170

Per diem rates under high-low substantiation method for 2021

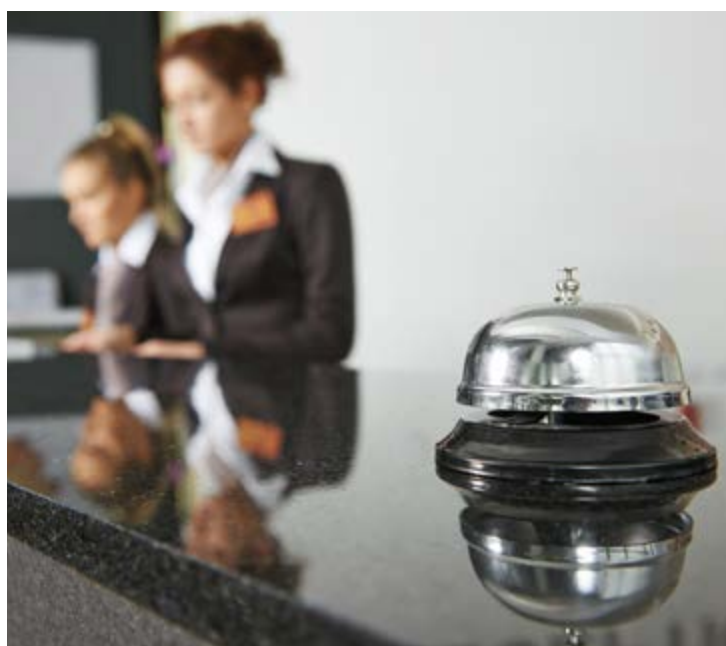
In [Notice 2020-71](#), the IRS released the per diem reimbursement rates that will apply effective October 1, 2020 (or, optionally, January 1, 2021). The per diem reimbursement rate for high-cost areas decreases from \$297 to \$292 and from \$200 to \$198 for low-cost areas. There were also numerous changes to the areas that qualify as high-cost.

Description	High-cost area	Low-cost area
Lodging, meals and incidentals	\$292 (was \$297)	\$198 (was \$195)
Meals and incidentals only	\$71 (no change)	\$60 (no change)
Incidental expenses only	\$5 (no change)	\$5 (no change)

The special meals and incidental expense (M&IE) rates for taxpayers in the transportation industry remain unchanged from last year at \$66 for any locality of travel in the continental United States (CONUS) and \$71 for any locality of travel outside the continental United States (OCONUS). (See [Revenue Procedure 2019-48](#).)

Note that transportation between places of lodging or business and places where meals are taken, and the mailing cost of filing travel vouchers and paying employer-sponsored charge card billings, are no longer included in incidental expenses.

The per diem rates for each locality of travel in the continental United States (CONUS) can be found on the General Services Administration [website](#). Per diem rates for travel outside of the continental United States (OCONUS) are available on the U.S. Department of Defense [website](#). Foreign per diem rates can be found on the U.S. Department of State [website](#).



High-cost localities of travel under the high-low substantiation method (effective October 1, 2020)

Key	County/other defined location
Arizona	
Sedona (Oct. 1-Dec. 1, March 1-April 30 and Sept. 1-Sept. 30)	City limits of Sedona
California	
Los Angeles (Oct. 1-Oct. 31 and Jan. 1-Sept. 30)	Los Angeles, Orange, Ventura, Edwards AFB, less the city of Santa Monica
Mill Valley/San Rafael/Novato (Oct. 1-Oct. 31 and June 1-Sept. 30)	Marin
Monterey (June 1-Aug. 31)	Monterey
Napa (Oct. 1-Nov. 30 and April 1-Sept. 30)	Napa
Oakland (Oct. 1-Sept. 30)	Alameda
San Diego (Feb. 1-July 31)	San Diego
San Francisco (Oct. 1-Sept. 30)	San Francisco
San Mateo/Foster City/Belmont (Oct. 1-Sept. 30)	San Mateo
Santa Barbara (Oct. 1-Sept. 30)	Santa Barbara
Santa Monica (Oct. 1-Sept. 30)	City limits of Santa Monica
Sunnyvale/Palo Alto/San Jose (Oct. 1-Sept. 30)	Santa Clara
Colorado	
Aspen (Oct. 1-March 31 and June 1-Sept. 30)	Pitkin
Crested Butte/Gunnison (Dec. 1-March 31)	Gunnison
Denver/Aurora (Oct. 1-Oct. 31 and April 1-Sept. 30)	Denver, Adams, Arapahoe and Jefferson
Grand Lake (Dec. 1-March 31)	Grand
Silverthorne/Breckenridge (Dec. 1-March 31)	Summit
Telluride (Oct. 1-Sept. 30)	San Miguel
Vail (Oct. 1-Sept. 30)	Eagle

Per diem rates under high-low substantiation method for 2021

Continued

Key	County/other defined location
Delaware	
Lewes (July 1-Aug. 31)	Sussex
District of Columbia	
Washington, DC (Oct. 1-Sept. 30)	Also, the cities of Alexandria, Falls Church and Fairfax and the counties of Arlington and Fairfax in Virginia; and the counties of Montgomery and Prince George's in Maryland (see also Maryland and Virginia)
Florida	
Boca Raton/Delray Beach/Jupiter (Dec. 1-April 30)	Palm Beach and Hendry
Fort Lauderdale (Jan. 1-April 30)	Broward
Fort Myers (Feb. 1-March 31)	Lee
Fort Walton Beach/De Funiak Springs (June 1-July 31)	Okaloosa and Walton
Gulf Breeze (June 1-July 31)	Santa Rosa
Key West (Oct. 1-July 31)	Monroe
Miami (Dec. 1-March 31)	Miami-Dade
Naples (Dec. 1-April 30)	Collier
Vero Beach (Dec. 1-April 30)	Indian River
Georgia	
Jekyll Island/Brunswick (March 1-July 31)	Glynn
Illinois	
Chicago (Oct. 1-Nov. 30 and April 1-Sept. 30)	Cook and Lake
Maine	
Bar Harbor/Rockport (July 1-Aug. 31)	Hancock and Knox
Kennebunk/Kittery/Sanford (July 1-Aug. 31)	York

Key	County/other defined location
Maryland	
Ocean City (July 1-Aug. 31)	Worcester
Washington, DC metro area (Oct. 1-Sept. 30)	Montgomery and Prince George's
Massachusetts	
Boston/Cambridge (Oct. 1-Sept. 30)	Suffolk, City of Cambridge
Falmouth (July 1-Aug. 31)	City limits of Falmouth
Hyannis (July 1-Aug. 31)	Barnstable, less the city of Falmouth
Martha's Vineyard (June 1-Sept. 30)	Dukes
Nantucket (June 1-Sept. 30)	Nantucket
Michigan	
Petoskey (July 1-Aug. 31)	Emmet
Traverse City (July 1-Aug. 31)	Grand Traverse
Montana	
Big Sky/West Yellowstone/Gardiner (June 1-Sept. 30)	Gallatin and Park
New Mexico	
Carlsbad (Oct. 1-Sept. 30)	Eddy
New York	
Lake Placid (July 1-Aug. 31)	Essex
New York City (Oct. 1-Dec. 31 and March 1-Sept. 30)	Bronx, Kings, New York, Queens, Richmond
Oregon	
Portland (Oct. 1-Oct. 31 and June 1-Sept. 30)	Multnomah
Seaside (July 1-Aug. 31)	Clatsop

Key	County/other defined location
Pennsylvania	
Hershey (June 1-Aug.31)	Hershey
Philadelphia (Oct. 1-Nov. 30, March 1-June 30 and Sept. 1-Sept. 30)	Philadelphia
Rhode Island	
Jamestown/Middletown/Newport (Oct. 1-Oct. 31 and June 1-Sept. 30)	Newport
South Carolina	
Charleston (Oct. 1-Nov. 30 and March 1-Sept. 30)	Charleston, Berkeley and Dorchester
Tennessee	
Nashville (Oct. 1-Sept. 30)	Davidson
Utah	
Park City (Dec. 1-March 31)	Summit
Virginia	
Virginia Beach (June 1-Aug. 31)	City of Virginia Beach
Wallops Island (July 1-Aug. 31)	Accomack
Washington, DC metro area (Oct. 1-Sept. 30)	Cities of Alexandria, Fairfax, and Falls Church; counties of Arlington and Fairfax
Washington	
Seattle (Oct. 1-Sept. 30)	King
Vancouver (Oct.1-Oct. 31 and June 1-Sept. 30)	Clark, Cowlitz and Skamania
Wyoming	
Cody (June 1-Sept. 30)	Park
Jackson/Pinedale (June 1-Sept. 30)	Teton and Sublette



2020 FUTA credit reduction

According to the U.S. Department of Labor (USDOL), the Virgin Islands continues to have a federal unemployment tax (FUTA) credit reduction for calendar year 2020. Virgin Islands employers will pay FUTA taxes for calendar year 2020 at a net rate of 3.6%, composed of a FUTA credit reduction rate of 3.0% and the 0.6% minimum FUTA rate. (U.S. Department of Labor [website](#).)

Employers in the Virgin Islands will pay their FUTA taxes for calendar year 2020 at a higher FUTA tax rate than employers in other jurisdictions because it failed to repay its outstanding federal UI loans by November 10, 2020. These additional FUTA taxes are used to pay down Virgin Islands' federal unemployment insurance loan balance.

The increased 2020 FUTA taxes are due from Virgin Islands employers with their fourth quarter 2020 Form 940 tax deposit, due February 1, 2021.

Virgin Islands again receives waiver of the BCR for 2020

As we reported, the Virgin Islands again requested a waiver of the benefit cost ratio (BCR) for 2020, which was approved by the USDOL, removing an additional potential credit reduction of 0.7%. Had the request not been approved, Virgin Islands employers would have paid 2020 FUTA taxes at a rate of 4.3%. (See *EY Tax Alert 2020-2101*, 8-19-2020.)

Background

The Social Security Act requires a reduction in the FUTA tax credit when a jurisdiction has an outstanding federal unemployment insurance loan balance on January 1 of the second consecutive year. The reduction in the FUTA tax credit is 0.3% for the first year and an additional 0.3% (or more) for each succeeding year until the loan is repaid.

Federal law discourages states from carrying their federal unemployment insurance loan balances over several years by further reducing the FUTA credit beginning in the fifth year of the loan. This add-on to the FUTA credit reduction is referred to as the BCR.

The BCR was triggered on again in 2020 for the Virgin Islands, which began borrowing in 2009 and still had a federal unemployment insurance loan balance as of January 1, 2020.

The BCR penalty may be waived if the jurisdiction's governor submits an application to the U.S. Secretary of Labor no later than July 1 of the penalty year and the jurisdiction takes no action (legislative, judicial or administrative) during the 12-month period ending September 30 that would reduce unemployment insurance trust fund solvency during that same time period.

Should the BCR add-on be waived, as is normally the case if the conditions are met, another penalty, referred to as the 2.7 add-on, can apply if the jurisdiction's average unemployment insurance tax rate is inadequate. The 2.7 add-on penalty rate cannot be avoided or waived once activated.

As of November 13, 2020, the USDOL shows the Virgin Islands' outstanding UI loan balance was \$80,108,748.15. The 2020 FUTA credit reduction, which applies only to the Virgin Islands, is shown below.

2020 FUTA credit reduction

State	First year of loan	2019 FUTA credit reduction	2019 total FUTA rate	2020 FUTA credit reduction	2020 benefit cost ratio (BCR) add-on ¹	2020 total FUTA rate ²
Virgin Islands	2009	2.7%	3.3%	3.0%	0.0%	3.6%

¹ BCR of 0.7% waived by the USDOL. The 2.7 (not a percentage) add-on could have applied because the BCR add-on was waived; however, this was not the case for 2020.

² Total FUTA rate includes the FUTA credit reduction and 0.6% minimum net FUTA rate.

State unemployment insurance taxable wage bases for 2019-2021

State unemployment insurance (SUI) trust funds are largely financed by employer contributions (except in Alaska, New Jersey and Pennsylvania, where employees also make contributions). States are required to maintain a SUI wage base of no less than the limit set under the Federal Unemployment Insurance Act (FUTA). The 2021 FUTA wage base of \$7,000 has remained unchanged since 1983, despite increases in the federal minimum wage and annual cost-of-living adjustments over the last 37 years.

Some states are conservative in their approach to maintaining adequate SUI trust fund reserves. Consequently, the SUI wage base is flexible, meaning it is indexed to the average wage or varies based on the SUI trust fund balance. According to the United States Department of Labor (DOL), 24 states and the Virgin Islands had a flexible wage base in 2020. (U.S. Department of Labor [Comparison of State Unemployment Laws, 2020.](#))

As a result of the COVID-19 pandemic, several states are considering or have passed legislation or have issued executive orders to change their UI laws, bolster UI trust funds and/or provide relief to their employers. For example, several states have transferred federal stimulus under the Coronavirus Aid, Relief, and Economic Security (CARES) Act to their UI trust fund balances to avoid significant increases in employers' 2021 SUI tax rates. In addition, most states, at least for a period of time, chose not to charge employer reserve accounts with COVID-19 UI benefits.

Preliminary list of 2021 state unemployment taxable wage bases

Following is a preliminary list of the 2021 state unemployment insurance (SUI) taxable wage bases (as compared to 2020) and employee SUI withholding rates, if applicable.

State unemployment taxable wage bases for 2019-2021

State	2021	2020	2019	2021 employee contribution rates
Alabama	8,000*	8,000*	8,000*	
Alaska	43,600	41,500	39,500	Employee SUI withholding rate is 0.5% on wages up to \$43,600
Arizona	7,000*	7,000*	7,000*	
Arkansas**	10,000	7,000	10,000*	
California	7,000*	7,000*	7,000*	
Colorado**	13,600	13,600	12,600	
Connecticut	15,000*	15,000*	15,000*	
Delaware**	16,500	16,500	16,500	
District of Columbia	9,000*	9,000*	9,000*	
Florida	7,000*	7,000*	7,000	
Georgia	9,500*	9,500*	9,500*	
Hawaii	47,400	48,100	45,900	
Idaho	43,000	41,600	38,200	
Illinois	12,960	12,740	12,960*	



State unemployment taxable wage bases for 2019-2021

Continued



State	2021	2020	2019	2021 employee contribution rates
Indiana	9,500*	9,500*	9,500*	
Iowa	32,400	31,600	29,900	
Kansas	14,000*	14,000*	14,000*	
Kentucky**	10,800	10,800	10,200	
Louisiana**	7,700	7,700	7,700	
Maine	12,000*	12,000*	12,000*	
Maryland	8,500*	8,500*	8,500*	
Massachusetts	15,000*	15,000*	15,000*	
Michigan**	9,500	9,000	9,500	
Minnesota	36,000	35,000	32,000	
Mississippi	14,000*	14,000*	14,000*	
Missouri	11,000	11,500	12,500	
Montana	35,300	34,100	32,000	
Nebraska**	9,000/24,000*	9,000/24,000*	9,000*	
Nevada	33,400	32,500	30,500	
New Hampshire	14,000*	14,000*	14,000*	
New Jersey**	36,200	35,300	33,700	Employee SUI withholding rate is 0.425% on wages up to \$36,200
New Mexico	27,000	25,800	24,200	
New York**	11,800	11,600	11,100	
North Carolina	26,000	25,200	23,500	
North Dakota	38,500	37,900	35,500	
Ohio**	9,000*	9,000*	9,500*	
Oklahoma	24,000	18,700	17,600	
Oregon	43,800	42,100	39,300	
Pennsylvania	10,000*	10,000*	10,000*	Employee SUI withholding 0.06% on total wages
Puerto Rico**	7,000	7,000	7,000	
Rhode Island**	24,600/26,100	24,000/25,500	23,000/24,500	
South Carolina	14,000	14,000	14,000	
South Dakota	15,000	15,000	15,000	
Tennessee**	7,000	7,000	7,000	
Texas	9,000*	9,000*	9,000*	
Utah	38,900	36,600	34,300	
Vermont	14,100	16,100	17,600	
Virginia	8,000*	8,000*	8,000*	
Virgin Islands	32,500	28,900	24,200	

State	2021	2020	2019	2021 employee contribution rates
Washington	56,500	52,700	47,300	
West Virginia	12,000*	12,000*	12,000*	
Wisconsin	14,000*	14,000*	14,000*	
Wyoming	27,300	26,400	24,700	
FUTA	7,000*	7,000*	7,000*	

Legend

* Law sets the taxable wage base; legislation would be necessary to change.

** See footnote below.

EST: Estimated 2021 wage base

TBD: 2021 wage base was not available as of the time of this printing

Arkansas. 2019 legislation (*SB 298/Act 512*) changes the way that Arkansas determines the SUI wage base starting with tax years after 2019. The SUI wage base, set by law at \$10,000 for 2018 and 2019, is now determined each year by the average seasonally unadjusted UI benefit rate for the preceding fiscal year (July 1 through June 30). Depending on the UI benefit rate, the SUI wage base could range from \$7,000 to \$10,000. In addition, during times when the UI trust fund balance falls below a specified level, the SUI wage base could increase to \$11,000 or \$12,000. According to a Department representative, the taxable wage base will increase to \$10,000 for 2021.

Colorado. 2020 legislation (*SB 20-207*) sets the SUI taxable wage base at \$13,600 for calendar year 2021 and provides that the SUI taxable wage base will increase incrementally to \$30,600 by calendar year 2026.

Delaware. 2013 legislation (*HB 168*) increased the SUI taxable wage base to a minimum of \$10,500 and a maximum of \$18,500 by linking the wage limit to the balance of the state's unemployment trust fund. The higher the trust fund balance, the lower the taxable wage base. 2019 legislation (*HB 198*) froze the taxable wage base at \$16,500 for 2020 (under the bill language from July 1, 2019 to October 29, 2020) so that the Division of Unemployment Insurance and the Unemployment Compensation Advisory Council could determine whether the formula used to calculate the annual figure should be revised. According to a Division representative, the taxable wage base will remain at \$16,500 for 2021.

Kentucky. The taxable wage base is expected to continue to increase by \$300 each calendar year until it reaches \$12,000.

Louisiana. 2020 legislation (*SB 55/Act 40*) provides that the SUI taxable wage base will remain at \$7,700 for 2021.

Michigan. The SUI taxable wage base is expected to increase for 2021 from the \$9,000 that has been in effect for the past several years to the \$9,500 that is currently only assigned to delinquent employers. Michigan's UI trust fund balance fell below \$2.5 billion on June 30, 2020, the balance required for the \$9,000 wage base to be in effect. Legislation introduced in September 2020 (*HB 6136*) would, if enacted, freeze the SUI taxable wage base at \$9,000 for calendar year 2021.

Nebraska. 2019 legislation (*LB 428*) increases the SUI taxable wage base to \$24,000 for employers assigned the maximum rate. This change was effective for calendar year 2020. The taxable wage base remains \$9,000 for all other employers.

New Jersey. Employee contribution rate includes the Workforce Development/Supplemental Workforce Funds surcharge.

New York. The taxable wage base will continue to increase as follows: 2022 – \$12,000; 2023 – \$12,300; 2024 – \$12,500; 2025 – \$12,800; 2026 – \$13,000; for each year thereafter, computed as 16% of the state's average annual wage.

Ohio. 2016 legislation (*SB 235*) increased the SUI taxable wage base to \$9,500 for calendar years 2018 and 2019. The taxable wage base reverted to \$9,000 effective January 1, 2020 and will remain at that amount unless changed by future legislation.

Puerto Rico. 2017 legislation grants the territory's Secretary of Labor the discretion to increase the taxable wage base to as much as \$10,500 if deemed necessary.

Rhode Island. Negative-balanced employers assigned the maximum tax rate will have a taxable wage base that is \$1,500 higher than other employers (e.g., for 2020, \$24,600 and \$26,100 for negative-balanced employers).

Tennessee. Under Tennessee UI law, if the UI trust fund balance on December 31 of any year is less than \$900 million, the taxable wage base is \$9,000. If the trust fund balance is above \$900 million, but less than \$1 billion on December 31, the taxable wage base is \$8,000. If the trust fund balance is over \$1 billion on December 31, the taxable wage base is \$7,000. The Tennessee UI trust fund balance as of November 30, 2020, was \$1,165,876,123. If the balance remains above \$1 billion as of December 31, 2020, the 2021 taxable wage base will remain \$7,000.

2021 state disability and paid family leave insurance wage base and rates

Six jurisdictions – California, Hawaii, New Jersey, New York, Puerto Rico and Rhode Island – operate state disability insurance (SDI) programs. Another nine jurisdictions – California, Connecticut, District of Columbia, Massachusetts, New Jersey, New York, Oregon, Rhode Island and Washington – are now operating, or will soon be operating, paid family and medical leave (PFML) insurance programs.

Depending on the jurisdiction, the employee may pay all contributions to the SDI and/or PFML program through wage withholding, or the employer and the employee may share the cost of the insurance coverage. Most states allow employers to use a private insurance company or self-insured plan in lieu of paying into the state insurance fund(s).

The following chart shows the state SDI and PFML rates and taxable wage limits for 2021 based on information currently available.

Changes or additions from 2020 are highlighted in yellow.

State disability and paid family medical leave insurance Tax year 2021			
State/jurisdiction	Employee contribution	Employer contribution	Taxable wage limit if applicable (1)
California			
Disability	1.2%	None	\$128,298
Paid family and medical leave	Included in disability	N/A	Included in disability
Connecticut			
Disability	None	None	None
Paid family medical leave	0.5% (effective January 1, 2021)	None	\$142,800 (2021 Social Security wage limit)
Colorado			
Disability	None	None	None
Paid family medical leave	50% of 0.9% (effective January 1, 2023, for employers of 10 or more, employees pay 50%; if fewer than 10 employees, employees pay 100%)	50% of 0.9% (effective January 1, 2023, employers of 10 or more employees pay 50%; if fewer than 10 employees, employers pay 0%)	Social Security wage limit
District of Columbia			
Disability	None	None	None
Paid family medical leave	None	0.62%	None, payroll tax is on total wages
Hawaii			
Disability	50% of cost but not more than 0.5% of covered weekly wages up to a maximum. The maximum weekly contribution is \$5.51	Difference between cost and worker's contribution	\$1,102.90 (weekly)
Paid family medical leave	None	None	None
Massachusetts (4)			
Disability	None	None	None
Paid family medical leave	0.75% (employees pay 100% of family leave portion. If employer of 25 or more employees, 40% of medical insurance portion, otherwise employee pays 100%)	For employers of 25 or more employees, 60% of medical insurance portion of rate, otherwise employees pay 100%	\$142,800 (Social Security wage limit)

State disability and paid family medical leave insurance
Tax year 2021

State/jurisdiction	Employee contribution	Employer contribution	Taxable wage limit if applicable (1)
New Jersey (3)			
Disability	0.47%	New employers pay 0.5% of taxable wages if in state plan; otherwise, experience rating applies. For other employers, experience rates range from 0.1% to 0.75%	\$138,200
Paid family medical leave	0.28%	None	\$138,200
New York			
Disability	0.5% up to: \$0.14 daily \$0.60 weekly \$1.20 biweekly \$1.30 semi-monthly \$2.60 monthly	Balance of costs over employee contributions necessary to provide benefits	None
Paid family medical leave	0.511% (maximum of \$385.34 per year)	None	\$1,450.17 (weekly)
Oregon			
Disability	None	None	None
Paid family medical leave	60% of 1.0% (effective January 1, 2022, for employers of 25 or more, employees pay 60%; if fewer than 25 employees, employees pay 100%)	40% of 1.0% (effective January 1, 2022, employers of 25 or more employees pay 40%; if fewer than 25 employees, employers pay 0%)	Social Security wage limit
Puerto Rico (2)			
Disability	0.3%	0.3%	\$9,000
Paid family medical leave	None	None	None
Rhode Island			
Disability	1.3%	None	\$74,000
Paid family medical leave	Included in disability	N/A	Included in disability
Washington			
Disability	None	None	None
Paid family medical leave	63.33% of 0.4% (if employer has fewer than 50 employees, employees pay 100% of the premium)	36.67% of 0.4% (if employer has 50 or more employees, otherwise the employee pays 100% of the premium)	\$142,800 (Social Security wage limit)

Footnotes:

- (1) Represents maximum annual earnings unless another period is specified. Where the employer contribution is stated as a percentage, the taxable wage limit applies.
- (2) **Puerto Rico.** Not anticipated to change for 2021.
- (3) **New Jersey.** Legislation (A 3975) effective January 1, 2020, separated the computation of the temporary disability and family leave insurance taxable wage base from that of the state unemployment insurance taxable wage base and increased the figure by almost four times the previous level to fund expanded disability benefits.
- (4) **Massachusetts.** According to guidance issued by the Massachusetts Department of Family and Medical Leave, the total rate will remain at 0.75% for 2021.

Federal income tax withholding for 2021

This IRS released the 2021 [Publication 15, Circular E, Employer's Tax Guide](#) and [Publication 15-T, Federal Income Tax Withholding Methods](#).

The formulas and tables used in computing federal income tax withholding are moved from Publication 15 to the new Publication 15-T. Publication 15-T is designed to work with the [2021 Form W-4](#) that was significantly modified to conform to changes under the Tax Cuts and Jobs Act, in particular, the elimination of personal allowances through 2025.

Not all employees are required to submit a 2021 Form W-4, only newly hired employees who first receive wages in 2021, employees who claimed exemption from withholding in 2020 and employees who wish to change their Form W-4 in 2021. Accordingly, some employees will continue to have a Form W-4 on file that was submitted in 2019 or earlier years. Publication 15-T is designed to work with Forms W-4 submitted before and after January 1, 2020.

As explained in Publication 15-T, for 2020 and later years, there are two tables used to compute federal income tax withholding:

- ▶ **Standard Withholding Rate Schedules.** This table is used if the employee's Form W-4 is from 2019 or earlier, or if the box in step 2 of the Form W-4 for 2020 and later years is not checked.
- ▶ **Form W-4, Step 2, Checkbox, Withholding Rate Schedules.** This table is used if the Form W-4 is from 2020 or later years and the box in step 2 of Form W-4 is checked.

The 2021 annual percentage withholding tables for automated payroll systems are reproduced at right.

2021 annual percentage withholding tables for automated payroll systems

Standard Withholding Rate Schedules (Use these if the Form W-4 is from 2019 or earlier, or if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 is NOT checked.)				
If the Adjusted Annual Wage Amount (line 2a) is		The tentative amount to withhold is ...	Plus this percentage ...	of the amount that the Adjusted Annual Wage exceeds ...
At least ...	But less than ...			
A	B	C	D	E
Married filing jointly				
\$ 0	\$ 12,200	\$ 0.00	0%	\$ 0
\$ 12,200	\$ 32,100	\$ 0.00	10%	\$ 12,200
\$ 32,100	\$ 93,250	\$ 1,990.00	12%	\$ 32,100
\$ 93,250	\$ 184,950	\$ 9,328.00	22%	\$ 93,250
\$ 184,950	\$ 342,050	\$ 29,502.00	24%	\$ 184,950
\$ 342,050	\$ 431,050	\$ 67,206.00	32%	\$ 342,050
\$ 431,050	\$ 640,500	\$ 95,686.00	35%	\$ 431,050
\$ 640,500		\$ 168,993.50	37%	\$ 640,500
Single or married filing separately				
\$ 0	\$ 3,950	\$ 0.00	0%	\$ 0
\$ 3,950	\$ 13,900	\$ 0.00	10%	\$ 3,950
\$ 13,900	\$ 44,475	\$ 995.00	12%	\$ 13,900
\$ 44,475	\$ 90,325	\$ 4,664.00	22%	\$ 44,475
\$ 90,325	\$ 168,875	\$ 14,751.00	24%	\$ 90,325
\$ 168,875	\$ 213,375	\$ 33,603.00	32%	\$ 168,875
\$ 213,375	\$ 527,550	\$ 47,843.00	35%	\$ 213,375
\$ 527,550		\$ 157,804.25	37%	\$ 640,500
Head of household				
\$ 0	\$ 10,200	\$ 0.00	0%	\$ 0
\$ 10,200	\$ 24,400	\$ 0.00	10%	\$ 10,200
\$ 24,400	\$ 64,400	\$ 1,420.00	12%	\$ 24,400
\$ 64,400	\$ 96,550	\$ 6,220.00	22%	\$ 64,400
\$ 96,550	\$ 175,100	\$ 13,293.00	24%	\$ 96,550
\$ 175,100	\$ 219,800	\$ 32,145.00	32%	\$ 175,100
\$ 219,600	\$ 533,800	\$ 46,385.00	35%	\$ 219,600
\$ 533,800		\$ 156,355.00	37%	\$ 533,800

Form W-4, Step 2, Checkbox, Withholding Rate Schedules
 (Use these if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 IS checked.)

If the Adjusted Annual Wage Amount (line 2a) is		The tentative amount to withhold is ...	Plus this percentage ...	of the amount that the Adjusted Annual Wage exceeds ...
At least ...	But less than ...			
A	B	C	D	E
Married filing jointly				
\$ 0	\$ 12,550	\$ 0.00	0%	\$ 0
\$ 12,550	\$ 22,500	\$ 0.00	10%	\$ 12,550
\$ 22,500	\$ 53,075	\$ 995.00	12%	\$ 22,500
\$ 53,075	\$ 98,925	\$ 4,664.00	22%	\$ 53,075
\$ 98,925	\$ 177,475	\$ 14,751.00	24%	\$ 98,925
\$ 177,475	\$ 221,975	\$ 33,603.00	32%	\$ 177,475
\$ 221,975	\$ 326,700	\$ 47,843.00	35%	\$ 221,975
\$ 326,700		\$ 84,496.75	37%	\$ 326,700
Single or married filing separately				
\$ 0	\$ 6,275	\$ 0.00	0%	\$ 0
\$ 6,275	\$ 11,250	\$ 0.00	10%	\$ 6,275
\$ 11,250	\$ 26,538	\$ 497.50	12%	\$ 11,250
\$ 26,538	\$ 49,463	\$ 2,332.00	22%	\$ 26,538
\$ 49,463	\$ 88,738	\$ 7,375.50	24%	\$ 49,463
\$ 88,738	\$ 110,988	\$ 16,801.50	32%	\$ 88,738
\$ 110,988	\$ 268,075	\$ 23,921.50	35%	\$ 110,988
\$ 268,075		\$ 78,902.13	37%	\$ 268,075
Head of household				
\$ 0	\$ 9,400	\$ 0.00	0%	\$ 0
\$ 9,400	\$ 16,500	\$ 0.00	10%	\$ 9,400
\$ 16,500	\$ 36,500	\$ 710.00	12%	\$ 16,500
\$ 36,500	\$ 52,575	\$ 3,110.00	22%	\$ 36,500
\$ 52,575	\$ 91,850	\$ 6,646.50	24%	\$ 52,575
\$ 91,850	\$ 114,100	\$ 16,072.50	32%	\$ 91,850
\$ 114,100	\$ 271,200	\$ 23,192.50	35%	\$ 114,100
\$ 271,200		\$ 78,177.50	37%	\$ 271,200



Federal income tax withholding for 2021

Continued

Personal allowance value is \$4,300 when figuring income tax for Forms W-4 from 2019 or earlier years

When computing federal income tax withholding using the percentage method for automated payroll systems for employees who have not submitted a Form W-4 after 2019, the adjusted annual wage amount continues to consider personal allowances. For 2021, multiply each personal allowance claimed on the employee's Form W-4 by \$4,300. (*Publication 15-T, page 57.*)

What to do if employee has no Form W-4 on file

The assumptions that apply when an employee fails to furnish a Form W-4 to the employer vary depending on when the failure first occurred. (*Publication 15-T, page 2.*)

- ▶ If you first paid wages to an employee in 2021, including an employee who was rehired in 2021, and the employee fails to furnish a Form W-4, assume the employee checked on Form W-4 the box for Single or Married filing separately in Step 1(c) and made no entries in Step 2, Step 3 or Step 4 of the 2021 Form W-4.



Claiming exemption from federal income tax withholding

There is no dedicated area where an employee can claim exemption from federal income tax withholding. Instead, employees claim exemption by writing "Exempt" on Form W-4 in the space below Step 4(c). As in the past, when the employee claims exempt in Step 4(c), federal income tax is not withheld from wages apart from supplemental wages of more than \$1 million, where federal income tax is mandatory. (*Publication 15-T, page 3.*)

The IRS instructs that electronic Form W-4 systems should provide a certification section below Step 4(c) for employees who are eligible and want to claim exemption from withholding. Instead of writing "Exempt," employees certify that they meet the following two conditions: (1) you had no federal income tax liability in 2020, and (2) you expect to have no federal income tax liability in 2021.

Nonresident alien employee Forms W-4

When completing the Form W-4, nonresident aliens are required to:

- ▶ Not claim exemption from federal income tax withholding.
- ▶ Request withholding as if they're single, regardless of their actual filing status.
- ▶ Not claim the child tax credit or credit for other dependents in Step 3 of Form W-4. Note, however, that nonresident aliens who are residents of Canada, Mexico, or South Korea, or a student from India, or a business apprentice from India, may claim, under certain circumstances (see [Notice 1392](#)), the child tax credit or credit for other dependents).
- ▶ Write "Nonresident Alien" or "NRA" in the space below Step 4(c) of Form W-4.

The IRS has clarified that electronic Form W-4 systems should provide a field for nonresident aliens to enter nonresident alien status instead of writing "Nonresident Alien" or "NRA" in the space below Step 4(c) of Form W-4. Employers should instruct nonresident aliens to see [Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens](#), before completing Form W-4. (*Publication 15, pg. 22.*)

Nonresident alien employee income tax withholding adjustment

Add these amounts to employees' wages for calculating income tax withholding. (Nonresident alien students and business apprentices from India aren't subject to this procedure.)

Table 1: No Form W-4 for 2020 or later on file	
Payroll period	Add additional
Daily or miscellaneous	\$ 31.70
Weekly	\$ 158.70
Biweekly	\$ 317.30
Semimonthly	\$ 343.80
Monthly	\$ 687.50
Quarterly	\$ 2,062.50
Semiannually	\$ 4,125.00
Annually	\$ 8,250.00

Table 2: Form W-4 for 2020 or later is on file	
Payroll period	Add additional
Daily or miscellaneous	\$ 48.30
Weekly	\$ 241.30
Biweekly	\$ 482.70
Semimonthly	\$ 522.90
Monthly	\$ 1,045.80
Quarterly	\$ 3,137.50
Semiannually	\$ 6,275.00
Annually	\$12,550.00

Backup withholding rate

Effective with payments made on and after January 1, 2018, the backup withholding rate is 24%. Backup withholding is required from certain taxable nonwage payments if payees fail to furnish their taxpayer identification numbers to the payer.



State income tax withholding tables, supplemental withholding and highest tax rates for 2021



To assist you in reviewing your state income tax withholding rates for 2021, on the following page is a chart of the most recent income tax withholding tables published by states and US territories and the supplemental withholding rate if allowed.

Supplemental withholding rate

Similar to the federal supplemental income tax withholding rate, most states also allow for an optional flat percentage of income tax withholding for wages that are in addition to regular pay. Where allowed, the supplemental rate greatly simplifies income tax withholding calculations on irregular payments such as bonuses, equity compensation and separation pay.

Employers may optionally use a federal flat rate of income tax federal withholding of 22% on supplemental wages up to \$1 million for the year; however, a mandatory flat rate of 37% applies to supplemental wages in excess of \$1 million. Note that the flat 37% rate applies even if an employee has submitted a federal Form W-4 claiming exemption from federal income tax withholding. (*IRS Reg. §31.3402(g)-1.*)

See [Publication 15-T](#) for the 2021 federal income tax withholding tables.

The state supplemental income tax withholding rates currently available for 2021 are shown in the chart below. The chart also shows if the state has a flat tax rate, meaning only one rate of tax applies regardless of the wages paid, or alternatively, the highest marginal withholding rate according to the state's latest computer withholding formula.

2021 state income tax withholding tables, supplemental withholding rates and highest tax rates (as of July 1, 2021)

Click on the jurisdiction names below to view the latest income tax withholding.

Changes from 2020 are highlighted in yellow.

Jurisdiction	Last revision date of income tax withholding tables	Supplemental withholding rate	Flat income tax rate	Highest marginal withholding rate
Alabama	1/15/2019	5.00%	N/A	5.00%
American Samoa	1/1/2007	N/A	N/A	27.00%
Arizona*	7/1/2010	N/A	N/A	5.1% + 3.5% surcharge on income exceeding \$250,000 (\$500,000 for married and head of household)
Arkansas	1/1/2021	5.90%	N/A	5.90%
California	1/1/2021	6.60% and 10.23% on bonus and stock options	N/A	14.63%
Colorado*	12/12/2019	N/A	4.63% (note that Prop. 116 reduced the tax rate to 4.55%)	N/A
Connecticut	1/1/2021	N/A	N/A	6.99%
Delaware	1/1/2014	N/A	N/A	6.60%
District of Columbia	1/1/2018	N/A	N/A	8.95%
Georgia	1/1/2021	Annual wages over \$8,000 \$8,000-\$10,000 \$10,001-\$12,000 \$12,001-\$15,000 over \$15,000	N/A	5.75%
		2.00%		
		3.00%		
		4.00%		
		5.00%		
		5.75%		
Hawaii	10/16/2020	N/A	N/A	7.9% (top individual tax rate is 11%)
Idaho	7/7/2021	6.5%	N/A	6.5%
Illinois	1/1/2021	N/A	4.95%	N/A
Indiana	1/1/2021	N/A	3.23% plus local income tax rate	N/A
Iowa	1/1/2021	6.00%	N/A	8.53%
Kansas	6/21/2021	5.00%	N/A	5.70%
Kentucky	12/31/2020	N/A	5.00%	N/A
Louisiana	2/16/2018	N/A	N/A	6.0% (highest withholding rate is 5.64%)
Maine	1/1/2021	5.00%	N/A	7.15%
Maryland	11/1/2020	5.75% plus local tax rate; 8.00% for most Maryland nonresidents and 3.2% for residents employed in Delaware	N/A	5.75% plus local tax rate

State income tax withholding tables, supplemental withholding and highest tax rates for 2021

Continued

Jurisdiction	Last revision date of income tax withholding tables	Supplemental withholding rate	Flat income tax rate	Highest marginal withholding rate
Massachusetts	1/1/2020	N/A	5.00%	N/A
Michigan	1/1/2021	N/A	4.25%	N/A
Minnesota	1/1/2021	6.25%	N/A	9.85%
Mississippi	10/1/2020	N/A	N/A	5.00%
Missouri	12/31/2020	5.40%		5.40%
Montana	1/1/2019	6.00%	N/A	6.90%
Nebraska	1/1/2017	5.00%	N/A	6.95%
New Jersey*	11/1/2020	N/A	N/A	11.80%
New Mexico*	1/1/2021	5.90%	N/A	5.90%
New York	7/1/2021	9.62% through 6-30-2021 and 13.78% effective 7-1-2021 (New York City is 4.25%, Yonkers resident is 1.61135% through 6-30-2021 and 2.30815% effective 7-1-2021 and Yonkers nonresident is 0.50%.)	N/A	10.90%
North Carolina	1/1/2021	N/A	5.350%	N/A
North Dakota	1/1/2021	1.84%	N/A	2.90%
Ohio	1/1/2021	3.5% (Ohio Administrative Code 5703-7-10, rev. 11-23-2018.)	N/A	5.164% (Note that HB 110 reduces Ohio's individual income tax rates by 3% retroactive to January 1, 2021. The Ohio Department of Taxation has not yet issued revised withholding instructions.)
Oklahoma	1/1/2021	5.00%	N/A	5.00%
Oregon	1/1/2021	8.00%	N/A	9.90%
Pennsylvania	3/1/2014	N/A	3.07% plus employee unemployment insurance tax rate of 0.06% and local tax rate.	N/A
Puerto Rico	1/1/2017	N/A	N/A	33.00%
Rhode Island	1/1/2021	5.99%	N/A	5.99%
South Carolina	10/12/2020	7.00%	N/A	7.00%
Utah	10/1/2019	N/A	4.95%	N/A
Vermont	1/1/2021	30% of federal income tax withholding	N/A	8.75%
Virginia	1/1/2019	5.75%	N/A	5.75%

Jurisdiction	Last revision date of income tax withholding tables	Supplemental withholding rate	Flat income tax rate	Highest marginal withholding rate
West Virginia	1/1/2007 Annual wages under \$10,000 \$10,000-\$25,000 \$25,000-\$40,000 \$40,000-\$60,000 over \$60,000	3.00% 4.00% 4.50% 6.00% 6.50%	N/A	6.50%
Wisconsin	1/1/2021 Annual wages under \$10,910 \$10,910-\$21,820 \$21,820-\$240,190 \$240,190 and over	4.00% 5.84% 6.27% 7.65%	N/A	7.65% (Note that legislation was enacted in 2021 under A.B. 68 to lower the tax rate on one tax bracket retroactive to January 1, 2021; however, revised withholding tables will not be issued for 2021 according to the law.)

* Changes in the 2021 withholding tables are expected but were not yet available at the time of this publication.



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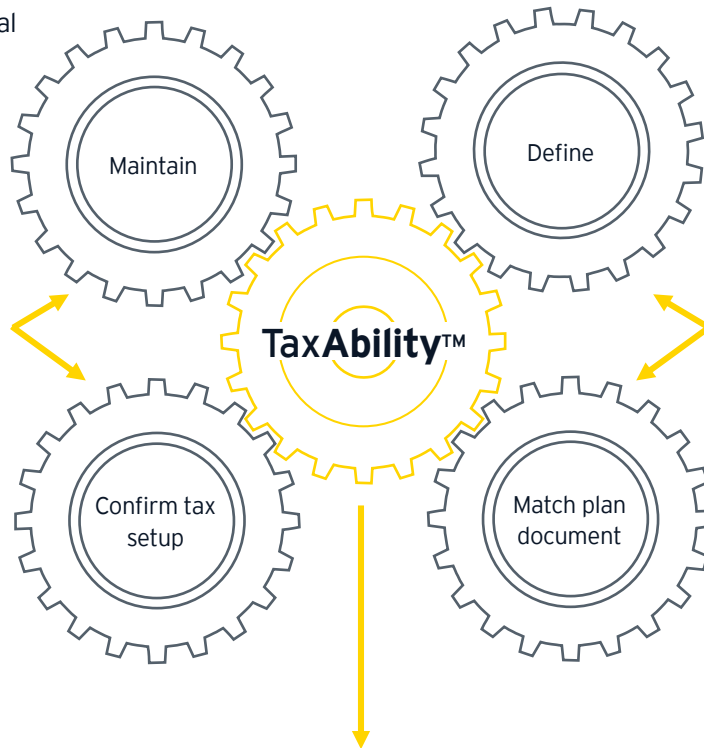
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