

Office of State Uniform Payroll
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

January 09, 2020

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2020-36

TO: LaGov HCM Paid Agency Human Resources
and Employee Administration Staff

FROM: Andrea P. Hubbard
Director

SUBJECT: Tax Rates for Calendar Year 2020

Effective January 1, 2020, the new Federal Tables for income tax withholding will be used in calculating tax deductions. **Note:** Withholding allowances will no longer be used in the calculation of individual federal tax liability. Agency personnel should refer to OSUP Memorandum #2020-32 for more information. The final version of the new IRS Publication 15-T, as referenced in the memo, has been released.

The Social Security wage base for 2020 has increased to **\$137,700**. The employee and employer Social Security tax rates remain at 6.2%. The maximum Social Security tax withheld from the employee and matched by the employer has increased to \$8,537.40.

The Medicare tax rate remains at 1.45% for employee and employer for 2020. There is no wage base limit for Medicare tax. However, an additional Medicare tax of 0.9% will be withheld from any employee's Medicare wages in excess of \$200,000. The additional Medicare tax will be withheld beginning with the pay period in which wages exceed \$200,000 and will continue for the remainder of the calendar year. This additional Medicare tax is only imposed on the employee. There is no employer share of additional Medicare tax.

IRS Publication 15, Circular E, Employer's Tax Guide, revised for 2020 has been released. The withholding tables for 2020 are no longer included in IRS Publication 15. The new tables and employer instructions on how to calculate employee withholding are now included in the new IRS Publication 15-T, Federal Income Tax Withholding Methods. The withholding tables in IRS Publication 15-T allow employers to calculate withholding based on the new 2020 [Form W-4](#) and Forms W-4 submitted prior to 2020. Both publications can be accessed through the IRS website at <https://www.irs.gov/pub/irs-pdf/p15.pdf> and <https://www.irs.gov/pub/irs-pdf/p15t.pdf>. Agencies should review these publications for information required by employers.

Employees may see a difference in their net pay due to the tax changes above. A message was added to the January 03, 2020 checks and payroll statements advising employees of this. A message was also added on the LEO Welcome page.

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If you have any questions, please contact a member of the OSUP Wage and Tax Administration Unit at _DOA-OSUP-WTA@la.gov or (225):

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