

US employment tax rates and limits for 2020

Preliminary as of January 15, 2020



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Social Security wage base for 2020

The Social Security wage base will increase from \$132,900 to \$137,700 in 2020, higher than the \$137,100 projected in the April 2019 *Annual Report of The Board of Trustees*. (*OASDI and SSI program rates & limits, 2020*.)

The Medicare tax rate for 2019 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 joint). While employers are required to withhold the additional 0.9% on covered wages over \$200,000, there is no employer matching contribution.

For a quick reference chart see the following page.

For the federal and state rates and limits for 2019 see our [special report](#).

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

Social Security, Medicare and disability insurance contributions 2019 compared to 2020

Description	2019	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	\$132,900.00	\$137,700.00	\$ 4,800.00
Maximum Social Security tax for employees	\$ 8,239.80	\$ 8,537.40	\$ 297.60
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 .9% of wages over \$200,000. There is no employer matching contribution.



Qualified pension plan limits for 2020

The dollar limitations for qualified retirement and certain non-qualified plans that become effective January 1, 2020, were released by the IRS in [Notice 2019-59](#).

The dollar limitations adjusted by reference to IRC §415(d) are modified annually for inflation and consequently, most of them are changed for 2020.

Of particular note, the 2020 pretax limit that applies to elective deferrals to 401(k), 403(b) and most 457(b) plans is increased to \$19,500, up from \$19,000 in 2019. The dollar limitation for catch-up contributions for participants age 50 is \$6,500, up from \$6,000 in 2019.

Plan participants in qualified retirement plans will need to consider the impact of the 2020 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 2020 is provided on the following pages.

Qualified retirement plan limitations (2020 vs. 2019)

Description	2020 limit	2019 limit
Participant pretax contribution limit for 401(k) and 403(b) plans Section 402(g)(1)	\$19,500	\$19,000
Deferral limit for deferred compensation plans of state and local governments and tax-exempts Section 457(e)(15)	\$19,500	\$19,000
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	\$6,000
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 \$225,000 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 \$56,000 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	\$1,130,000/\$225,000
Highly Compensated Employee dollar threshold Section 414(q)(1)(B)	\$130,000	\$125,000
Definition of Key Employee in a Top-Heavy Plan – officer compensation threshold Section 416(i)(1)(A)(i)	\$185,000	\$180,000
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	\$280,000
SEP employee participation floor Section 408(k)(2)(C)	\$600	\$600
Simple Retirement Accounts contribution limit Section 408(p)(2)(E)	\$13,500	\$13,000
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	\$110,000/\$225,000

Footnotes

¹ For a participant who separated from service before January 1, 2020, 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 2019, by 1.0176.

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 \$425,000 for 2019, up from \$415,000 in 2019.

Health Savings Account limits for 2019 and 2020

Health Savings Accounts limits for 2019 and 2020

In [Rev. Proc. 2019-25](#), the IRS announced the 2020 inflation adjustments that will apply to Health Savings Accounts (HSAs) under IRC §223 effective for calendar year 2020.

Health Savings Account limit type	2019	2020
Contribution*		
Self (IRC §223(b)(2)(A))	\$3,500	\$3,550
Family (IRC §223(b)(2)(B))	\$7,000	\$7,100
Out-of-pocket		
Self (IRC §223(c)(2)(A))	\$6,750	\$6,900
Family (IRC §223(c)(2)(A))	\$13,500	\$13,800
Deductible (high-deductible health plan)		
Self (IRC §223(c)(2)(A))	\$1,350	\$1,400
Family (IRC §223(c)(2)(A))	\$2,700	\$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. ([2019 Form W-2 instructions, page 10.](#))



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.

2020 inflation adjustments for fringe benefits and Form W-2 penalties



In [Revenue Procedure 2019-44](#), the IRS announced the inflation adjustments that will apply to various fringe benefits in 2020.

Medical Savings Account (MSA) limits go up in 2020

Summarized below are the 2020 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 \$2,350 (unchanged from 2019) and not more than \$3,550 (up from \$3,500 in 2019)	Not less than \$4,750 (up from \$4,650 in 2019) and not more than \$7,100 (up from \$7,000 in 2019)
Annual out-of-pocket (other than for premiums)	Not to exceed \$4,750 (up from \$4,650 in 2019)	Not to exceed \$8,650 (up from \$8,550 in 2019)

Adoption assistance limit goes up in 2020

The limit on qualified adoption assistance (including special-needs children) under IRC §23(a)(3) for 2019 is \$14,300, up from \$14,080 in 2019.

For 2020, 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 \$214,520 and is completely phased out for taxpayers with modified adjusted gross income of \$254,520 or more.

Health flexible spending account (FSA) limit goes up in 2020

The 2020 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, up from \$2,700 in 2019.

Transportation fringe benefits (parking and transit) increase in 2020

The 2020 monthly limit on parking benefits under IRC §132(f)(2)(B) is \$270, up from \$265 in 2019.

The 2020 aggregate monthly limit for transportation in a commuter highway vehicle and any transit pass under IRC §132(f)(2)(A) is also \$270, an increase from \$265 in 2019.

Foreign earned income exclusion for 2020

For taxable years beginning in 2020, the foreign earned income exclusion amount under § 911(b)(2)(D)(i) is \$107,600.

Reporting penalties for Forms W-2/1099 increase in 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 in 2021.

§6721 Failure to timely file an accurate information return with IRS (for returns required to be filed in 2021)				
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	\$565,000	\$197,500
3/1	8/1	\$110	\$1,696,000	\$565,000
8/1		\$280	\$3,392,000	\$1,130,500
	Intentional disregard	\$560	No limit	No limit

§6722 Failure to timely furnish an accurate employee statement (for returns required to be filed in 2021)				
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	\$565,000	\$197,500
3/1	8/1	\$110	\$1,696,000	\$565,000
8/1		\$280	\$3,392,000	\$1,130,500
	Intentional disregard	\$560	No limit	No limit

Federal mileage rates and luxury vehicle limit for 2020



Effective January 1, 2020, the business standard mileage rate for use of a car (including vans, pickup trucks and panel trucks) decreases from \$0.580 to \$0.575 and the rate for medical and relocation mileage decreases from \$0.20 to \$0.17. Mileage related to charity is set by law and remains at \$0.14 per mile. (*Notice 2020-05.*)

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.*)

For the rates and limits applicable in 2019 see our [special report](#).

Luxury vehicle limitation for 2020

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 2020 is \$50,400, unchanged from 2019.

Summary of mileage rates – 2019 compared to 2020

Type of mileage	Effective January 1, 2019	Effective January 1, 2020
Business standard	\$0.580	\$0.575
Charity	\$0.140	\$0.140
Relocation and medical	\$0.200	\$0.170

Per diem rates under high-low substantiation method for 2020

In [Notice 2019-55](#), the IRS released the per diem reimbursement rates that will apply effective October 1, 2019 (or, optionally, January 1, 2020). The per diem reimbursement rate for high-cost areas increases from \$287 to \$297 and from \$195 to \$200 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	\$297 (was \$287)	\$200 (was \$195)
Lodging only	\$226 (was \$216)	\$140 (was \$135)
Meals and incidentals only	\$71 (no change)	\$60 (no change)
Incidental expenses only	\$5 (no change)	\$5 (no change)

The special 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 [Rev. Proc. 2011-47](#).)

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 at www.gsa.gov. 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, 2019)

Key	County/other defined location
Arizona	
Sedona	City limits of Sedona
California	
Mill Valley/San Rafael/Novato (Oct. 1-Oct. 31 and June 1-Sept. 30)	Marin
Monterey (July 1-Aug. 31)	Monterey
Napa (Oct. 1-Nov. 30 and April 1-Sept. 30)	Napa
Oakland	Alameda
San Francisco	San Francisco
San Mateo/Foster City/Belmont	San Mateo
Santa Barbara (July 1-Aug. 31)	Santa Barbara
Santa Monica	City limits of Santa Monica
Sunnyvale/Palo Alto/San Jose	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)	Denver, Adams, Arapahoe and Jefferson
Grand Lake (Dec. 1-March 31)	Grand
Silverthorne/Breckenridge (Dec. 1-March 31)	Summit
Telluride	San Miguel
Vail	Eagle
Delaware	
Lewes (July 1-Aug. 31)	Sussex
District of Columbia	
Washington, DC (Oct. 1-June 30 and Sept. 1-Sept. 30)	Also the cities of Alexandria, Falls Church and Fairfax and the counties of Arlington and Fairfax in Virginia; the counties of Montgomery and Prince George's in Maryland (see also Maryland and Virginia)

Per diem rates under high-low substantiation method for 2020

Continued

Key	County/other defined location
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/DeFuniak Springs (June 1-July 31)	Okaloosa and Walton
Key West (Oct. 1-July 31)	Monroe
Miami (Dec. 1-March 31)	Miami-Dade
Naples (Feb. 1-April 30)	Collier
Vero Beach (Dec. 1-April 30)	Indian River
Georgia	
Jekyll Island/Brunswick (June 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
Maryland	
Ocean City (July 1-Aug. 31)	Worcester
Washington, DC, metro area (Oct. 1-June 30 and Sept. 1-Sept. 30)	Montgomery and Prince George's
Massachusetts	
Boston/Cambridge (Oct. 1-Nov. 30 and March 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

Key	County/other defined location
New Mexico	
Carlsbad	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
Pennsylvania	
Hershey (June 1-Aug. 31)	Hershey
Philadelphia (Oct. 1-Nov. 30 and April 1-Sept. 30)	Philadelphia
Rhode Island	
Jamestown, Middletown and Newport (June 1-Aug. 31)	Newport
South Carolina	
Charleston (Oct. 1-Oct. 31 and March 1-Sept. 30)	Charleston, Berkeley and Dorchester
Tennessee	
Nashville	Davidson
Texas	
Midland/Odessa	Midland, Andrews, Ector and Martin
Pecos	Reeves
Utah	
Park City (Dec. 1-March 31)	Summit
Virginia	
Wallops Island (July 1-Aug. 31)	Accomack
Washington, DC, metro area (Oct. 1-June 30 and Sept. 1-Sept. 30)	Arlington and Fairfax
Washington	
Seattle	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

2019 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 2019. Virgin Islands employers will pay FUTA taxes for calendar year 2019 at a net rate of 3.3%, composed of a FUTA credit reduction rate of 2.7% 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 2019 at a higher FUTA tax rate than employers in other jurisdictions because it failed to repay its outstanding federal UI loans by November 10, 2019. These additional FUTA taxes are used to pay down Virgin Islands' federal unemployment insurance loan balance.

The increased 2019 FUTA taxes are due from Virgin Islands employers with their fourth quarter 2019 FUTA tax deposit, due January 31, 2020.

Virgin Islands again receives waiver of the BCR for 2019

As we reported, the Virgin Islands again requested a waiver of the benefit cost ratio (BCR) for 2019, which was approved by the USDOL, removing an additional potential credit reduction of 1.2%. Had the request not been approved, Virgin Islands employers would have paid 2019 FUTA taxes at a rate of 4.5%. (See *EY Payroll Newsflash* Vol. 20, #138, 9-9-2019, for more details.)

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 2019 for the Virgin Islands, which began borrowing in 2009 and still had a federal unemployment insurance loan balance as of January 1, 2019.

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 12, 2019, the USDOL shows the Virgin Islands' outstanding UI loan balance was \$63,304,933.

The 2019 FUTA credit reduction, which applies only to the Virgin Islands, is shown below.

2019 FUTA credit reduction

State	First year of loan	2018 FUTA credit reduction	Net 2018 FUTA rate	2019 FUTA credit reduction	2019 BCR add-on ¹	2019 net FUTA rate	2019 FUTA cost in excess of the standard \$42 per employee
Virgin Islands	2009	2.4%	3.0%	2.7%	0.0%	3.3%	\$189

¹ BCR courtesy of the U.S. Department of USDOL. The 2.7 add-on could in certain cases apply if the BCR add-on is waived; however, the USDOL indicated that this will not be the case for 2019.

State unemployment insurance taxable wage bases for 2018-2020



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 2020 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 36 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), 23 states and the Virgin Islands had a flexible wage base in 2019. Conversely, in 2019, the wage base was fixed in 27 states and Puerto Rico. (DOL, *Comparison of State Unemployment Laws, 2019*.)

The strain on SUI trust fund reserves of the financial markets collapse in 2009 sparked numerous state wage base changes. As a result, only three jurisdictions continue to have a fixed wage base of \$7,000 (Arizona, California and Puerto Rico, though Puerto Rico passed legislation that allows the taxable wage base to increase to as much as \$10,500 at the Secretary's discretion), compared to seven in 2010 (although in Louisiana and Tennessee the taxable wage base can decrease to \$7,000 when the trust fund reaches a certain level, and in Florida the taxable wage base reverted to \$7,000 beginning in 2015).

Preliminary list of 2020 state unemployment taxable wage bases

Following is a preliminary list of the 2020 state unemployment insurance (SUI) taxable wage bases (as compared to 2019) and employee SUI withholding rates, if applicable. Wage bases shown in bold changed from the prior year.

State unemployment taxable wage bases for 2018-2020

State	2020	2019	2018	2020 employee contribution rates
Alabama	8,000*	8,000*	8,000*	
Alaska	41,500	39,900	39,500	Employee SUI withholding rate is 0.5% on wages up to \$41,500
Arizona	7,000*	7,000*	7,000*	
Arkansas**	7,000	10,000	10,000*	
California	7,000*	7,000*	7,000*	
Colorado	13,600	13,100	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	48,100	46,800	45,900	
Idaho	41,600	40,000	38,200	
Illinois	12,740	12,960	12,960*	

State	2020	2019	2018	2020 employee contribution rates
Indiana	9,500*	9,500*	9,500*	
Iowa	31,600	30,600	29,900	
Kansas	14,000*	14,000*	14,000*	
Kentucky**	10,800	10,500	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**	9,000	9,000	\$9,500	
Minnesota	35,000	34,000	32,000	
Mississippi	14,000*	14,000*	14,000*	
Missouri	11,500	12,000	12,500	
Montana	34,100	33,000	32,000	
Nebraska**	9,000/ 24,000*	9,000*	9,000*	
Nevada	32,500	31,200	30,500	
New Hampshire	14,000*	14,000*	14,000*	
New Jersey**	35,300	34,400	33,700	Employee SUI withholding rate is 0.425% on wages up to \$35,300
New Mexico	25,800	24,800	24,200	
New York**	11,600	11,400	11,100	
North Carolina	25,200	24,300	23,500	
North Dakota	37,900	36,400	35,500	
Ohio**	9,000*	9,500	9,500*	
Oklahoma	18,700	18,100	17,600	
Oregon	42,100	40,600	39,300	
Pennsylvania	10,000*	10,000*	10,000*	Employee SUI withholding 0.06% on total wages
Puerto Rico**	TBD	7,000	7,000	
Rhode Island**	24,000/25,500	23,600/25,100	23,000/24,500	
South Carolina	14,000	14,000	14,000	
South Dakota	15,000	15,000	15,000	
Tennessee**	TBD	7,000	7,000	
Texas	9,000*	9,000*	9,000*	
Utah	36,600	35,300	34,300	
Vermont	16,100	15,600	17,600	
Virginia	8,000*	8,000*	8,000*	
Virgin Islands	TBD	26,500	24,200	



State unemployment taxable wage bases for 2018-2020

Continued

State	2020	2019	2018	2020 employee contribution rates
Washington	52,700	49,800	47,300	
West Virginia	12,000*	12,000*	12,000*	
Wisconsin	14,000*	14,000*	14,000*	
Wyoming	26,400	25,400	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.

Arkansas. 2019 legislation (SB 298/Act 512) year 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 2018-2019, will now be 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. UI benefit conditions are so favorable that the 2020 SUI taxable wage base will drop to \$7,000, down from \$10,000 for 2019.

Delaware. 2013 legislation (HB 168) increased the SUI taxable wage base to a minimum of \$10,500 and a maximum of \$18,500 by tying 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) freezes the taxable wage base at \$16,500 for 2020 (under the bill language from July 1, 2019 to October 29, 2020) so the Division of Unemployment Insurance and the Unemployment Compensation Advisory Council may determine whether the formula used to calculate the annual figure should be revised.

Kentucky. The taxable wage base was expected to continue to increase by \$300 each calendar year until it reaches \$12,000 in 2022; however, the taxable wage base for 2017-2018 remained at \$10,200 because the UI trust fund balance exceeded \$200 million as of the prior September 30. The SUI taxable wage base increased to \$10,500 for 2019 and to \$10,800 for 2020.

Michigan. 2015 SB 500 set the taxable wage base to \$9,000 for any calendar year that the UI trust fund balance exceeds \$2.5 billion as of the previous June 30 (\$9,500 for delinquent employers). Based on a UI trust fund balance of \$4,626,453,952 as of June 30, 2019, the SUI taxable wage base should continue to be \$9,000 for calendar year 2020 for non-delinquent employers, although the Michigan UI agency has not yet announced the taxable wage base for 2020.

Nebraska. 2019 legislation (LB 428) increases the SUI taxable wage base to \$24,000 for employers assigned the maximum rate (5.4% for calendar year 2019). This change is effective for calendar year 2020. The taxable wage base remains \$9,000 for all other employers.

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

New York. The taxable wage base will continue to increase as follows: 2021 – \$11,800; 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 2018-2019. The taxable wage base reverts to \$9,000 effective January 1, 2020 (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., because the 2020 taxable wage base is \$24,000, these negative-balanced employers will pay taxes on the first \$25,500 in wages).

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, 2019, was \$1,278,357,436. If the balance remains above \$1 billion as of December 31, 2019, the 2020 taxable wage base will remain \$7,000.

2020 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 2020 based on information currently available.

Changes or additions from 2019 are highlighted in yellow.

State disability and paid family medical leave insurance Tax year 2020			
State/jurisdiction	Employee contribution	Employer contribution	Taxable wage limit if applicable (1)
California			
Disability	1.0%	None	\$122,909
Paid family 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	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. Weekly contribution of \$5.60	Difference between cost and worker's contribution	\$1,119.44 (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%.	\$137,700 (Social Security wage limit)

2020 state disability and paid family leave insurance wage base and rates

Continued

State disability and paid family medical leave insurance Tax year 2020			
State/jurisdiction	Employee contribution	Employer contribution	Taxable wage limit if applicable (1)
New Jersey (3)			
Disability	0.26%	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%.	\$134,900
Paid family medical leave	0.16%	None	\$134,900
New York			
Disability	0.5% up to: \$0.14 daily \$0.60 weekly \$1.20 biweekly \$1.30 semimonthly \$2.60 monthly	Balance of costs over employee contributions necessary to provide benefits	None
Paid family medical leave	0.27% (maximum of \$196.72 per year)	None	\$1,401.17 (weekly)
Oregon			
Disability	None	None	None
Paid family medical leave	60% of 1.0% (Effective 1/1/2022, for employers of 25 or more, employees pay 60%; if less than 25 employees, employees pay 100%)	40% of 1.0% (Effective 1/1/2022, employers of 25 or more employees pay 40%; if less 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	\$72,300
Paid family medical leave	Included in disability	N/A	Included in disability
Washington			
Disability	None	None	None
Paid family medical leave	63% of 0.4%	37% of 0.4%	\$137,700 (Social Security wage limit)

Footnotes:

(1) Represents maximum annual earnings unless another period is specified. Where employer contribution is stated as a percentage, the taxable wage limit applies.

(2) **Puerto Rico.** Not anticipated to change for 2020.

(3) New Jersey legislation (A 3975) effective January 1, 2020, separates the computation of the temporary disability and family leave insurance taxable wage base from that of the SUI taxable wage base and increases the figure by almost four times the previous level to fund expanded disability benefits.

(4) According to Massachusetts representatives, the total rate will remain at 0.75% until at least October 2020.

Federal income tax withholding for 2020

This IRS released the 2020 [Publication 15, Circular E, Employer's Tax Guide](#) and the 2020 [Publication 15-T, Federal Income Tax Withholding Methods](#).

Starting in 2020, 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 [2020 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 the new 2020 Form W-4, only newly-hired employees who first receive wages in 2020, employees who claimed exemption from withholding in 2019 and employees who wish to change their Form W-4 in 2020. 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 2020 annual percentage withholding tables for automated payroll systems are reproduced at right.

2020 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	\$ 11,900	\$ 0.00	0%	\$ 0
\$ 11,900	\$ 31,650	\$ 0.00	10%	\$ 11,900
\$ 31,650	\$ 92,150	\$ 1,975.00	12%	\$ 31,650
\$ 92,150	\$ 182,950	\$ 9,235.00	22%	\$ 92,150
\$ 182,950	\$ 338,500	\$ 29,211.00	24%	\$ 182,950
\$ 338,500	\$ 426,600	\$ 66,543.00	32%	\$ 338,500
\$ 426,600	\$ 633,950	\$ 94,735.00	35%	\$ 426,600
\$ 633,950		\$ 167,307.50	37%	\$ 633,950
Single or married filing separately				
\$ 0	\$ 3,800	\$ 0.00	0%	\$ 0
\$ 3,800	\$ 13,675	\$ 0.00	10%	\$ 3,800
\$ 13,675	\$ 43,925	\$ 987.50	12%	\$ 13,675
\$ 43,925	\$ 89,325	\$ 4,617.50	22%	\$ 43,925
\$ 89,325	\$ 167,100	\$ 14,605.50	24%	\$ 89,325
\$ 167,100	\$ 211,150	\$ 33,271.50	32%	\$ 167,100
\$ 211,150	\$ 522,200	\$ 47,367.50	35%	\$ 211,150
\$ 522,200		\$ 156,235.00	37%	\$ 522,200
Head of household				
\$ 0	\$ 10,050	\$ 0.00	0%	\$ 0
\$ 10,050	\$ 24,150	\$ 0.00	10%	\$ 10,050
\$ 24,150	\$ 63,750	\$ 1,410.00	12%	\$ 24,150
\$ 63,750	\$ 95,550	\$ 6,162.00	22%	\$ 63,750
\$ 95,550	\$ 173,350	\$ 13,158.00	24%	\$ 95,550
\$ 173,350	\$ 217,400	\$ 31,830.00	32%	\$ 173,350
\$ 217,400	\$ 528,450	\$ 45,926.00	35%	\$ 217,400
\$ 528,450		\$ 154,793.50	37%	\$ 528,450

Federal income tax withholding for 2020

Continued



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	\$ 12,400	\$ 0.00	0%	\$ 0
\$ 12,400	\$ 22,275	\$ 0.00	10%	\$ 12,400
\$ 22,275	\$ 52,525	\$ 987.50	12%	\$ 22,275
\$ 52,525	\$ 97,925	\$ 4,617.50	22%	\$ 52,525
\$ 97,925	\$ 175,700	\$ 14,605.50	24%	\$ 97,925
\$ 175,700	\$ 219,750	\$ 33,271.50	32%	\$ 175,700
\$ 219,750	\$ 323,425	\$ 47,367.50	35%	\$ 219,750
\$ 323,425		\$ 83,653.75	37%	\$ 323,425
Single or married filing separately				
\$ 0	\$ 6,200	\$ 0.00	0%	\$ 0
\$ 6,200	\$ 11,138	\$ 0.00	10%	\$ 6,200
\$ 11,138	\$ 26,263	\$ 493.75	12%	\$ 11,138
\$ 26,263	\$ 48,963	\$ 2,308.75	22%	\$ 26,263
\$ 48,963	\$ 87,850	\$ 7,302.75	24%	\$ 48,963
\$ 87,850	\$ 109,875	\$ 16,635.75	32%	\$ 87,850
\$ 109,875	\$ 265,400	\$ 23,683.75	35%	\$ 109,875
\$ 265,400		\$ 78,117.50	37%	\$ 265,400
Head of household				
\$ 0	\$ 9,325	\$ 0.00	0%	\$ 0
\$ 9,325	\$ 16,375	\$ 0.00	10%	\$ 9,325
\$ 16,375	\$ 36,175	\$ 705.00	12%	\$ 16,375
\$ 36,175	\$ 52,075	\$ 3,081.00	22%	\$ 36,175
\$ 52,075	\$ 90,975	\$ 6,579.00	24%	\$ 52,075
\$ 90,975	\$ 113,000	\$ 15,915.00	32%	\$ 90,975
\$ 113,000	\$ 268,525	\$ 22,963.00	35%	\$ 113,000
\$ 268,525		\$ 77,396.75	37%	\$ 268,525

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 for 2020, the adjusted annual wage amount continues to consider personal allowances. For 2020, multiply each personal allowance claimed on the employee's Form W-4 by \$4,300. (*Publication 15-T, page 5.*)

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 2020, including an employee who was rehired in 2020, 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 2020 Form W-4.
- ▶ If an employee was paid wages in 2019 (or earlier years) and failed to furnish a Form W-4, continue to assume that they claimed single and zero personal allowances.



Claiming exemption from federal income tax withholding

Unlike the prior Form W-4, 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 2019, and (2) you expect to have no federal income tax liability in 2020.

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.*)

Federal income tax withholding for 2020

Continued



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	\$ 31.20
Weekly	\$ 155.80
Biweekly	\$ 311.50
Semimonthly	\$ 337.50
Monthly	\$ 675.00
Quarterly	\$ 2,025.00
Semiannually	\$ 4,050.00
Annually	\$ 8,100.00

Table 2:
Form W-4 for 2020 or later is on file

Payroll period	Add additional
Daily or miscellaneous	\$ 47.70
Weekly	\$ 238.50
Biweekly	\$ 476.90
Semimonthly	\$ 516.70
Monthly	\$ 1,033.30
Quarterly	\$ 3,100.00
Semiannually	\$ 6,200.00
Annually	\$12,400.00

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 and supplemental withholding rates for 2020

State income tax withholding tables and supplemental rates for 2020

To assist you in reviewing your state income tax withholding rates for 2020, below is a chart of the most recent income tax withholding tables published by states and US territories. Reference the column "Revision date" to identify the last year the publication was updated. If the effective date shown in the chart is prior to 2020 and the last column (2020 withholding guide/tables pending?) is "no," we have confirmed with the state that no update is expected for 2020.

New this year, the chart also shows essential withholding rate information for use in evaluating the most appropriate calculation method when making nonperiodic payments to employees.

Withholding on supplemental/nonperiodic wage payments

For federal income tax withholding purposes, employers may optionally use a flat rate of 22% on supplemental wages up to \$1 million for the year provided federal income tax was withheld from regular wages in the previous or current year. If the employee's supplemental wages exceed \$1 million in the year, a mandatory flat rate of 37% applies to supplemental wages over \$ 1 million. This mandatory 37% rate applies even if the employee has submitted a federal Form W-4 claiming exemption from federal income tax withholding.

(IRS Reg. §31.3402(g)-1.)

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.

Even if a supplemental rate of withholding is an option, employers should consider any potential impact of over or under-withholding. For instance, consider if the supplemental withholding rate is significantly higher or lower than the withholding result using the applicable marginal withholding rate.

The state supplemental income tax withholding rates currently available for 2020 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.



State income tax withholding tables and supplemental withholding rates for 2020

Continued

2020 state tax tables and supplemental withholding rates* (as of January 15, 2020)

Changes from 2019 are highlighted in yellow.

Jurisdiction (Click on the state name to access the withholding tables in effect as of the revision date shown)	Revision date	2020 withholding guide/tables pending?	Supplemental rate	Flat tax rate	Highest marginal withholding rate
Alabama	1/1/2019	No	5.00%	N/A	5.00%
Arizona	1/1/2020	No	N/A	N/A	5.10%
Arkansas	4/3/2019	No	6.90%	N/A	6.90%
California	1/1/2020	No	6.60% and 10.23% on bonus and stock options	N/A	14.630%
Colorado	1/1/2019	No (note that a new worksheet applies in 2020 for Forms W-4 received in 2020)	N/A	4.63%	N/A
Connecticut	1/1/2020	No	N/A	N/A	6.99%
Delaware	1/1/2017	No	N/A	N/A	6.60%
District of Columbia	1/1/2018	No	N/A	N/A	8.95%
Georgia	1/1/2020	No	If annual wages are: Under \$8,000 (2.00%) \$8,000 to \$10,000 (3.00%) \$10,000 to \$12,000 (4.00%) \$12,000 to \$15,000 (5.00%) Over \$15,000 (5.75%)	N/A	5.75%
Hawaii	1/1/2019	Yes	N/A	N/A	11.0%
Idaho	6/1/2019	Yes	6.925%	N/A	6.925%
Illinois	1/1/2020	No	N/A	4.95%	N/A
Indiana	1/1/2020	No	N/A	3.23%	N/A
Iowa	1/1/2020	No	6.00% (unchanged for 2020 per Department regulation)	N/A	8.53%
Kansas	1/1/2017	No	5.00%	N/A	5.70%
Kentucky	1/1/2019	No	N/A	5.00%	N/A
Louisiana	2/16/2018	No	N/A	N/A	6.00%
Maine	1/1/2020	No	5.00%	N/A	7.15%
Maryland	1/1/2020	No	N/A	5.75% plus local tax rate; 8.0% for Maryland nonresidents and 3.2% for residents employed in Delaware	N/A

Jurisdiction (Click on the state name to access the withholding tables in effect as of the revision date shown)	Revision date	2020 withholding guide/tables pending?	Supplemental rate	Flat tax rate	Highest marginal withholding rate
Massachusetts	1/1/2020	No	N/A	5.00%	N/A
Michigan	1/1/2020	No	N/A	4.25%	N/A
Minnesota	1/1/2020	No	6.25%	N/A	9.85%
Mississippi	1/1/2019	No	N/A	N/A	5.0%
Missouri	1/1/2020	No	5.40%	N/A	5.40%
Montana	1/1/2019	No	6.00%	N/A	6.60%
Nebraska	12/1/2017	No	5.00%	N/A	6.95%
New Jersey	1/1/2020	No	N/A	N/A	11.80%
New Mexico	1/1/2020	No	4.90%	N/A	4.90%
New York	1/1/2019	No	9.62% (New York City is 4.25%, Yonkers resident is 1.61135% and Yonkers nonresident is 0.50%)	N/A	9.62%
North Carolina	1/1/2020	No	N/A	5.35%	N/A
North Dakota	1/1/2020	No	1.84%	N/A	2.90%
Ohio	1/1/2020	No	3.50% (Ohio Administrative Code 5703-7-10, rev. 11-23-2018)	N/A	5.164%
Oklahoma	1/1/2020	No	5.00%	N/A	5.00%
Oregon	1/1/2020	No	8.00%	N/A	8.75%
Pennsylvania	11/1/2019	No	N/A	3.07% plus employee unemployment insurance tax rate of 0.06%	N/A
Puerto Rico	1/1/2017	No	N/A	N/A	33.00%
Rhode Island	1/1/2020	No	5.99%	N/A	5.99%
South Carolina	1/1/2020	No	7.00%	N/A	7.00%
Utah	10/1/2019	Yes	N/A	4.95%	N/A
Vermont	1/1/2020	No	30% of federal income tax withholding	N/A	8.75%
Virginia	1/1/2016	No	5.75%	N/A	5.75%

State income tax withholding tables and supplemental withholding rates for 2020

Continued

Jurisdiction (Click on the state name to access the withholding tables in effect as of the revision date shown)	Revision date	2020 withholding guide/tables pending?	Supplemental rate	Flat tax rate	Highest marginal withholding rate
West Virginia	1/1/2007	No	If annual wages are: Less than \$10,000 (3.00%) \$10,000 to \$25,000 (4.00%) \$25,000 to \$40,000 (4.50%) \$40,000 to \$60,000 (6.00%) Over \$60,000 (6.50%) (Based on the Optional one earner/one job tables for the percentage method of withholding from page 20 of the West Virginia withholding guide)	N/A	6.50%
Wisconsin	11/1/2019	No	If annual wages are: Less than \$10,910 (4.00%) \$10,910 to \$21,820 (5.84%) \$21,820 to \$240,190 (6.27%) \$240,190 and over (7.65%)	N/A	7.65%

* For 2020, there is no supplemental or flat tax rate of withholding for Arizona, Connecticut, Delaware, District of Columbia, Hawaii, Louisiana, Mississippi, New Jersey or Puerto Rico.



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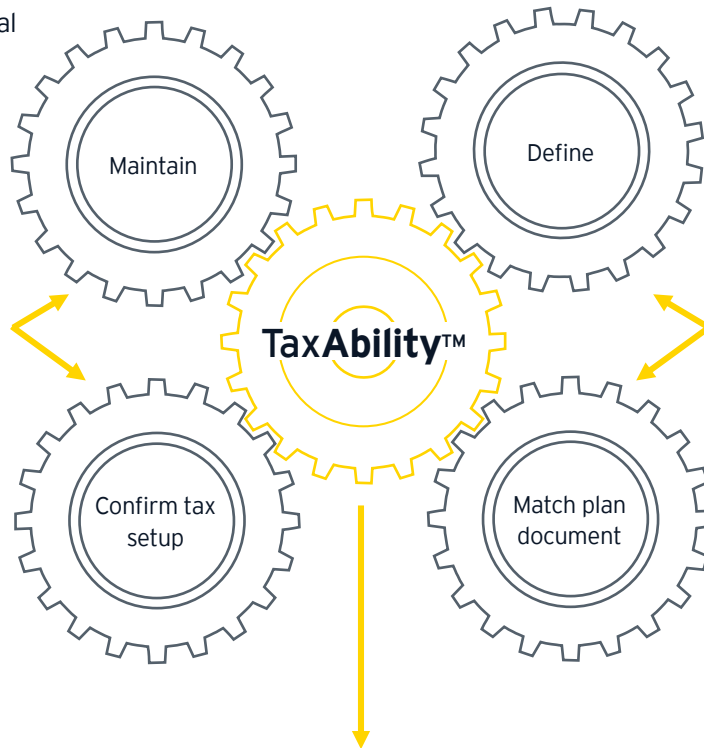
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SCORE No. 03730-161US
CSG No. 2001-3364097
ED None

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