

Office of State Uniform Payroll
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

January 20, 2021

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2021-37

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

FROM: Andrea P. Hubbard
Director

SUBJECT: Tax Rates for Calendar Year 2021

Effective January 1, 2021, the new Federal Tables for income tax withholding will be used in calculating tax deductions. **Note:** Withholding allowances are no longer used in the calculation of individual federal tax liability. Instead, the filing status and dollar amounts provided by the employee on [Form W-4](#) are used to calculate a more accurate withholding throughout the year.

The Social Security wage base for 2021 has increased to **\$142,800**. 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 \$8,853.60.

The Medicare tax rate remains at 1.45% for employee and employer for 2021. 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.

A [draft IRS Publication 15, Circular E, Employer's Tax Guide](#), revised for 2021, has been released. The withholding tables for 2021 are no longer included in IRS Publication 15. The tables and employer instructions on how to calculate employee withholding are now included in 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 Form W-4 from 2020 or later and Forms W-4 submitted prior to 2020. The most recent releases of both publications can be accessed through the IRS website at irs.gov/pub/irs-pdf/p15.pdf and 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 15, 2021, checks and payroll statements advising employees of this. A message was also added to the LEO Welcome page.

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