Payroll Tax Rates Information for 2021

The following data will assist you in preparing your payroll taxes and ensure that you are making the correct deductions for state and federal taxes. This information was prepared by PSAB’s Research Department, Shelley A. Houk, 717-236-9526, Ext 1018. All other income tax questions must be referred to the borough’s tax consultant or the IRS.

FICA (Social Security Taxes)

Employers must report base wages for Social Security and Medicare separately. IRS Forms 941 and W-2 are divided into two tables to accommodate this change.

1. Social Security
   Wages Subject to Tax $142,800
   Employee Withholding Rate 6.2%
   Employer Withholding Rate 6.2%

2. Medicare
   Wages Subject to Tax All Wages
   Employee Withholding 1.45%
   Employer Withholding 1.45%

Federal Income Tax

1. Use IRS 2021 E Chart

PUC (Pa. Unemployment Compensation)

1. State Program Members: Contact your County U/C office or field office or employer contact center at 1-866-403-6163.
2. PSAB Members: Contact Debbie Janney at 1-800-232-7722, Ext. 1025; djanney@boroughs.org or Dani Baker-Papinchak at 1-800-232-7722, Ext. 1032, dbaker@boroughs.org
3. For all employers: the employee withholding rate is: 0.06% or .0006

FUTA (Federal Unemployment Tax)

1. Local governments are exempt.

Pennsylvania Income Tax

1. Withholding rate is 3.07%

IRS Mileage Reimbursement Rate

1. 56 cents per mile

Federal Minimum Wage - $7.25