PAYROLL ADMINISTRATION MEMORANDUM

2020 - 2021

NO. 10

DATE: January 7, 2021

TO: B/C Office Directors (Via Email)
     Principals (Via Principals Weekly)
     Payroll Secretaries (Via Email)

FROM: Kevin Monrose

SUBJECT: Tax Changes Effective January 1, 2021

The following information should be made available to all employees of the New York City Department of Education.

The following tax changes are in effect for payrolls dated January 1, 2021 and after.

**FICA Tax Rate Changes**

The FICA tax consists of two parts: Social Security and Medicare. For 2021, the taxable limit for Social Security has increased to $142,800 (up from $137,700 in 2020). Medicare rates remain unchanged. See the table below for details:

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Tax Rate</th>
<th>Taxable Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security</td>
<td>Remains 6.2%</td>
<td>$142,800</td>
</tr>
<tr>
<td>Medicare</td>
<td>Remains 1.45%</td>
<td>No Ceiling</td>
</tr>
<tr>
<td>Medicare</td>
<td>Remains 2.35%</td>
<td>For wages in excess of $200,000 regardless of the individual’s filing status.</td>
</tr>
</tbody>
</table>

**Supplemental Withholding Rates**

For employees who receive supplemental wages (for example, bonuses, commissions, overtime pay, sales awards, etc.), please note that the Federal (22%), NYS (9.62%), and NYC (4.25%) withholding tax rate did not change for 2021.

**Questions**

Please contact Payroll Administration at PayrollInquiry@schools.nyc.gov should you have any questions.

C: Richard Carlo
   Maria Conklin
   Francine Perkins-Colón
   Vicki Bernstein
   Len Rubino