



2026 Payroll Tax Rules

TAXES	Rate	Max Wages	Max Amt Withheld	Employee	Employer
Federal Withholding	N/A	N/A	N/A	X	
State Withholding	N/A	N/A	N/A	X	
CASDI – State Disability	1.30%	N/A	N/A	X	
OASDI - Employer	6.20%	\$184,500.00	\$11439.00		X
OASDI – Employee	6.20%	\$184,500.00	\$11439.00	X	
MEDICARE **	1.45%	Up to \$200,000	N/A	X	X
FUTA – Federal Unemployment (CA)	0.60%	\$7000.00	\$42.00		X
CA SUI – State Unemployment	Varies (max: 6.20%)	\$7000.00	Varies		X
CA ETT – Employment Training	0.10%	\$7000.00	\$7.00		X
Worker’s Comp – Variable by policy	N/A	N/A	N/A		X

**Additional Medicare Taxes: The additional tax is 0.9% of wages earned over \$200,000.00 (\$250,000 for joint returns; \$125,000 for married taxpayers filing a separate return)

2026 MINIMUM WAGE

Federal Minimum Wage	\$7.25 per hour
CA Minimum Wage	\$16.90 per hour
San Diego Minimum Wage	\$17.75 per hour

2026 FEDERAL MILEAGE RATES

Business	72.5 cents per mile
Charitable	14 cents per mile
Medical/Moving	20.5 cents per mile

DEFERRED COMPENSATION

	Limit	Catch up (50 or older)
401(k)	\$24,500.00*	\$8,000.00*
403(b)	\$24,500.00*	\$8,000.00*
457(b)	\$24,500.00*	\$8,000.00*
Simple IRA/401K	\$17,000.00*	\$4,000.00*
IRA (after tax deduction)	\$7,500.00*	\$1,100.00*

*Verify all limits with your plan administrator - For 2026, individuals aged 60, 61, 62, and 63 in 401(k)s and similar plans can make a special "super catch-up" contribution of \$11,250 (on top of the standard \$24,500 limit, allowing a total of \$35,750).

SUPPLEMENTAL TAX RATES

		Percent
Federal	Up to \$1,000,000.00	22%
Federal	\$1,000,000.00 and over	37%
California	All amounts for Bonus	10.23%
California	All amounts for Severance	6.6%

IMPORTANT PHONE NUMBERS

Verify up to 5 Social Security Numbers	(800) 772-1213
IRS	(800) 829-0115
Employment Development Department	(888) 745-3886

PAY-NET & FEDERAL HOLIDAYS

(Observed Banking Holidays*)

Holiday	Date	Pay-Net Closed	IRS Closed	Holiday	Date	Pay-Net Closed	IRS Closed
New Year’s	01/01	X	X	Labor Day	09/07	X	X
Martin Luther King*	01/19		X	Indigenous Peoples Day*	10/12		X
Washington’s B-day*	02/16		X	Veteran’s Day*	11/11		X
Memorial Day	05/25	X	X	Thanksgiving Day	11/26	X	X
Juneteenth*	06/19		X	Day after Thanksgiving	11/27	X	
Independence Day	07/04	X	X	Christmas	12/25	X	X