

Office of State Uniform Payroll
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

February 6, 2018

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2018-36

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

FROM: Andrea P. Hubbard
Director

SUBJECT: Tax Rates for Calendar Year 2018

Beginning pay period 4/2018 (1/29/18 - 2/11/18), the new Federal Tables for income tax withholding will be used in calculating tax deductions. The new tax tables reflect changes implemented with the 2017 Federal Tax Cuts and Jobs Act. See OSUP Memorandum # 2018-34 for more information. The withholding allowance amount for a biweekly payroll period has increased to **\$159.60** for 2018.

The Social Security wage base for 2018 has increased to **\$128,400**. 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 \$7,960.80.

The Medicare tax rate remains at 1.45% for employee and employer for 2018. 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.

IRS Publication 15, Circular E, Employer's Tax Guide, revised for 2018 has been released. The entire publication can be accessed through the IRS website at <https://www.irs.gov/pub/irs-pdf/p15.pdf>. The new tax tables begin on page 46 of the publication. Agencies may not receive a hard copy in the mail due to all state agencies being under one tax ID.

Employees may see a difference in their net pay due to the tax changes above. A message will be added to the February 16, 2018 checks and payroll statements advising employees of this. A message will also be added on the LEO Welcome page.

If you have any questions, please contact a member of the OSUP Wage and Tax Administration Unit at _DOA-OSUP-WTA@la.gov or (225):

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