

2026 Payroll Tax Update

Employer and Employee Withholding Rates

	<u>2026</u>	<u>2025</u>
Maximum Social Security Wages	184,500	176,100
Maximum Medicare Wages	No Limit	No Limit
Employer Social Security Tax Rate	6.20%	6.20%
Employee Social Security Tax Rate	6.20%	6.20%
Medicare Tax Rate	1.45%	1.45%
Medicare Employee Additional Tax on Wages in Excess of \$200,000 (Single)/\$250,000 (Married)	0.9%	0.9%

Federal Unemployment Compensation:

Wage Base Per Employee	\$7,000	\$7,000
Employer Tax Rate	0.600%	0.600%

PA Unemployment Compensation:

Wage Base Per Employee	\$10,000	\$10,000
Employer Contribution Rate (You will be notified by PA UC)	Rates Vary	Rates Vary
Employee PA Unemployment Withholding Tax Rate	0.07%	0.07%

PA Income Withholding Tax

	3.07%	3.07%
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Self Employment Tax Rate

	15.30%	15.30%
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Business Mileage Reimbursement Rates

	\$0.70	\$0.725
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Local Income Tax Withholding (*Franklin Co.*)

Resident Within the Jurisdiction of CASD	1.70%	1.70%
Resident Outside the Jurisdiction of CASD*	1.00%	1.00%

LST (*Local Services Tax*) (*Based on Employers Location*)

\$52.00 Annual Rate**

\$10.00 Annual Rate

Antrim Township	Metal Township	CASD (Greene, Hamilton, Letterkenny, & Lurgan)
Chambersburg Borough	Montgomery Township	SASD (Hopewell, Newburg, Southampton, & Orrstown)
Greencastle Borough	Peters Township	
Guilford Township	Shippensburg Borough & Twp	
Mercersburg Borough	Waynesboro Area SD	

*Please confirm jurisdiction if a resident outside of CASD.

**Collect at a maximum weekly rate of \$1.00.

All PA local withholding and LST rates by municipality can be found at

<https://munstats.pa.gov/Public/FindLocalTax.aspx>

Information current as of 12/30/2025. Visit our website www.bsgwealth.com/forms for any additional revisions.