



PARAMOUNT Unified School District

DATE: January 16, 2024
TO: All Employees
FROM: Christina Choi, Director of Fiscal Services
SUBJECT: Year 2024 Income Tax Changes and Withholding Information Effective January 1, 2024

Federal and State Income Tax Withholding

Updated tax changes have been implemented for payrolls issuing on and after January 1, 2024. Federal and state income tax withholding brackets have been revised and are included with this notice.

Employee Social Security/OASDI and Medicare

The Social Security/OASDI employee rate for 2024 remains unchanged at 6.2 percent, however the maximum subject wages have increased. There is no Medicare wage cap for employees. Employee rates remain unchanged at 1.45 percent; however, the Additional Medicare Tax requires that employers withhold an additional 0.9 percent on wages paid to employees in excess of \$200,000 in a calendar year.

<u>Tax Year Comparison</u>	<u>Year 2023</u>	<u>Year 2024</u>
Social Security/OASDI Rate	6.2 percent	6.2 percent
Medicare Rate	1.45 percent	1.45 percent
Social Security Maximum Wage Base	\$160,200	\$168,600
Medicare Maximum Wage Base	no limit	no limit
Maximum Medicare Contribution (1.45%)	no limit	no limit

Federal Withholding – IRS Form W-4

The IRS recommends all taxpayers perform a “paycheck checkup” by using their online tool located at <https://www.irs.gov/paycheck-checkup>. Your employer cannot tell you how to complete Form W-4. Please read the instructions carefully and/or consult a tax professional. Only new employees and those wishing to make withholding adjustments, or those claiming exempt must complete the new *IRS 2024 Form W-4, “Employee’s Withholding Certificate”*.

Federal Exempt from Withholding

If you claimed exempt from withholding tax in 2023 and wish to continue in 2024, you must complete a new *IRS 2024 Form W-4* **no later than February 15, 2024**. The form requires those wishing to claim exempt to write the word “EXEMPT” in “Step 4”, in the space directly under the box 4(c). If you no longer wish to claim exempt status, you must file a new form W-4 for January tax withholding.

State Withholding – Form DE 4

All employees updating their IRS Form W-4 must now also complete a California State Withholding Form (DE 4).

Should you have any questions regarding this information, please contact Payroll at 562-602-6023 or Group-Payroll@paramount.k12.ca.us.

YEAR 2024 TAX RATES

and Other Employee Deductions

FEDERAL ANNUAL TAX RATES

2024 Percentage Method Tables

STANDARD Withholding Rate Schedules				
(Use these if the Form W-4 is from 2019 or earlier, or if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 is NOT checked. Also use these for Form W-4P from any year.)				
If the Adjusted Annual Wage Amount on Worksheet 1A or the Adjusted Annual Payment Amount on Worksheet 1B is				of the amount that exceeds
At least...	But less than...	The tentative amount to withhold is...		
A	B	C	D	E
Married Filing Jointly				
\$0	\$16,300	\$0.00	plus 0%	\$0
\$16,300	\$39,500	\$0.00	plus 10%	\$16,350
\$39,500	\$110,600	\$2,320.00	plus 12%	\$39,500
\$110,600	\$217,350	\$10,852.00	plus 22%	\$110,600
\$217,350	\$400,200	\$34,337.00	plus 24%	\$217,350
\$400,200	\$503,750	\$78,221.00	plus 32%	\$400,200
\$503,750	\$747,500	\$111,357.00	plus 35%	\$503,750
\$747,500		\$196,669.50	plus 37%	\$747,500
Single or Married Filing Separately				
\$0	\$6,000	\$0.00	plus 0%	\$0
\$6,000	\$17,600	\$0.00	plus 10%	\$6,000
\$17,600	\$53,150	\$1,160.00	plus 12%	\$17,600
\$53,150	\$106,525	\$5,426.00	plus 22%	\$53,150
\$106,525	\$197,950	\$17,168.50	plus 24%	\$106,525
\$197,950	\$249,725	\$39,110.50	plus 32%	\$197,950
\$249,725	\$615,350	\$55,678.50	plus 35%	\$249,725
\$615,350		\$183,647.25	plus 37%	\$615,350
Head of Household				
\$0	\$13,300	\$0.00	plus 0%	\$0
\$13,300	\$29,850	\$0.00	plus 10%	\$13,300
\$29,850	\$76,400	\$1,655.00	plus 12%	\$29,850
\$76,400	\$113,800	\$7,241.00	plus 22%	\$76,400
\$113,800	\$205,250	\$15,469.00	plus 24%	\$113,800
\$205,250	\$257,000	\$37,417.00	plus 32%	\$205,250
\$257,000	\$622,650	\$53,977.00	plus 35%	\$257,000
\$622,650		\$181,954.50	plus 37%	\$622,650

MULTIPLE JOB Withholding Rate Schedules				
(Use these if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 IS checked.)				
If the Adjusted Annual Wage Amount on Worksheet 1A is				of the amount that exceeds
At least...	But less than...	The tentative amount to withhold is...		
A	B	C	D	E
Married Filing Jointly				
\$0	\$14,600	\$0.00	plus 0%	\$0
\$14,600	\$26,200	\$0.00	plus 10%	\$14,600
\$26,200	\$61,750	\$1,160.00	plus 12%	\$26,200
\$61,750	\$115,125	\$5,426.00	plus 22%	\$61,750
\$115,125	\$206,550	\$17,168.50	plus 24%	\$115,125
\$206,550	\$258,325	\$39,110.50	plus 32%	\$206,550
\$258,325	\$380,200	\$55,678.50	plus 35%	\$258,325
\$380,200		\$98,334.75	plus 37%	\$380,200
Single or Married Filing Separately				
\$0	\$7,300	\$0.00	plus 0%	\$0
\$7,300	\$13,100	\$0.00	plus 10%	\$7,300
\$13,100	\$30,875	\$580.00	plus 12%	\$13,100
\$30,875	\$57,563	\$2,713.00	plus 22%	\$30,875
\$57,563	\$103,275	\$8,584.25	plus 24%	\$57,563
\$103,275	\$129,163	\$19,555.25	plus 32%	\$103,275
\$129,163	\$311,975	\$27,839.25	plus 35%	\$129,163
\$311,975		\$91,823.63	plus 37%	\$311,975
Head of Household				
\$0	\$10,950	\$0.00	plus 0%	\$0
\$10,950	\$19,225	\$0.00	plus 10%	\$10,950
\$19,225	\$42,500	\$827.50	plus 12%	\$19,225
\$42,500	\$61,200	\$3,620.50	plus 22%	\$42,500
\$61,200	\$106,925	\$7,734.50	plus 24%	\$61,200
\$106,925	\$132,800	\$18,708.50	plus 32%	\$106,925
\$132,800	\$315,625	\$26,988.50	plus 35%	\$132,800
\$315,625		\$90,977.25	plus 37%	\$315,625

The IRS encourages everyone to use their Tax Withholding Estimator located at <https://www.irs.gov/individuals/tax-withholding-estimator>. The tables above will be utilized in the estimator after January 1, 2024.

OVER FOR CALIFORNIA STATE ANNUAL TAX RATES AND OTHER RATES

CALIFORNIA STATE ANNUAL TAX RATES

Rates apply to *annual* taxable earnings (annual gross earnings less salary reductions) as follows:

- a) \$0 tax if annual taxable earnings are equal to or less than
 - \$17,769 if SINGLE or MARRIED — 0 or 1 exemption
 - \$35,538 if UNMARRIED HEAD of HOUSEHOLD or MARRIED—2 or more exemptions
- b) Apply rate to annual taxable earnings less standard deduction and less \$1,000 for each Estimated Deduction Allowance
 - Standard deduction
 - MARRIED — 0 or 1 exemption \$ 5,363
 - 2 or more exemptions \$10,726
 - SINGLE — \$ 5,363
 - UNMARRIED HEAD of HOUSEHOLD — \$10,726
- c) Personal allowance credit for Single, Married, and Head of Household
 - 0 Allowance — \$0
 - 1 or More Allowances — \$158.40 for each allowance

SINGLE, MARRIED WITH DUAL INCOME, or MARRIED WITH MULTIPLE EMPLOYERS

If the taxable income is:			
Over—	But not over—	Computed tax is:	Of amount over—
\$ 0 —	\$ 10,412 . .	\$ 0.00 plus 1.10%	—\$ 0
\$ 10,412 —	\$ 24,684 . .	\$ 114.53 plus 2.20%	—\$ 10,412
\$ 24,684 —	\$ 38,959 . .	\$ 428.51 plus 4.40%	—\$ 24,684
\$ 38,959 —	\$ 54,081 . .	\$ 1,056.61 plus 6.60%	—\$ 38,959
\$ 54,081 —	\$ 68,350 . .	\$ 2,054.66 plus 8.80%	—\$ 54,081
\$ 68,350 —	\$ 349,137 . .	\$ 3,310.33 plus 10.23%	—\$ 68,350
\$ 349,137 —	\$ 418,961 . .	\$ 32,034.84 plus 11.33%	—\$ 349,137
\$ 418,961 —	\$ 698,271 . .	\$ 39,945.90 plus 12.43%	—\$ 418,961
\$ 698,271 —	\$1,000,000 . .	\$ 74,664.13 plus 13.53%	—\$ 698,271
\$1,000,000 and over		\$115,488.06 plus 14.63%	—\$1,000,000

MARRIED person —

If the taxable income is:			
Over—	But not over—	Computed tax is:	Of amount over—
\$ 0 —	\$ 20,824 . .	\$ 0.00 plus 1.10%	—\$ 0
\$ 20,824 —	\$ 49,368 . .	\$ 229.06 plus 2.20%	—\$ 20,824
\$ 49,368 —	\$ 77,918 . .	\$ 857.03 plus 4.40%	—\$ 49,368
\$ 77,918 —	\$ 108,162 . .	\$ 2,113.23 plus 6.60%	—\$ 77,918
\$ 108,162 —	\$ 136,700 . .	\$ 4,109.33 plus 8.80%	—\$ 108,162
\$ 136,700 —	\$ 698,274 . .	\$ 6,620.67 plus 10.23%	—\$ 136,700
\$ 698,274 —	\$ 837,922 . .	\$ 64,069.69 plus 11.33%	—\$ 698,274
\$ 837,922 —	\$1,000,000 . .	\$ 79,891.81 plus 12.43%	—\$ 837,922
\$1,000,000 —	\$1,396,542 . .	\$100,038.11 plus 13.53%	—\$1,000,000
\$1,396,542 and over		\$153,396.24 plus 14.63%	—\$1,396,542

UNMARRIED/HEAD OF HOUSEHOLD—

If the taxable income is:			
Over—	But not over—	Computed tax is:	Of amount over—
\$ 0 —	\$ 20,839 . .	\$ 0.00 plus 1.10%	—\$ 0
\$ 20,839 —	\$ 49,371 . .	\$ 229.23 plus 2.20%	—\$ 20,839
\$ 49,371 —	\$ 63,644 . .	\$ 856.93 plus 4.40%	—\$ 49,371
\$ 63,644 —	\$ 78,765 . .	\$ 1,484.94 plus 6.60%	—\$ 63,644
\$ 78,765 —	\$ 93,037 . .	\$ 2,482.93 plus 8.80%	—\$ 78,765
\$ 93,037 —	\$ 474,824 . .	\$ 3,738.87 plus 10.23%	—\$ 93,037
\$ 474,824 —	\$ 569,790 . .	\$ 42,795.68 plus 11.33%	—\$ 474,824
\$ 569,790 —	\$ 949,649 . .	\$ 53,555.33 plus 12.43%	—\$ 569,790
\$ 949,649 —	\$1,000,000 . .	\$100,771.80 plus 13.53%	—\$ 949,649
\$1,000,000 and over		\$107,584.29 plus 14.63%	—\$1,000,000

For detailed information on how to calculate your California State Withholding, review the EDD's "California Withholding Schedules for 2024 (Method B – Exact Calculation Method)" publication located at https://edd.ca.gov/siteassets/files/pdf_pub_ctr/24methb.pdf.

SALARY REDUCTIONS

Salary reductions which reduce taxable earnings include Employee contributions to:

- Deferred Tax Sheltered Annuity (403b/TSA) Deferred Compensation (457b)
- Employee portion of CalSTRS/CalPERS Section 125 Plan benefits
- Alternative Retirement Plans

Elective deferrals for 403b and 457b plans have an annual limit of \$23,000 for 2023. Catch-up contributions apply in some circumstances.

OTHER RATES

OASDI Tax Rate—Employee and Employer (Not including Medicare)	6.2 percent
OASDI maximum wage base—Employee and Employer	\$168,600.00
Maximum OASDI contribution—Employee and Employer	\$10,453.20
Medicare Tax Rate	1.45 percent
Additional Medicare Tax—Employee wages over \$200,000	0.90 percent
Medicare maximum wage base	No limit
Medicare maximum contribution	No limit
School Employees Fund SUI Rate (FY23-24)	0.05 percent
CA Disability Insurance (SDI)	1.10 percent
SDI maximum wage base	No limit
CalSTRS/CalPERS	See employer
IRS Standard Mileage Rate (1-1-24)	67.0 cents per mile
Federal Supplemental Tax Rate	22 percent
State Supplemental Tax Rate	6.6 percent
State Minimum Wage—More than 26 Employees	\$16.00/hr.