

ELECTRONIC DEPOSITS

Employers with Form 941 liability of \$2,500 or less per quarter, or Form 940 liability of \$500 or less, may continue to pay tax due with the return. All other employers are **required** to make electronic deposits using the Electronic Federal Tax Payment System (EFTPS). Internet and telephone options are available.

When making deposits using EFTPS, the transaction must be submitted no later than 8:00pm the business day **before** the due date. Saturday, Sunday and federal holidays are not business days.

To enroll in EFTPS, or for more information, go to www.eftps.com or call 800-555-4477.

If you are required to use EFTPS and fail to do so, you may be subject to a 10% penalty. If you are not required to use EFTPS, you may participate voluntarily.

EFTPS changes only the way an employer remits federal tax deposits. Employers must still file Form 941 at the end of each quarter and Forms 940, 943 and 944 returns annually.



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REV 11/2020

FEDERAL PAYROLL TAX DEPOSIT RULES

An employer must deposit Form 941 taxes under either a monthly or semi-weekly schedule. Deposit frequency for 2021 will be based on the accumulated Form 941 tax liability for the period July 1, 2019 to June 30, 2020. If you reported \$50,000 or less of taxes for the lookback period, you are a monthly schedule depositor; if you reported more than \$50,000 you are a semi-weekly schedule depositor. The IRS will notify employers in December 2020 whether they are a monthly or semi-weekly depositor for 2021.

Monthly Schedule Depositor: Deposit each month's taxes by the 15th of the following month. If the 15th is a non-banking day, the deposit is due on the next banking day after the 15th. Non-banking days include Saturdays, Sundays, and government approved holidays.

Semi-weekly Schedule Depositor: Deposits are due on Wednesdays and/or Fridays. For paydays falling on Wednesday, Thursday, or Friday, the deposit day will be the following Wednesday. For all other paydays, the deposit is due by the Friday following payday.

\$100,000 Next-Day Deposit Rule: If the total accumulated tax reaches \$100,000 or more on any day during a deposit period, it must be deposited by the next banking day, whether an employer is a monthly or semi-weekly schedule depositor. A monthly schedule depositor that becomes subject to the next-day rule loses their monthly deposit status and becomes a semi-weekly schedule depositor for the remainder of the calendar year and for the following calendar year.

Payment with Return: If the total amount of accumulated employment taxes for the quarter is less than \$2,500, you may remit with the quarterly Form 941. However, if you are unsure that you will accumulate less than \$2,500, deposit under the monthly rules.

Agricultural Employers: The deposit frequency for Form 943 filers for 2020 is based on the accumulated taxes reported in 2019.

2021 GENERAL PAYROLL INFORMATION



CREATING PARTNERSHIPS WITH VISION

GENERAL PAYROLL INFORMATION

	<u>2021</u>	<u>2020</u>
Wages Subject to Social Security/Medicare Taxes		
Social Security Portion	\$142,800	\$137,700
Medicare Portion	All Wages	All Wages
Employee Social Security Tax	6.20%	6.20%
Employee Medicare Tax		
Standard	1.45%	1.45%
Additional Tax on Wages Above \$200,000	0.90%	0.90%
Employer Social Security/Medicare Tax		
Social Security	6.20%	6.20%
Medicare	1.45%	1.45%
Special Federal Income Tax Withholding Rates		
Backup	24%	24%
Supplemental	22%	22%
Wages Subject to Unemployment Tax		
PA Employer	\$10,000	\$10,000
PA Employee	Unlimited	Unlimited
Federal Employer	\$7,000	\$7,000
Unemployment Tax Rates		
PA Employee Withholding	0.06%	0.06%
PA Employer Rate	AS ASSIGNED	
Federal Employer Rate	0.60%	0.60%
PA Withholding Tax Rate	3.07%	3.07%

Local Withholding Tax Rates
To determine rates, go to:
<http://munstatspa.dced.state.pa.us/>

	<u>2021</u>	<u>2020</u>
Retirement Plan Deferral Limits		
401(k)/403(b)/457 Plans		
Under Age 50	\$19,500	\$19,500
Age 50 and Older	\$26,000	\$26,000
SIMPLE Plan		
Under Age 50	\$13,500	\$13,500
Age 50 and Older	\$16,500	\$16,500
Maximum Retiree Can Earn Without a Reduction in Social Security Benefits		
At Less Than Normal Retirement Age (NRA)	\$18,960	\$18,240
At FRA	Unlimited	Unlimited
In year FRA is reached	\$50,520	\$48,600
For definition of "Normal Retirement Age" go to: www.ssa.gov/planners/retire/ageincrease.html		
Federal Per Diem Rates CONUS		
Meals & Incidental Expenses (M&I)-effective 10/1		
Standard	\$55.00	\$55.00
Transportation Industry	\$66.00	\$66.00
Federal Mileage Rates		
Business	\$0.560	\$0.575
Medical	\$0.160	\$0.170
Charitable	\$0.140	\$0.140
PA Minimum Wage	\$7.25	\$7.25

PENNSYLVANIA NEW HIRE REPORTING

New hires must be reported to the State within 20 days of the date of hire.

Employers may report their new hires by using either of the following:

- Official New Hire Reporting Form
- Form W-4
Date of hire, contact name and contact phone number must be listed separately

Forms may be remitted by:

MAIL

Commonwealth of Pennsylvania
New Hire Reporting Program
PO Box 69400
Harrisburg, PA 17106-9400

FAX

1-866-748-4473

ONLINE

www.cwds.state.pa.us

For more information call:

1-888-724-4737

For additional information,
please contact our Payroll Professionals:

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