

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 1/2026

FEDERAL PAYROLL TAX DEPOSIT RULES

An employer must deposit Form 941 taxes under either a monthly or semi-weekly schedule. Deposit frequency for 2026 will be based on the accumulated Form 941 tax liability for the period July 1, 2024 to June 30, 2025. 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 2025 whether they are a monthly or semi-weekly depositor for 2026.

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 2026 is based on the accumulated taxes reported in 2024.

2026 GENERAL PAYROLL INFORMATION



CREATING PARTNERSHIPS WITH VISION

GENERAL PAYROLL INFORMATION

	<u>2026</u>	<u>2025</u>
Wages Subject to Social Security/Medicare Taxes		
Social Security Portion	\$184,500	\$176,100
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	0.07%	0.07%
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://munstats.pa.gov/Public/FindLocalTax.aspx>

Retirement Plan Deferral Limits

	<u>2026</u>	<u>2025</u>
401(k)/403(b)/457 Plans		
Under Age 50	\$24,500	\$23,500
Age 50 and older	\$32,500	\$31,000
Age 60 - 63	\$35,750	\$34,750
SIMPLE Plan		
Under Age 50	\$17,000	\$16,500
Age 50 and older	\$21,000	\$20,000
Age 60 - 63	\$22,250	\$21,750

HSA Contribution Limits

	<u>2026</u>	<u>2025</u>
Individual	\$4,400	\$4,300
Family	\$8,750	\$8,550
Age 55 & Older Catch-up	\$1,000	\$1,000

Maximum Retiree Can Earn Without a Reduction in Social Security Benefits

	<u>2026</u>	<u>2025</u>
At Less Than Normal Retirement Age (NRA)	\$24,480	\$23,400
At FRA	Unlimited	Unlimited
In year FRA is reached	\$65,160	\$62,160

For definition of "Normal Retirement Age" go to:

www.ssa.gov/planners/retire/ageincrease.html

Federal Per Diem Rates CONUS

Meals & Incidental Expenses (M&IE)-effective 10/1		
Standard	\$68.00	\$68.00
Transportation Industry	\$80.00	\$80.00

Federal Mileage Rates

	<u>2026</u>	<u>2025</u>
Business 1/1 - 6/30	\$0.725	\$0.70
7/1 - 12/31	\$0.760	\$0.70
Medical 1/1 - 6/30	\$0.205	\$0.21
7/1 - 12/31	\$0.235	\$0.21
Charitable 1/1 - 12/31	\$0.140	\$0.14

PA Minimum Wage

	<u>2026</u>	<u>2025</u>
	\$7.25	\$7.25

PENNSYLVANIA NEW HIRE REPORTING

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

ONLINE

www.pacareerlink.pa.gov/jponline/Common/Landingpage/ReportNewHires

For more information call:

1-888-724-4737

For additional information,
please contact our Payroll Professionals:

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