

TO: All Human Resource Directors for

Agencies Serviced by the

Bureau of Commonwealth Payroll Operations (BCPO)

FROM: Stephen R. Burns

Director

Bureau of Commonwealth Payroll Operations

DATE: January 8, 2024

RE: BCPO Payroll Memo #24-01

Federal Withholding Tax (FWT) -2024State and Unemployment Tax -2024

Effective with pay dates on or after February 9, 2024, changes to the FWT tables will take place as follows:

- 1. The Annual FWT Percentage Method Tables have changed for 2024. Copies of the 2024 annual and bi-weekly tables are attached for your reference.
- 2. The Annual FWT Allowance remains at \$4,300.00 per allowance, or \$165.38 biweekly. **NOTE:** The annual and biweekly FWT allowance ONLY applies to W4 forms completed prior to 1/1/2020.
- 3. The flat rate FWT percent will remain at 22 percent.

The withholding for Pennsylvania State Tax remains at 3.07 percent for 2024. The Department of Labor and Industry confirmed that the employee Unemployment Tax will remain at .07 percent for 2024.

This memo and attachments can also be viewed on the <u>Payroll News & Memos</u> page on the Office of the Budget website. The <u>FWT schedules</u> are available on the IRS website and Attachment #2 in this memo.

The February 2024 Employee Pay Statement will also reflect these rate changes. Please ensure that all staff responsible for tax inquiries is aware of these changes. If you have any questions, please contact any Payroll staff member.

Attachments

cc: Brian T. Lyman, Chief Accounting Officer, Office of the Budget Jason Swarthout, Acting Deputy Secretary for Human Resources and Management Lisette Lindsay, IES Business Operations HR Manager Bureau Directors (5)

1. Percentage Method Tables for Automated Payroll Systems and Withholding on Periodic **Payments of Pensions and Annuities**

If you're an employer with an automated payroll system, use Worksheet 1A and the Percentage Method tables in this section to figure federal income tax withholding. This

method works for Forms W-4 for all prior, current, and future years. This method also works for any amount of wages. If the Form W-4 is from 2019 or earlier, this method works for any number of withholding allowances claimed.

If you're a payer making periodic payments of pensions and annuities, use Worksheet 1B and the Percentage Method tables in this section to figure federal income tax withholding. This method works for Forms W-4P for all prior, current, and future years. If a payer is figuring withholding on periodic payments based on a 2021 or earlier Form W-4P, the payer may also figure withholding using the methods described in section 3 and section 5.

Worksheet 1A. Employer's Withholding Worksheet for **Percentage Method Tables for Automated Payroll Systems**

Keep for Your Records



Table 3		Semiannually	Quarterly	Monthly	Semimonthly	Biweekly	Weekly	Daily		
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Step 1.	Ad j 1a	just the employe	e's payment a	mount	ayroll period				10	¢
					ear (see Table 3)					
					ı line 1b					\$
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										\$
	1f				e's Form W-4					\$
	1g	If the box in Step	2 of Form W-4 ointly or \$8,600	is checked, ent	er -0 If the box is	not checked, en	ter \$12,900 if the	e taxpayer	 1g	\$
	1h	Add lines 1f and	1g					1	1h	\$
	1i	Subtract line 1h	from line 1e. If a	zero or less, ente	er -0 This is the A	djusted Annua	I Wage Amoun	t ₁	1i	\$
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	1j	Enter the number	er of allowances	claimed on the	employee's most re	ecent Form W-4		1	1j	
	1k									\$
	11	Subtract line 1k	from line 1c. If a	zero or less, ente	er -0 This is the A	djusted Annua	I Wage Amount	1 1	11	\$
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2024 Percentage Method Tables for Automated Payroll Systems and Withholding on Periodic Payments of Pensions and Annuities

Payments of Pensions and Annuities										
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At least—	But less than—	amount to withhold is:	Plus this percentage—	or Payment	At least—	But less than—	amount to withhold is:	Plus this percentage—	Annuai Wage	
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\$17,600 \$53,150 \$106,525 \$197,950 \$249,725 \$615,350	\$53,150 \$106,525 \$197,950 \$249,725 \$615,350	\$1,160.00 \$5,426.00 \$17,168.50 \$39,110.50	12% 22% 24% 32% 35% 37%	\$17,600 \$53,150 \$106,525 \$197,950 \$249,725 \$615,350	\$13,100 \$30,875 \$57,563 \$103,275 \$129,163 \$311,975	\$30,875 \$57,563 \$103,275 \$129,163 \$311,975	\$580.00 \$2,713.00 \$8,584.25 \$19,555.25 \$27,839.25 \$91,823.63	12% 22% 24% 32% 35% 37%	\$13,100 \$30,875 \$57,563 \$103,275 \$129,163	
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