



Memorandum

To: All Employees
From: Payroll – payrollinquiry@smmusd.org
Subject: 2024 Income Tax Changes & Withholding Information, Effective January 1, 2024
Date: January 8, 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.

Table with 3 columns: Tax Year Comparison, Year 2023, Year 2024. Rows include Social Security/OASDI Rate, Medicare Rate, Social Security Maximum Wage Base, Medicare Maximum Wage Base, and Maximum Medicare Contribution (1.45%).

Federal Withholding – IRS Form W-4

IRS Form W-4 changed significantly in 2020. The IRS recommends all taxpayers perform a “paycheck checkup” by using their online tool located at https://www.irs.gov/paycheck-checkup. Please read the instructions carefully and/or consult a tax professional.

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).

The 2024 Federal and State Tax forms are located on the SMMUSD Staff Portal as follows:

SMMUSD Payroll & Taxes

If there are any questions, please check with your tax professional or email your payroll team.