

## IRM PROCEDURAL UPDATE

**DATE: 12/18/2023**

**NUMBER: wi-21-1223-1188**

**SUBJECT: Wage Limit and Tax Rate Updates**

**AFFECTED IRM(s)/SUBSECTION(s): 21.7.2**

**CHANGE(s):**

**IRM 21.7.2.3.3(2) Added wage base information in table for 2024 and removed information for 2014.**

(2) Social security taxes are withheld at a combined tax rate of 12.4% (6.2% contributed by the employer and 6.2% contributed by the employee) except as modified by legislation for particular tax years (2010, 2011, and 2012) as described in (3), (4), and (5) below. However, social security taxes are withheld from wages and tips only up to a wage limit. The table below shows the social security wage limits from year to year.

Year	Maximum Amount of Wages
2015 - 2016	118,500
2017	127,200
2018	128,400
2019	132,900
2020	137,700
2021	142,800
2022	147,000
2023	160,200
2024	168,600

**IRM 21.7.2.6.4.2(3) Added Tier I wage base information in table for 2024 and removed information for 2014.**

(3) The Tier I portion equivalent to the social security portion is 6.2% for both employer and employee (12.4% total) except as modified by legislation for particular years (2010, 2011, and 2012) as described in (4), (5), and (6) below. Tier I taxes are withheld from wages and tips only up to a wage limit. The table below shows the Tier I wage limits from year to year.

Tax Year	Taxable Amount
2015 - 2016	On the first \$118,500
2017	On the first \$127,200

2018	On the first \$128,400
2019	On the first \$132,900
2020	On the first \$137,700
2021	On the first \$142,800
2022	On the first \$147,000
2023	On the first \$160,200
2024	On the first \$168,600

**IRM 21.7.2.6.4.2(8) Added Tier II wage base and tax rate information in table for 2024 and removed information for 2014.**

(8) Tier II tax rates are shown in the table below.

<b>Tax Year</b>	<b>Employer %/Employee %</b>	<b>On the first:</b>
2015 - 2016	13.1%/4.9%	\$88,200
2017	13.1%/4.9%	\$94,500
2018	13.1%/4.9%	\$95,400
2019	13.1%/4.9%	\$98,700
2020	13.1%/4.9%	\$102,300
2021	13.1%/4.9%	\$106,200
2022	13.1%/4.9%	\$109,200
2023	13.1%/4.9%	\$118,800
2024	13.1%/4.9%	\$125,100