San Bernardino County Superintendent of Schools
Transforming lives through education

Ted Alejandre
County Superintendent

DATE: January 7, 2025

TO: Chief Business Officials, Personnel Administrators, Fiscal Services Directors, and Payroll Staff
San Bernardino County School Districts, Community Colleges, County Office of Education

SUBJECT: **2025 Federal and State Income Tax Changes**

The Internal Revenue Service (IRS) released the tax tables for the calendar year 2025. The new federal tables and the California state tax rates have been updated in the payroll system and are effective for payrolls issued after January 1, 2025.

Social Security/OASDI and Medicare

The employee and employer rate for Social Security/OASDI remains unchanged at 6.2 percent. The maximum wages subject to Social Security/OASDI have increased to $176,100 for employees and employers. Medicare employee rates on wages up to $200,000 and employer rates remain unchanged at 1.45 percent. The additional Medicare Tax initiated in 2013 requires employers to withhold an additional 0.9 percent on wages paid to employees more than $200,000. This additional tax must be withheld in the pay period in which wages are paid more than $200,000. This additional tax is only an employee share not an employer share.

Form W-4 Withholding

IRS Form W-4 was updated in 2020 and can no longer be used for both federal and state withholdings. Employees hired on or after January 1, 2020, must also complete a state *Form DE-4.* **The State Franchise Tax Board no longer requires a copy of this form from employers for exempt employees. Employers retain Forms W-4 and DE-4.**

Supplemental Wage Payment Taxation

The **aggregate** method is approved by the Internal Revenue Services (IRS) for tax withholding calculations on each supplemental wage payment, unless the district has authorized the special flat-tax withholding rates. *IRS Publication 15* contains additional information.

The aggregate tax is calculated as follows:

1. The wages paid on the current contract cycle are combined with the current supplemental wages (paid in the same cycle) as one wage amount (i.e. CLCONT for CY 01R, pay date 01/31/25, and CLCONT for CY01S1, pay date 02/09/25);
2. A tax is calculated on the combined total wages.

3. The taxes withheld from the current contract cycle wages are then subtracted from the total tax calculation in (2); and
4. The result of the calculation in (3) is the tax amount to be withheld on the current supplemental cycle payment.

As an option to the aggregate method, the IRS provides for the use of a flat-tax option. The 2025 flat-tax withholding rates are 22 percent for federal and 6.6 percent for state. If the district has authorized the special flat-tax withholding rates for supplemental wages, all employees supplemental Earning Lines must be coded with a Tax Type of "F".

Form W-4 Exempt from Withholding

Employees claiming exemption from tax withholding must meet the requirements outlined on the W-4 Form for this exclusion. The 2024 W-4 exemption expires on February 15, 2025. A new Form W-4 must be received for the employee to continue with this exemption in 2025. If a new Form W-4 is not received, districts will need to apply "Single/Standard Withholding" until a current and valid Form W-4 is received.

https://www.irs.gov/pub/irs-pdf/fw4.pdf

State Forms

State *Form DE-4* is available at Employee Development Department (EDD) offices.
Besides the EDD offices, the same form is also available and may be accessed online at

https://edd.ca.gov/siteassets/files/pdf_pub_ctr/de4.pdf

An attachment has been included which contains the federal and state income tax withholding charts, in addition to other rates and maximum wage bases.

Sincerely,

Ted Alejandre
County Superintendent of Schools

Signed Lena Young-Gallardo
Lena Young-Gallardo, Director
District Financial Services

LYG:kb

YEAR 2025 TAX RATES

FEDERAL ANNUAL TAX RATES

2025 Percentage Method Tables

STANDARD Withholding Rate Schedules
(Use these if the Form W-4 is from 2019 or earlier, or if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 is NOT checked.)

If the Adjusted Annual Wage Amount is At least… (A)	But less than… (B)	The tentative amount to withhold is… (C)	(D)	Of the amount that exceeds (E)
Married Filing Jointly				
$0	$17,100	$0.00	Plus 0%	$0
$17,100	$40,950	$0.00	Plus 10%	$17,100
$40,950	$114,050	$2,385.00	Plus 12%	$40,950
$114,050	$223,800	$11,157.00	Plus 22%	$114,050
$223,800	$411,700	$35,302.00	Plus 24%	$223,800
$411,700	$518,150	$80,398.00	Plus 32%	$411,700
$518,150	$768,700	$114,462.00	Plus 35%	$518,150
$768,700		$202,154.50	Plus 37%	$768,700
Single or Married Filing Separately				
$0	$6,400	$0.00	Plus 0%	$0
$6,400	$18,325	$0.00	Plus 10%	$6,400
$18,325	$54,875	$1,192.50	Plus 12%	$18,325
$54,875	$109,750	$5,578.50	Plus 22%	$54,875
$109,750	$203,700	$17,651.00	Plus 24%	$109,750
$203,700	$256,925	$40,199.00	Plus 32%	$203,700
$256,925	$632,750	$57,231.00	Plus 35%	$256,925
$632,750		$188,769.75	Plus 37%	$632,750
Head of Household				
$0	$13,900	$0.00	Plus 0%	$0
$13,900	$30,900	$0.00	Plus 10%	$13,900
$30,900	$78,750	$1,700.00	Plus 12%	$30,900
$78,750	$117,250	$7,442.00	Plus 22%	$78,750
$117,250	$211,200	$15,912.00	Plus 24%	$117,250
$211,200	$264,400	$38,460.00	Plus 32%	$211,200
$264,400	$640,250	$55,484.00	Plus 35%	$264,400
$640,250		$187,031.50	Plus 37%	$640,250

MULTIPLE JOB Withholding Rate Schedules
(Use these if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 IS checked.)

If the Adjusted Annual Wage Amount is At least… (A)	But less than… (B)	The tentative amount to withhold is… (C)	(D)	Of the amount that exceeds (E)
Married Filing Jointly				
$0	$15,000	$0.00	Plus 0%	$0
$15,000	$26,925	$0.00	Plus 10%	$15,000
$26,925	$63,475	$1,192.50	Plus 12%	$26,925
$63,475	$118,350	$5,578.50	Plus 22%	$63,475
$118,350	$212,300	$17,651.00	Plus 24%	$118,350
$212,300	$265,525	$40,199.00	Plus 32%	$212,300
$265,525	$390,800	$57,231.00	Plus 35%	$265,525
$390,800		$101,077.25	Plus 37%	$390,800
Single or Married Filing Separately				
$0	$7,500	$0.00	Plus 0%	$0
$7,500	$13,463	$0.00	Plus 10%	$7,500
$13,463	$31,738	$596.25	Plus 12%	$13,463
$31,738	$59,175	$2,789.25	Plus 22%	$31,738
$59,175	$106,150	$8,825.50	Plus 24%	$59,175
$106,150	$132,763	$20,099.50	Plus 32%	$106,150
$132,763	$320,675	$28,615.50	Plus 35%	$132,763
$320,675		$94,384.88	Plus 37%	$320,675
Head of Household				
$0	$11,250	$0.00	Plus 0%	$0
$11,250	$19,750	$0.00	Plus 10%	$11,250
$19,750	$43,675	$850.00	Plus 12%	$19,750
$43,675	$62,925	$3,721.00	Plus 22%	$43,675
$62,925	$109,900	$7,956.00	Plus 24%	$62,925
$109,900	$136,500	$19,230.00	Plus 32%	$109,900
$136,500	$324,425	$27,742.00	Plus 35%	$136,500
$324,425		$93,515.75	Plus 37%	$324,425

The IRS encourages everyone to use their Tax Withholding Estimator located at
https://apps.irs.gov/app/tax-withholding-estimator

YEAR 2025 STATE TAX RATES

And Other Employee Deductions

2025 STATE ANNUAL TAX RATES

Rates apply to annual taxable earnings (annual gross earnings less salary reductions) as follows:

a) $0 tax if annual taxable earnings are equal to or less than $18,368 if SINGLE or MARRIED — 0 or 1 exemption
$36,736 if UNMARRIED HEAD of HOUSEHOLD or MARRIED — 2 or more exemptions

b) Apply rate to annual taxable earnings less standard deduction and less $1,000 for each Estimated Deduction** Allowance

Standard deduction

MARRIED —	0 or 1 exemption	$5,540
	2 or more exemptions	$11,080
SINGLE —		$5,540
UNMARRIED HEAD of HOUSEHOLD —		$11,080

c) Personal allowance tax credit for Single, Married, and Head of Household

0 Allowance	—$0
1 or More Allowances	—$163.90 for each allowance

SINGLE PERSONS, DUAL INCOME MARRIED, or MARRIED WITH MULTIPLE EMPLOYERS

If the taxable income is: Of

Over—	But not over—	Computed tax is:		over
$ 0	—$ 10,756	$ 0.00	Plus 1.10%	—$ 0
$ 10,756	—$ 25,499	$ 118.32	Plus 2.20%	—$ 10,756
$ 25,499	—$ 40,245	$ 442.67	Plus 4.40%	—$ 25,499
$ 40,245	—$ 55,866	$ 1,091.49	Plus 6.60%	—$ 40,245
$ 55,866	—$ 70,606	$ 2,122.48	Plus 8.80%	—$ 55,866
$ 70,606	—$ 360,659	$ 3,419.60	Plus 10.23%	—$ 70,606
$ 360,659	—$ 432,787	$ 33,092.02	Plus 11.33%	—$ 360,659
$ 432,787	—$ 721,314	$ 41,264.12	Plus 12.43%	—$ 432,787
$ 721,314	—$ 1,000,000	$ 77,128.03	Plus 13.53%	—$ 721,314
$ 1,000,000 and over.....		$ 114,834.25	Plus 14.63%	—$ 1,000,000

amount

MARRIED PERSONS

If the taxable income is:
Of amount

Over—	But not over—	Computed tax is:		over
$ 0	—$ 21,512	$ 0.00	Plus 1.10%	—$ 0
$ 21,512	—$ 50,998	$ 236.63	Plus 2.20%	—$ 21,512
$ 50,998	—$ 80,490	$ 885.32	Plus 4.40%	—$ 50,998
$ 80,490	—$ 111,732	$ 2,182.97	Plus 6.60%	—$ 80,490
$ 111,732	—$ 141,212	$ 4,244.94	Plus 8.80%	—$ 111,732
$ 141,212	—$ 721,318	$ 6,839.18	Plus 10.23%	—$ 141,212
$ 721,318	—$ 865,574	$ 66,184.02	Plus 11.33%	—$ 721,318
$ 865,574	—$ 1,000,000	$ 82,528.22	Plus 12.43%	—$ 865,574
$ 1,000,000	—$ 1,442,628	$ 99,237.37	Plus 13.53%	—$ 1,000,000
$ 1,442,628 and over.....		$ 159,124.94	Plus 14.63%	—$ 1,442,628

UNMARRIED/HEAD OF HOUSEHOLD

If the taxable income is: Of amount

Over—	But not over—	Computed tax is:		over
$ 0	—$ 21,527	$ 0.00	Plus 1.10%	—$ 0
$ 21,527	—$ 51,000	$ 236.80	Plus 2.20%	—$ 21,527
$ 51,000	—$ 65,744	$ 885.21	Plus 4.40%	—$ 51,000
$ 65,744	—$ 81,364	$ 1,533.95	Plus 6.60%	—$ 65,744
$ 81,364	—$ 96,107	$ 2,564.87	Plus 8.80%	—$ 81,364
$ 96,107	—$ 490,493	$ 3,862.25	Plus 10.23%	—$ 96,107
$ 490,493	—$ 588,593	$ 44,207.94	Plus 11.33%	—$ 490,493
$ 588,593	—$ 980,987	$ 55,322.67	Plus 12.43%	—$ 588,593
$ 980,987	—$ 1,000,000	$ 104,097.24	Plus 13.53%	—$ 980,987
$ 1,000,000 and over.....		$ 106,669.70	Plus 14.63%	—$ 1,000,000

OTHER RATES

OASDI Tax Rate—Employee and Employer (Not including Medicare)	6.2 percent
OASDI maximum wage base—Employee and Employer	$176,100
Maximum OASDI contribution—Employee and Employer	$10,918.20
Medicare Tax Rate	1.45 percent
Additional Medicare Tax—Employee wages over $200,00	0.90 percent
Medicare maximum wage base	No limit
Medicare maximum contribution	No limit
School Employees Fund SUI Rate (FY24-25)	0.05 percent
CA Disability Insurance (SDI)	1.2 percent
SDI maximum wage base	No limit
IRS Standard Mileage Rate	70 cents per mile
Federal Supplemental Tax Rate	22 percent
State Supplemental Tax Rate	6.6 percent
State Minimum Wage	$16.50/hour