

STATE CONTROLLER'S OFFICE
PERSONNEL AND PAYROLL SERVICES DIVISION
P.O. BOX 942850
SACRAMENTO, CA 94250-5878

DATE: November 5, 2025

PAYROLL LETTER #25-017

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: Lisa Dean, Acting Chief
Personnel and Payroll Services Division**RE: 2026 SOCIAL SECURITY AND MEDICARE RATES**

The Social Security Administration published the new 2026 Social Security (OASDI) and Medicare rates. For 2026, the withholding rate for Social Security remains at 6.20% on earnings up to the applicable taxable amount. The annual taxable wage limit increased to \$184,500.00 per employee with a maximum contribution of \$11,439.00.

The Medicare portion remains at 1.45% on all earnings. As of January 2013, individuals with earned income of more than \$200,000.00 pay an additional 0.9% in Medicare taxes. These changes will take effect beginning with payments issued on January 1, 2026.

REFERENCES:

- [SSA Fact Sheet – Social Security](#)
- [SSA Press Release # 2025-10-24](#)
- [Payroll Procedures Manual](#) – Section H 256 -Social Security
- Payroll Procedures Manual – Section H 275 – Medicare

The new rate will be published in the next update of the [Payroll Procedures Manual](#).

Please direct questions regarding this Payroll Letter to the Statewide Tax Support Program via email at PPSDSTSP@sco.ca.gov.

PPSD and CSU Contact Information:

- [PPSD Contacts and Additional Information](#)
- [Campus Information Retrieval System \(CIRS\) | Contact Email](#)

Web Resources:

- [For HR Personnel](#)
- [For State Employees](#)

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