



LOS ANGELES UNIFIED SCHOOL DISTRICT POLICY BULLETIN

TITLE: Withholding for Federal Income Tax

NUMBER: BUL-1520.8

ISSUER: V. Luis Buendia, Deputy Chief Financial Officer
Office of the Chief Financial Officer

DATE: March 19, 2021

POLICY: To provide employees with information regarding the current withholding tables for Federal Income Tax for the 2021 calendar year.

MAJOR CHANGES: This revision replaces Bulletin No. 1520.7 of the same subject issued on February 5, 2020. The content reflects changes in the withholding tables for Federal Income Tax for the 2021 calendar year. Administrators are requested to post this bulletin at their site and provide a copy of this bulletin to each employee.

GUIDELINES: The following guidelines apply:

ROUTING
All Schools and Offices
Administrators
Time Reporters

I. BACKGROUND

The Form W4, Employee’s Withholding Certificate, was significantly changed in 2020 with the intent that the amount of tax withheld during the year will more closely match the employee’s ultimate personal income tax liability for the year. The Internal Revenue Service (IRS) revised the form in 2020 to comply with the income tax withholding requirements in the Tax Cuts and Jobs Act (TCJA Public Law 115-97). Beginning with the 2020 Form W-4, Employees are no longer able to request adjustments to their withholding using withholding allowances. In the past, the value of a withholding allowance was tied to the amount of the personal exemption. Due to changes in law, personal and dependent exemptions are no longer used. See IRS Publication 15-T for more information on Form W-4.

Effective January 1, 2021, the Federal Income Tax withholding tables were revised. The District uses a withholding table based on the monthly and semi-monthly payroll period withholding tables in the Employer’s Tax Guide published by the Internal Revenue Service.

II. FORM W-4 (EMPLOYEE’S FEDERAL WITHHOLDING ALLOWANCE CERTIFICATE)

Effective April 1, 2021, Payroll Administration will no longer process DE-4 documents except for employees who wish to file exempt. Employees who wish to increase or decrease the amount of Federal Income Tax withholding can make the changes on line at <https://ess.lausd.net>. Instructions on how to view/update withholdings for Form W-4 via Employee Self-Service is available at the Payroll Administration website, LAUSD MyPay.



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If claiming an exempt status, 2021 Form W-4 must be completed and can be downloaded from the Payroll Administration website, W2/Tax Info. Submit completed Form W-4 to Payroll Administration Branch via school mail, US mail, fax or email at payrollsupport@lausd.net Generally, a Form W-4 received by the Payroll Administration Branch on or before the 10th of the month will be effective for the next payday. Failure to complete Form W-4 accurately may result in overwithholding or underwithholding of taxes from salary payments. Any excess withholding due to an inaccurate W-4 cannot be refunded by the District.

Withholding is calculated by the following form.

| Table 3 | Monthly | Semimonthly | |
|---|--|-------------|----------|
| | 12 | 24 | |
| Step 1. Adjust the employee's payment amount | | | |
| 1a | Enter the employee's total taxable wages this payroll period | 1a | \$ _____ |
| 1b | Enter the number of pay periods you have per year (see Table 3) | 1b | _____ |
| 1c | Multiply the amount on line 1a by the number on line 1b | 1c | \$ _____ |
| If the employee HAS submitted a Form W-4 for 2020 or later, figure the Adjusted Annual Wage Amount as follows: | | | |
| 1d | Enter the amount from Step 4(a) of the employee's Form W-4 | 1d | \$ _____ |
| 1e | Add lines 1c and 1d | 1e | \$ _____ |
| 1f | Enter the amount from Step 4(b) of the employee's Form W-4 | 1f | \$ _____ |
| 1g | If the box in Step 2 of Form W-4 is checked, enter -0-. If the box is not checked, enter \$12,900 if the taxpayer is married filing jointly or \$8,600 otherwise | 1g | \$ _____ |
| 1h | Add lines 1f and 1g | 1h | \$ _____ |
| 1i | Subtract line 1h from line 1e. If zero or less, enter -0-. This is the Adjusted Annual Wage Amount | 1i | \$ _____ |
| If the employee HAS NOT submitted a Form W-4 for 2020 or later, figure the Adjusted Annual Wage Amount as follows: | | | |
| 1j | Enter the number of allowances claimed on the employee's most recent Form W-4 | 1j | _____ |
| 1k | Multiply line 1j by \$4,300 | 1k | \$ _____ |
| 1l | Subtract line 1k from line 1c. If zero or less, enter -0-. This is the Adjusted Annual Wage Amount | 1l | \$ _____ |
| Step 2. Figure the Tentative Withholding Amount | | | |
| based on the employee's Adjusted Annual Wage Amount; filing status (Step 1(c) of the 2020 or later Form W-4) or marital status (line 3 of Form W-4 from 2019 or earlier); and whether the box in Step 2 of 2020 or later Form W-4 is checked. | | | |
| Note. Don't use the Head of Household table if the Form W-4 is from 2019 or earlier. | | | |
| 2a | Enter the employee's Adjusted Annual Wage Amount from line 1i or 1l above | 2a | \$ _____ |
| 2b | Find the row in the appropriate Annual Percentage Method table in which the amount on line 2a is at least the amount in column A but less than the amount in column B, then enter here the amount from column A of that row | 2b | \$ _____ |
| 2c | Enter the amount from column C of that row | 2c | \$ _____ |
| 2d | Enter the percentage from column D of that row | 2d | _____ % |
| 2e | Subtract line 2b from line 2a | 2e | \$ _____ |
| 2f | Multiply the amount on line 2e by the percentage on line 2d | 2f | \$ _____ |
| 2g | Add lines 2c and 2f | 2g | \$ _____ |
| 2h | Divide the amount on line 2g by the number of pay periods on line 1b. This is the Tentative Withholding Amount | 2h | \$ _____ |
| Step 3. Account for tax credits | | | |
| 3a | If the employee's Form W-4 is from 2020 or later, enter the amount from Step 3 of that form; otherwise enter -0- | 3a | \$ _____ |
| 3b | Divide the amount on line 3a by the number of pay periods on line 1b | 3b | \$ _____ |
| 3c | Subtract line 3b from line 2h. If zero or less, enter -0- | 3c | \$ _____ |
| Step 4. Figure the final amount to withhold | | | |
| 4a | Enter the additional amount to withhold from the employee's Form W-4 (Step 4(c) of the 2020 or later form or line 6 on earlier forms) | 4a | \$ _____ |
| 4b | Add lines 3c and 4a. This is the amount to withhold from the employee's wages this pay period | 4b | \$ _____ |



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2021 Percentage Method Tables for Automated Payroll Systems

| STANDARD Withholding Rate Schedules <small>(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)</small> | | | | | Form W-4, Step 2, Checkbox, Withholding Rate Schedules <small>(Use these if the Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 IS checked)</small> | | | | |
|--|----------------|--------------------------------------|-----------------------|--|---|----------------|--------------------------------------|-----------------------|--|
| If the Adjusted Annual Wage Amount (line 2a) is: | | | | | If the Adjusted Annual Wage Amount (line 2a) is: | | | | |
| At least— | But less than— | The tentative amount to withhold is: | Plus this percentage— | of the amount that the Adjusted Annual Wage exceeds— | At least— | But less than— | The tentative amount to withhold is: | Plus this percentage— | of the amount that the Adjusted Annual Wage exceeds— |
| A | B | C | D | E | A | B | C | D | E |
| Married Filing Jointly | | | | | Married Filing Jointly | | | | |
| \$0 | \$12,200 | \$0.00 | 0% | \$0 | \$0 | \$12,550 | \$0.00 | 0% | \$0 |
| \$12,200 | \$32,100 | \$0.00 | 10% | \$12,200 | \$12,550 | \$22,500 | \$0.00 | 10% | \$12,550 |
| \$32,100 | \$93,250 | \$1,990.00 | 12% | \$32,100 | \$22,500 | \$53,075 | \$995.00 | 12% | \$22,500 |
| \$93,250 | \$184,950 | \$9,328.00 | 22% | \$93,250 | \$53,075 | \$98,925 | \$4,664.00 | 22% | \$53,075 |
| \$184,950 | \$342,050 | \$29,502.00 | 24% | \$184,950 | \$98,925 | \$177,475 | \$14,751.00 | 24% | \$98,925 |
| \$342,050 | \$431,050 | \$67,206.00 | 32% | \$342,050 | \$177,475 | \$221,975 | \$33,603.00 | 32% | \$177,475 |
| \$431,050 | \$640,500 | \$95,686.00 | 35% | \$431,050 | \$221,975 | \$326,700 | \$47,843.00 | 35% | \$221,975 |
| \$640,500 | | \$168,993.50 | 37% | \$640,500 | \$326,700 | | \$84,496.75 | 37% | \$326,700 |
| Single or Married Filing Separately | | | | | Single or Married Filing Separately | | | | |
| \$0 | \$3,950 | \$0.00 | 0% | \$0 | \$0 | \$6,275 | \$0.00 | 0% | \$0 |
| \$3,950 | \$13,900 | \$0.00 | 10% | \$3,950 | \$6,275 | \$11,250 | \$0.00 | 10% | \$6,275 |
| \$13,900 | \$44,475 | \$995.00 | 12% | \$13,900 | \$11,250 | \$26,538 | \$497.50 | 12% | \$11,250 |
| \$44,475 | \$90,325 | \$4,664.00 | 22% | \$44,475 | \$26,538 | \$49,463 | \$2,332.00 | 22% | \$26,538 |
| \$90,325 | \$168,875 | \$14,751.00 | 24% | \$90,325 | \$49,463 | \$88,738 | \$7,375.50 | 24% | \$49,463 |
| \$168,875 | \$213,375 | \$33,603.00 | 32% | \$168,875 | \$88,738 | \$110,988 | \$16,801.50 | 32% | \$88,738 |
| \$213,375 | \$527,550 | \$47,843.00 | 35% | \$213,375 | \$110,988 | \$268,075 | \$23,921.50 | 35% | \$110,988 |
| \$527,550 | | \$157,804.25 | 37% | \$527,550 | \$268,075 | | \$78,902.13 | 37% | \$268,075 |
| Head of Household | | | | | Head of Household | | | | |
| \$0 | \$10,200 | \$0.00 | 0% | \$0 | \$0 | \$9,400 | \$0.00 | 0% | \$0 |
| \$10,200 | \$24,400 | \$0.00 | 10% | \$10,200 | \$9,400 | \$16,500 | \$0.00 | 10% | \$9,400 |
| \$24,400 | \$64,400 | \$1,420.00 | 12% | \$24,400 | \$16,500 | \$36,500 | \$710.00 | 12% | \$16,500 |
| \$64,400 | \$96,550 | \$6,220.00 | 22% | \$64,400 | \$36,500 | \$52,575 | \$3,110.00 | 22% | \$36,500 |
| \$96,550 | \$175,100 | \$13,293.00 | 24% | \$96,550 | \$52,575 | \$91,850 | \$6,646.50 | 24% | \$52,575 |
| \$175,100 | \$219,600 | \$32,145.00 | 32% | \$175,100 | \$91,850 | \$114,100 | \$16,072.50 | 32% | \$91,850 |
| \$219,600 | \$533,800 | \$46,385.00 | 35% | \$219,600 | \$114,100 | \$271,200 | \$23,192.50 | 35% | \$114,100 |
| \$533,800 | | \$156,355.00 | 37% | \$533,800 | \$271,200 | | \$78,177.50 | 37% | \$271,200 |

AUTHORITY: Internal Revenue Service.

ASSISTANCE: For additional information regarding tax rates, please contact the Internal Revenue Service or your tax advisor. The Payroll Administration staff is not authorized to provide tax advice.