



TO: All Human Resource Directors
Agencies Serviced by the
Bureau of Commonwealth Payroll Operations (BCPO)

FROM: Stephen R. Burns
Director
Bureau of Commonwealth Payroll Operations

DATE: October 30, 2025

RE: BCPO Payroll Memo # 25-05, Social Security Rates - 2026

The Social Security Administration has announced changes to the maximum earnings subject to Social Security and Medicare tax for 2026 as follows:

1. The Social Security Tax rate will remain at 6.2 percent. The maximum taxable earnings subject to Social Security Tax is \$184,500 - an increase from \$176,100 in 2025. The maximum employee/employer Social Security Deduction will be \$11,439.
2. The Medicare portion will remain at 1.45 percent on wages up to \$200,000 and increase to 2.35 percent on wages greater than \$200,000. As in 2025, there is no limit to wages subject to the Medicare portion of the tax.

Please share this information with the appropriate Human Resource, Payroll, and Budget staff members. Questions on this subject may be referred to any Payroll Staff Member.

cc: John Kaschak, Deputy Secretary for Comptroller Operations, Office of the Budget
Jason Swarthout, Deputy Secretary for Human Resources and Management
Lisette Lindsay, IES Business Operations Human Resources Manager
Michele Wiest, IES Business Operations Payroll Manager
Bureau Directors (5)