

2021 Federal Tax Tables - Citi-Pak

The information used to update the 2021 Federal Tax Tables comes from IRS Publication 15-T:
<https://www.irs.gov/pub/irs-pdf/p15t.pdf>



*While Southern Software makes every effort to ensure the information contained in these Tax Tables is accurate, it remains the responsibility of the customer to verify this information. **As of 1/4/2021, the IRS has NOT released a final version of the Publication 15 Circular E. All tax table script changes we are providing at this time are based on Publication 15-T and therefore subject to change.***

Standard and Alternate Withholding Rate Schedules

This year the IRS is providing STANDARD and ALTERNATE withholding rate schedules.



In Citi-Pak, you can only use one set of Federal (Single or Married) tax tables; either for “W-4 prior to 2020” or “2020 W-4) tables. All employees have to be set up to work with the tables you select. Refer to the “How to Handle Standard and Alternate Withholding Rate Schedules” section of this document for additional details and suggestions on how to manage this.

The IRS is also changing the way the standard deduction is applied based on employees’ W-4 criteria.

About the Standard Deduction

Standard Deduction to Use if W-4 Prior to 2020

If the employee’s form W-4 is 2019 or earlier, employees will use the same standard deduction from 2019 and 2020(as shown in the **Std. Ded. Allow. Amount** field of the example screens below). An employee’s deduction will be calculated just as it has been in prior years by multiplying the number of allowances entered on the employee’s Employee Maintenance record by the amount shown in the **Std. Ded. Allow. Amount** field of the tax table assigned to them.

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Single (W-4 prior to 2020) Federal Allowance can remain the same as in 2019 and 2020

Federal Tax Table: Single

Employee Social Security %	6.20
Employer Social Security %	6.20
Social Security Max Wages \$	\$142,800.00
Employee Medicare %	1.45
Employer Medicare %	1.45
Medicare Max Wages \$	\$0.00
Std. Ded. Allow. Amount \$	\$4,300.00

\$ Amount	% Amount	On \$ Amount Over
\$0.00	10.00	\$3,950.00
\$995.00	12.00	\$13,900.00
\$4,664.00	22.00	\$44,475.00
\$14,751.00	24.00	\$90,325.00
\$33,603.00	32.00	\$168,875.00
\$47,843.00	35.00	\$213,375.00
\$157,804.25	37.00	\$527,550.00
\$0.00	0.00	\$0.00
\$0.00	0.00	\$0.00
\$0.00	0.00	\$0.00

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Married (W-4 prior to 2020) Federal Allowance can remain the same as in 2019 and 2020

Federal Tax Table: Married

Employee Social Security %	6.20
Employer Social Security %	6.20
Social Security Max Wages \$	\$142,800.00
Employee Medicare %	1.45
Employer Medicare %	1.45
Medicare Max Wages \$	\$0.00
Std. Ded. Allow. Amount \$	\$4,300.00

\$ Amount	% Amount	On \$ Amount Over
\$0.00	10.00	\$12,200.00
\$1,990.00	12.00	\$32,100.00
\$9,328.00	22.00	\$93,250.00
\$29,502.00	24.00	\$184,950.00
\$67,206.00	32.00	\$342,050.00
\$95,686.00	35.00	\$431,050.00
\$168,993.50	37.00	\$640,500.00
\$0.00	0.00	\$0.00
\$0.00	0.00	\$0.00
\$0.00	0.00	\$0.00

Standard Deduction to Use If W-4 Is 2020 or Later

If the W-4 is 2020 or later, the employees will use the new standard deduction allowance (as shown in the **Std. Ded. Allow. Amount** field of the example screens below). An employee's deduction will no longer be calculated. It will be applied as a flat amount regardless of the number of deductions.

IMPORTANT: In order for this to work properly, the **Allowances** field **must be set to 1** on these employees' **Employee Maintenance** records.

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Single (2020 or Later W-4) Federal Allowance in Employee Maintenance has to change to 1

Federal Tax Table: Single

Employee Social Security %	6.20
Employer Social Security %	6.20
Social Security Max Wages \$	\$142,800.00
Employee Medicare %	1.45
Employer Medicare %	1.45
Medicare Max Wages \$	\$0.00
Std. Ded. Allow. Amount \$	\$8,600.00

\$ Amount	% Amount	On \$ Amount Over
\$0.00	10.00	\$3,950.00
\$995.00	12.00	\$13,900.00
\$4,664.00	22.00	\$44,475.00
\$14,751.00	24.00	\$90,325.00
\$33,603.00	32.00	\$168,875.00
\$47,843.00	35.00	\$213,375.00
\$157,804.25	37.00	\$527,550.00
\$0.00	0.00	\$0.00
\$0.00	0.00	\$0.00
\$0.00	0.00	\$0.00

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Married (2020 W-4) Federal Allowance in Employee Maintenance has to change to 1

Federal Tax Table: Married

Employee Social Security %	6.20
Employer Social Security %	6.20
Social Security Max Wages \$	\$142,800.00
Employee Medicare %	1.45
Employer Medicare %	1.45
Medicare Max Wages \$	\$0.00
Std. Ded. Allow. Amount \$	\$12,900.00

\$ Amount	% Amount	On \$ Amount Over
\$0.00	10.00	\$12,200.00
\$1,990.00	12.00	\$32,100.00
\$9,328.00	22.00	\$93,250.00
\$29,502.00	24.00	\$184,950.00
\$67,206.00	32.00	\$342,050.00
\$95,686.00	35.00	\$431,050.00
\$168,993.50	37.00	\$640,500.00
\$0.00	0.00	\$0.00
\$0.00	0.00	\$0.00
\$0.00	0.00	\$0.00

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Standard Deduction for the Alternate Rate Schedule

For the alternate tax table schedule, the deduction allowance is **\$0 for all filing statuses**.

How to Handle Standard and Alternate Withholding Rate Schedules

You will notice that all of the Citi-Pak screens shown in this document show the standard 2021 tax schedule. This is because Citi-Pak was not designed to handle both standard and alternate tables.



In Citi-Pak, you can only use one set of Federal (Single or Married) tax tables; either for "W-4 prior to 2020" or "2020 or Later W-4" tables. All employees have to be set up to work with the tables you select.

Therefore, when you run the 2021 tax scripts from us, the standard tables will be put in place for Married and Single ONLY. (There is no Head of Household tax table in Citi-Pak). If you have employees who will require you to use the alternate withholding tables and/or you want to apply Head of Household rates, you can compute the withholding amount using the IRS Tax Withholding Assistant for Employers:

<https://www.irs.gov/businesses/small-businesses-self-employed/income-tax-withholding-assistant-for-employers>

The Tax Withholding Assistant is available as a downloadable Excel Spreadsheet. It allows you to generate a calculation that takes into consideration the employee's pay frequency, which version of the W-4 applies to the employee, and the employee's filing status. You can also save a copy of the spreadsheet with the employee's name as the file name so that you can keep the calculations for each employee in your records.

Once you have the calculation from the spreadsheet for an employee, you can add the difference between what Citi-Pak calculates (based on the standard withholding table filing status currently assigned to them in Citi-Pak) and the amount that the Tax Withholding Assistant calculates. This difference may be entered as an additional withholding amount or as a fixed amount on the employee maintenance record of the affected employee.

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