

# Current Payroll Tax Deductions

Updated 01/05/2026 Social Security Tax

## Social Security Tax

- Social Security tax is required by federal law and must be withheld from all employees except the following:
  - University employees hired after January 1, 1984, into a federally funded position that is covered by the Civil Service Retirement System (CSRS);
  - Students (both graduate and undergraduate) who perform services that are for the purpose of pursuing study in a student position for the University and enrolled at least half time and regularly attending classes. Half time is determined by half of what the Registrar considers full time for each campus;
  - Employees who are non-resident non-citizens performing services to help carry out the purpose for which they were admitted to the United States. They are generally on an F-1 or J-1 visa. Non-U.S. citizens must have an approved visa type and work clearance from the Office of International Students and Scholars.
- The applicable tax rate is 6.2%. This will be withheld from an employee's paycheck until a maximum social security taxable gross of \$184,500 is reached for a total withholding of \$11,439.00 in social security tax in the calendar year.

## Medicare Tax

- Medicare tax is required by federal law and must be withheld from all employees except qualified students and employees who are non-resident aliens as described above under social security tax. The applicable tax rate is 1.45%.
- In addition to the 1.45% Medicare tax, a 0.9% Additional Medicare Tax will be withheld from all Medicare taxable wages in excess of \$200,000 in the calendar year. The Additional Medicare Tax will begin in the pay period in which pay exceeds \$200,000 and continue until the end of the calendar year.

## Federal Income Tax

- Federal income tax withholding is required by federal law and must be withheld from employees, if applicable, according to the employee's W-4, Employee's Withholding Allowance Certificate.
- If employees are paid income in addition to regular pay (supplemental) income, it may be taxed at the supplemental tax rate for the current year per IRS regulations.
- The federal supplemental tax rate for calendar year 2026 is 22% up to \$1,000,000 and 37% for supplemental pay in excess of \$1,000,000.

## **State Income Tax**

- State income tax withholding is required by state law and must be withheld from employees, if applicable, according to the applicable State Withholding Allowance Form.
- If employees are paid additional (supplemental) income, it may be taxed at the supplemental tax rate for the current year, per the regulations of the state.
- The supplemental tax rate is set at Oklahoma's highest marginal tax rate (Oklahoma Admin Code § 710:90-1-6 710:90-1-6) of 4.5%. [?](#)
- The non-resident non-citizen (NRA) rate for Oklahoma is 8%. Exclusions apply.

## **Local Tax and Family Medical Leave**

- Local tax and family medical leave tax is required by state law in some states and must be withheld from employees, if applicable, according to the applicable State Laws.