

**DATE:** October 22, 2021

**SUBJECT:** Change in Social Security Base Rate

**EFFECTIVE DATE:** January 1, 2022

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**APPROVAL:** Sunni Zentner (original signature on file)

**SUMMARY:** Social Security Wage Base Increase to \$147,000 effective January 1, 2022

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The Social Security wage base for OASDI will be \$147,000 for calendar year 2022. This is a \$4,200 increase from the wage base of calendar year 2021 of \$142,800. The OASDI tax rate for 2022 will be 6.2% for both employees and employers. The maximum OASDI employee contribution for 2022 will be \$9,114.00. There continues to be no limit on wages subject to the Medicare tax in 2022. Medicare tax rates for employers and employees remain at 1.45%. However, wages paid in excess of \$200,000 will be subject to an additional 0.9% Medicare tax that will only be withheld from employees' wages. Employers will not pay the extra tax.

For Federal employees at Kansas State University who were hired prior to January 1, 1984, the employee contribution rate for reduced FICA remains at 1.45% on all wages subject to the tax (there has been no maximum contribution since January 1, 1994). Federal employees hired after January 1, 1984 will have a maximum contribution of \$9,114.00 for OASDI and no maximum for Medicare. The employer and employee rates continue to be the same, with wages paid in excess of \$200,000 subject to the additional 0.9% Medicare tax that will only be withheld from employees' wages.

For Kansas Police and Fireman's program participants who are subject to the mandated Medicare coverage, the contribution rate remains at 1.45% on all wages subject to the tax (there has been no maximum contribution since January 1, 1994) with the additional 0.9% tax that will only be withheld from employees' wages in excess of \$200,000.

The Office of Accounts and Reports, Payroll Systems Team is responsible for making the necessary updates to the SHARP payroll system. Regents' institutions are responsible for ensuring these changes are reflected in their individual systems.

JG:SGZ:ewb