



Human Capital Management 25-D Tax Update Overview

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Introduction

The Image/Upgrade Overview Document is intended to provide ctcLink users with a summary of the changes that will be made in the system as a result of the upcoming image or PeopleTools upgrade implementation. Oracle releases multiple PeopleSoft updates, called images, for each pillar every year. Each Image contains bug fixes and features that are important for PeopleSoft to work well. PeopleTools upgrades update the underlying framework of the system. There are minimal changes that are noticeable to the end users. Below is an overview of the changes that you can expect to see as part of this upgrade.

Payroll

Updated Federal / State Tax Table

Federal (State = \$U) - A new table entry effective-dated 01/01/2026 includes the increase in the Social Security taxable wage base from \$176,100 to \$184,500 for 2026. The Social Security tax rate on wages and tips remains unchanged at 6.2% for both employees and employers for 2026.

<https://www.ssa.gov/oact/cola/cbb.html>

Note: U.S. Federal withholding tax changes for wages paid on or after 01 January 2026 had not yet been published in time for delivery in Tax Update 25-D.

Once published, the 2026 U.S. Federal withholding tax changes will be delivered in Tax Update 26-A.

Arizona (AZ) - A new table entry effective-dated 01/01/2026 is delivered with the Arizona state minimum wage increase from \$14.70 to \$15.15 per hour. <https://www.azica.gov/labor-department>

California (CA) - A new table entry effective-dated 01/01/2026 includes the following changes:

1. The California state minimum wage increase from \$16.50 to \$16.90 per hour. https://www.dir.ca.gov/dlse/minimum_wage.htm
2. The California State Disability Insurance employee tax rate increase from 0.012000 to 0.013000. https://edd.ca.gov/en/payroll_taxes/tax-rated-employers

Colorado (CO) - A new table entry effective-dated 01/01/2026 includes the following changes:

1. The Colorado state minimum wage increase from \$14.81 to \$15.16 per hour. <https://cdle.colorado.gov/dlss>
2. The Colorado state unemployment taxable wage base increase from \$27,200 to \$30,600 for 2026. <https://cdle.colorado.gov/employers/unemployment-insurance-premiums/premium-rates>
3. The Colorado Paid Family & Medical Leave taxable wage base increase from \$176,100 to \$184,500 based on the increase in the Social Security OASDI maximum taxable wage base for 2026. <https://famli.colorado.gov/individuals-and-families/how-famli-works/premium-and-benefits-calculator>

Connecticut (CT) - A new table entry effective-dated 01/01/2026 includes the following changes:

1. The Connecticut state minimum wage increase from \$16.35 to \$16.94 per hour.
<https://www1.ctdol.state.ct.us/lmi/ctminimumwage.asp>
2. The Connecticut state unemployment taxable wage base increase from \$26,100 to \$27,000 for 2026. https://portal.ct.gov/dol/knowledge-base/articles/unemployment-taxes/tax-rates-and-taxable-wage-base?language=en_US
3. The Connecticut Paid Family & Medical Leave taxable wage base increase from \$176,100 to \$184,500 based on the increase in the Social Security OASDI maximum taxable wage base for 2026. https://www.ctpaidleave.org/how-ct-paid-leave-works/contributions?language=en_US

Delaware (DE) - A new table entry effective-dated 01/01/2026 includes the following changes:

1. The Delaware state unemployment taxable wage base increase from \$12,500 to \$14,500 for 2026. <https://legis.delaware.gov/BillDetail/141505>
2. The Delaware Paid Family & Medical Leave taxable wage base increase from \$176,100 to \$184,500 based on the increase in the Social Security OASDI maximum taxable wage base for 2026. <https://labor.delaware.gov/delaware-paid-leave/>

Hawaii (HI) - A new table entry effective-dated 01/01/2026 is delivered with the Hawaii state minimum wage increase from \$14.00 to \$16.00 per hour. <https://labor.hawaii.gov/wsd/minimum-wage/>

Iowa (IA) - A new table entry effective-dated 01/01/2026 includes the following changes:

1. The Iowa state unemployment taxable wage base decrease from \$39,500 to \$20,400 for 2026. <https://workforce.iowa.gov/press-release/2025-06-30/iowans-unemployment-benefits-increase-starting-july-6>
2. The Iowa withholding tax changes effective for wages paid on or after 01 January 2026, as published by Iowa Department of Revenue.
<https://revenue.iowa.gov/media/53/download?inline>

Kentucky (KY) - A new table entry effective-dated 01/01/2026 is delivered with Kentucky withholding tax changes effective for wages paid on or after 01 January 2026, as published by Kentucky Department of Revenue.

<https://revenue.ky.gov/Forms/2026%20Withholding%20Formula.pdf>

<https://revenue.ky.gov/Business/Pages/Employer-Payroll-Withholding.aspx>

Massachusetts (MA) - The table entry effective-dated 01/01/2026, which was delivered with Tax Update 25-C, is updated to include the Massachusetts Paid Family & Medical Leave taxable wage base increase from \$176,100 to \$184,500 based on the increase in the Social Security OASDI maximum taxable wage base for 2026. <https://www.mass.gov/info-details/paid-family-and-medical-leave-employer-contribution-rates-and-calculator>

Maine (ME) - A new table entry effective-dated 01/01/2026 includes the following changes:

1. The Maine state minimum wage increase from \$14.65 to \$15.10 per hour.
https://www.maine.gov/labor/news_events/article.shtml?id=13270099
2. The Maine Paid Family & Medical Leave taxable wage base increase from \$176,100 to \$184,500 based on the increase in the Social Security OASDI maximum taxable wage base for 2026. <https://www.maine.gov/labor/docs/2023/pfml/2023PLc412PFMLExcerpt.pdf>

Michigan (MI) - A new table entry effective-dated 01/01/2026 is delivered with the Michigan state minimum wage increase from \$12.48 to \$13.73 per hour. <https://www.michigan.gov/leo/bureaus-agencies/ber/wage-and-hour/min-wage>

Minnesota (MN) - The table entry effective-dated 01/01/2026, which was delivered with Tax Update 25-C, is updated to include the following changes:

1. The Minnesota state minimum wage increase from \$11.13 to \$11.41 per hour.
<https://www.dli.mn.gov/minwage>
2. The Minnesota Paid Family & Medical Leave taxable wage base increase from \$176,100 to \$184,500 based on the increase in the Social Security OASDI maximum taxable wage base for 2026. <https://mn.gov/deed/paidleave/employers/premiums/>

Missouri (MO) - A new table entry effective-dated 01/01/2026 includes the following changes:

1. The Missouri state minimum wage increase from \$13.75 to \$15.00 per hour.
<https://labor.mo.gov/dls/minimum-wage>
2. The Missouri state unemployment taxable wage base decrease from \$9,500 to \$9,000 for 2026. <https://labor.mo.gov/des/employers/tax-rates#wagebase>

Montana (MT) - A new table entry effective-dated 01/01/2026 is delivered with the Montana state minimum wage increase from \$10.55 to \$10.85 per hour. <https://erd.dli.mt.gov/labor-standards/wage-and-hour-payment-act/state-minimum-wage>

Nebraska (NE) - A new table entry effective-dated 01/01/2026 is delivered with the Nebraska state minimum wage increase from \$13.50 to \$15.00 per hour.
<https://dol.nebraska.gov/webdocs/Resources/Items/Minimum%20Wage%20Poster%20Letter.pdf>

New Jersey (NJ) - A new table entry effective-dated 01/01/2026 includes the following changes:

1. The New Jersey state unemployment taxable wage base increase from \$43,300 to \$44,800 for 2026 for both employees and employers. The following employee unemployment tax rates remain unchanged for 2026: 0.003825 Unemployment Insurance (U.I.) 0.000250 Workforce Development Partnership Fund (W.D.P.F.) 0.000175 Supplemental Workforce Assessment Fund (S.W.A.F.) <https://www.nj.gov/labor/ea/employer-services/rate-info/>
2. The following values for temporary disability insurance and family leave insurance are updated for 2026:
 - a. The taxable wage base for employer contributions to temporary disability insurance

increase from \$43,300 to \$44,800.

- b. The taxable wage base for employee contributions to temporary disability insurance and family leave insurance increase from \$165,400 to \$171,100.
- c. The employee tax rate for employee temporary disability insurance is decreased from 0.0023 to 0.0019.
- d. The employee tax rate for family leave insurance is decreased from 0.0033 to 0.0023.

<https://www.nj.gov/labor/ea/employer-services/rate-info/>

3. The New Jersey state minimum wage increase from \$15.49 to \$15.92 per hour.
https://www.nj.gov/labor/lwdhome/press/2025/20251001_Minimum_Wage.shtml

Nevada (NV) - A new table entry effective-dated 01/01/2026 is delivered with Nevada state unemployment taxable wage base increase from \$41,800 to \$43,700 for 2026.

https://detr.nv.gov/Page/UI_Tax#Taxable_Wage_Base

New York (NY) - A new table entry effective-dated 01/01/2026 includes the following changes:

1. The New York state unemployment taxable wage base increase from \$12,800 to \$13,000 for 2026. <https://dol.ny.gov/voluntary-contributions-worksheet>
2. The following values are updated for the New York Paid Family Leave program for 2026:
 - a. The taxable wage base is increased from \$91,374 to \$95,350.
 - b. The tax rate is increased from 0.003880 to 0.004320.
 - c. The annual maximum tax is increased from \$354.53 to \$411.91. (amount not included on state tax table).

<https://paidfamilyleave.ny.gov/2026>

<https://paidfamilyleave.ny.gov/paid-family-leave-calculator>

Oregon (OR) - A new table entry effective-dated 01/01/2026 is delivered with the Oregon Paid Family & Medical Leave taxable wage base increase from \$176,100 to \$184,500 based on the increase in the Social Security OASDI maximum taxable wage base for 2026.

<https://paidleave.oregon.gov/employers/contributions-calculator.html/#calculator>

South Dakota (SD) - A new table entry effective-dated 01/01/2026 is delivered with the South Dakota state minimum wage increase from \$11.50 to \$11.85 per hour.

https://dlr.sd.gov/employment_laws/minimum_wage.aspx

Virginia (VA) - A new table entry effective-dated 01/01/2026 is delivered with the Virginia state minimum wage increase from \$12.41 to \$12.77 per hour.

<https://doli.virginia.gov/2025/07/29/virginia-minimum-wage-rate-increasing-effective-january-1-2026/>

Vermont (VT) - A new table entry effective-dated 01/01/2026 includes the following changes:

1. The Vermont state minimum wage increase from \$14.01 to \$14.42 per hour.
<https://labor.vermont.gov/press-release/vermont-department-labor-announces-minimum-wage-increase-starting-january-2026>
2. The Vermont state unemployment taxable wage base is increase from \$14,800 to \$15,400 for 2026. <https://labor.vermont.gov/press-release/vermont-department-labor-announces-unemployment-insurance-taxable-wage-base-2026>

Washington (WA) - A new table entry effective-dated 01/01/2026 includes the following changes:

1. The Washington state minimum wage increase from \$16.66 to \$17.13 per hour.
<https://www.lni.wa.gov/workers-rights/wages/minimum-wage/>
2. The Washington state unemployment taxable wage base increase from \$72,800 to \$78,200 for 2026. <https://esd.wa.gov/about-us/news-release/2025/washingtons-average-wage-increased-95160-2024>
3. The Washington Paid Family & Medical Leave change in the Medical Leave Insurance – EE Ratio from 0.5178 to 0.5195 and in the Family Leave Insurance – EE Ratio from 0.4822 to 0.4805. The tax rate increases from 0.009200 to 0.01130. The ratios are derived based on a review of the calculation results from Washington Employment Security Department calculator and may result in occasional penny differences.
<https://paidleave.wa.gov/estimate-your-paid-leave-payments/>
4. The Washington Paid Family & Medical Leave taxable wage base increase from \$176,100 to \$184,500 based on the increase in the Social Security OASDI maximum taxable wage base for 2026. <https://paidleave.wa.gov/updates/>

Wyoming (WY) - A new table entry effective-dated 01/01/2026 is delivered with Wyoming state unemployment taxable wage base increase from \$32,400 to \$33,800 for 2026.
<https://dws.wyo.gov/dws-division/unemployment-insurance/wyui/unemployment-taxable-wage-base/>

Navigation

NavBar > Menu > Set Up HCM > Product Related > Payroll for North America > Federal/State Taxes > Tax Table

QRG

N/A

Local Tax Table Updates

Indiana (IN) - Indiana consolidated the following taxes into a single Local Income Tax (LIT) beginning with the 2017 tax year: County Adjusted Gross Income Tax (CAGIT), County Option Income Tax (COIT), and County Economic Development Income Tax (CEDIT).

Tax Update 25-D delivers a new row with Effective Date = 01/01/2026 to update the Local Tax Table entries for Indiana CAGIT (IN Localities ending in “CA”), COIT (IN Localities ending in “CO”), and

CEDIT (IN Localities ending in “CE”) local taxes to inactivate them.

For employees with an Indiana local tax code ending in “CA,” “CO,” or “CE” on their Local Tax Data page, prior to running the first payroll with a Check Date on or later than 01/01/2026, these codes must be replaced by an Indiana local tax code without these suffixes.

Navigation

NavBar > Menu > Set Up HCM > Product Related > Payroll for North America > Local Taxes > Tax Table

QRG

N/A

Pay Calculation

Tax Update 25-D modified the respective processes to successfully process pay calculation where paysheet transactions are loaded by the on-cycle Load Paysheet Transactions process for an inactive employee in certain scenarios.

Prior to the modifications, the process ended with the following error: "... ORA-00001: unique constraint (SYSADM.PS_PAY_LINE) violated."

Navigation

NavBar > Menu > Payroll for North America > Payroll Processing USA > Create and Load Paysheets > Load Paysheet Transactions

NavBar > Menu > Payroll for North America > Payroll Processing USA > Produce Payroll > Calculate Payroll

Image: Load Paysheet Transactions for On-Cycle Checks; Employee Group: Inactive.

Load Paysheet Transactions

Run Control ID 1

Report Manager

Process Monitor

Run

Process Request Parameter(s)

On-Cycle or Off-Cycle Run

Pay Run ID 12A2025 Q 12A 25

On or Off-Cycle On-Cycle Checks

Employee Group Inactive

Off-Cycle Run

Company

Pay Group

Pay End Date

Employee Selection

Calculate Options

Paysheet Update Source Other Sources

*Process Option Process Transactions

☐ Separate Pay Run

☒ OK to Pay

Save

Return to Search

Previous in List

Next in List

Notify

Refresh

Add

Update/Display

Image: Calculate Payroll for On-Cycle Checks

Calculate Payroll

Run Control ID 100 Report Manager Process Monitor Run

Process Request Parameter(s)

On-Cycle or Off-Cycle Run

Pay Run ID 12A2025 [Search] 12A 25

On or Off-Cycle On-Cycle Checks

Off-Cycle Run

Company [Text Box]
Pay Group [Text Box]
Pay End Date [Text Box]
Process Page [Text Box] Thru [Text Box]

Calculation Options

☒ Preliminary Calculation Run ☐ Transfer Calc Errors
☐ Only Calculate Where Needed
☒ (Re)Calculate All Checks

Save Return to Search Previous in List Next in List Notify Add Update/Display

QRG

[Loading Data into Paysheets](#)

[Run the Pay Calculation Process](#)

State Tax in Review Paycheck

Modifications have been made to prevent State FICA (memo earnings) tax class records from displaying on paychecks where residence state or work state are not Delaware.

Prior to the modifications, in some scenarios, the State FICA (memo earnings) tax class records were displayed on paychecks where residence state or work state were not Delaware. FICA (memo) is not displayed on the employee's paystub in self-service.

Navigation

NavBar > Menu > Payroll for North America > Payroll Processing USA > Produce Payroll > Review Paycheck

Image: Review Paycheck, Taxes. FICA(memo) displayed prior to Tax Update 25-D.

Paycheck Earnings

Paycheck Taxes

Paycheck Deductions

Empl ID

Name

Company

Pay Group

Pay Period End

Page

Line 1

Separate Check

Paycheck Information

Paycheck Status Confirmed

Paycheck Option Advice

Issue Date 10/10/2025

Paycheck Number

Off Cycle

Reprint

Adjustment

Corrected

Cashed

Paycheck Totals

Earnings

Taxes

Deductions

Net Pay

Taxes

1-7 of 7

View All

Tax Details 1

Tax Details 2

Tax Tips

Tax Entity	State	Resident	Locality	Locality Name	Tax Class	Taxable Gross	Tax Amount
US Federal					MED/EE		
US Federal					Med/ER		
US Federal					OASDI/EE		
US Federal					OASDI/ER		
US Federal					Withholding		
State	WA				FICA(memo)		
State	WA				LTC/EE		

QRG

[Viewing Paycheck Details](#)

2025 W-2/W-2C Form and File Functionality Changes

Multiple product updates have been delivered to support U.S. Form W-2 and W-2C processing for tax year 2025:

- A full set of Tax Form Print Parameters effective 1/1/2025 has been delivered.
- The Tax Form Definitions table for 2025 W-2 has been updated.
- 2025 PDF templates for W-2 and W-2C year-end forms produced with XMLP/BI Publisher have been delivered.
- 2025 Data Source and Report Definitions for the templates listed above are also delivered.
- The processes that produce the Federal file in the EFW2 format for electronic filing are redelivered with modifications to comply with the 2025 revision of SSA Publication EFW2, Specifications for Filing Forms W-2 Electronically. This publication is available on the Social Security Administration website: <https://www.ssa.gov/employer/efw/25efw2.pdf#zoom=100>

QRG

N/A

2025 Form 1042-S

Tax Update 25-D delivers BI Publisher updates to support Form 1042-S for tax year 2025.

1. 2025 PDF templates for 1042-S year-end forms produced with BI Publisher.
2. 2025 Data Source and Report Definitions for the templates above.
3. 2025 Tax Form BI Publisher Options for Form 1042-S.

Note: Beginning with tax year 2014, the Internal Revenue Service added new fields to Form 1042-S related to the reporting of payments to foreign entities other than individuals under Chapter 4 of the Internal Revenue Code, as required by the Foreign Tax Account Compliance Act (FATCA). PeopleSoft Payroll for North America Form 1042-S processing supports only those fields related to the reporting of payments to foreign individuals under Chapter 3 of the Internal Revenue Code.

Form 1042-S: <https://www.irs.gov/pub/irs-pdf/f1042s.pdf>

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N/A



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Washington State Board for Community and Technical Colleges