

NJBIA Releases Employers Guide to 2021 Tax Withholding Rate Changes

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New Jersey employers face several changes affecting tax withholding rates and taxable wage bases in the year ahead, and NJBIA breaks them all down in a recently released Fast Fact employers guide.

An exclusive NJBIA members-only benefit, the Fast Facts document provides guidance on 2021 withholding rates for Unemployment Insurance & New Jersey Workforce Development Taxes; New Jersey Temporary Disability (TDI) & Family Leave Insurance (FLI) Taxes; Federal Unemployment Tax Act (FUTA); and FICA and Medicare. Weekly benefits have also been adjusted in 2021 for Worker's Compensation, Unemployment Compensation, and Temporary Disability.

Employers should also be aware the high unemployment caused by the coronavirus pandemic in 2020 is likely to lead to increases in the unemployment insurance tax in July 2021. The exact increase is unknown at this point, pending the federal and state responses to the situation.

Outside of payroll taxes, legislation signed into law in 2020 also reinstated the 2.5% corporate business tax surcharge that originally had been scheduled to be reduced to 1.5% for the 2020 tax year.