

## Office Memorandum

**Date:** February 16, 2021  
**To:** Agency Payroll, HR, and Accounting Staff  
**From:** Mary Muellner, Director, Statewide Payroll Services  
**Subject:** **2021 Minnesota Withholding Changes Effective Immediately**

2021 Minnesota tax withholding changes have been implemented in SEMA4. Employees' net pay may be affected by these tax changes. The changes mentioned below are effective immediately. For most employees, this means the first check affected will be the February 26, 2021 paycheck issued for the pay period ending (PPE) 2/16/2021. However, off-cycle checks issued on or after February 16, 2021 will reflect the 2021 Minnesota tax withholding changes.

This information is also posted for employees on the [Announcements](#) page of the Self Service website.

An updated version of the Net Pay Calculator will be posted February 16, 2021 on the Minnesota Management & Budget website at Payroll [Calculators](#). The Net Pay Calculator calculates an employee's biweekly net pay in the same way SEMA4 calculates paychecks and includes federal and State of Minnesota tax tables for 2021. (The program only calculates state taxes for Minnesota residents.) This program allows agency staff to do "what if" calculations that can assist in answering employee questions. The Net Pay Calculator uses Microsoft Excel. If you are unable to use the calculator, you should contact your agency application software specialist or system administrator.

### **2021 Minnesota Tax Withholding Changes**

- **The amount of Minnesota withholding** for any employee may decrease or increase depending on the employee's tax marital status, withholding allowances, and amount of taxable gross pay.
- The February 12, 2021 paychecks have already been calculated and will not reflect the 2021 Minnesota tax rates.
- 2021 Minnesota tax rates will not be retroactively calculated for January and February paychecks.

### **Questions?**

Agency Payroll, HR, and Accounting staff should contact Jennifer Goossen at 651-201-8072 or [jennifer.goossen@state.mn.us](mailto:jennifer.goossen@state.mn.us) if there are questions regarding tax withholding or charitable deductions.

**PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF**