

Memo

Date: February 26, 2026

To: Agency Payroll, Human Resources, and Accounting Staff

From: Katie Karow, Director, Statewide Payroll Services

RE: 2026 Minnesota Withholding Changes Effective Immediately

2026 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 March 6, 2026, paycheck issued for the pay period ending (PPE) 2/24/2026. However, off-cycle checks issued on or after February 24, 2026, will reflect the 2026 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 23, 2026, on the Minnesota Management & Budget website under [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 2026. (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.

2026 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.
- February 20, 2026, paychecks have already been calculated and will not reflect the 2026 Minnesota tax rates.
- 2026 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 [email](#) if there are questions regarding tax withholding or charitable deductions.

PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF