

IRM PROCEDURAL UPDATE

DATE: 12/15/2025

NUMBER: ts-21-1225-3723

SUBJECT: Added an Exception on OCEA Routing Cases and the Annual Updates for SS Tax Wage Base and CT-1 (Tier I and Tier II) Limits

AFFECTED IRM(s)/SUBSECTION(s): 21.7.2

CHANGE(s):

IRM 21.7.2.3.3(2) Added wage base information in table for 2026 and removed information for 2016.

(2) Social security taxes are withheld at a combined tax rate of 12.4% (6.2% contributed by the employer and 6.2% contributed by the employee). However, social security taxes are withheld from wages and tips only up to a wage limit. The table below shows the social security wage limits from year to year.

Year	Maximum Amount of Wages
2017	127,200
2018	128,400
2019	132,900
2020	137,700
2021	142,800
2022	147,000
2023	160,200
2024	168,600
2025	176,100
2026	184,500

Note: Final regulations under IRC 3121(b)(10) (the "student exception") clarified who can be considered a student for purposes of the student exception. The final regulations provide that an employee whose normal work schedule is 40 hours or more per week is considered a full-time employee and is not eligible for the student FICA exception (the "full-time employee" rule). This prevents medical residents from being considered students and therefore wages earned by medical residents are considered wages subject to FICA taxes. The final regulations are applicable with respect to services performed on or after April 1, 2005.

IRM 21.7.2.6.4.2(3) Added Tier I wage base information in table for 2026 and removed information for 2016.

(3) The Tier I portion equivalent to the social security portion is 6.2% for both employer and employee (12.4% total). Tier I taxes are withheld from wages and tips only up to a wage limit. The table below shows the Tier I wage limits from year to year.

Tax Year	Taxable Amount
2017	On the first \$127,200
2018	On the first \$128,400
2019	On the first \$132,900
2020	On the first \$137,700
2021	On the first \$142,800
2022	On the first \$147,000
2023	On the first \$160,200
2024	On the first \$168,600
2025	On the first \$176,100
2026	On the first \$184,500

IRM 21.7.2.6.4.2(5) Added Tier II wage base information in table for 2026 and removed information for 2016.

(5) Tier II tax rates are shown in the table below.

Tax Year	Employer %/Employee %	On the first:
2017	13.1%/4.9%	\$94,500
2018	13.1%/4.9%	\$95,400
2019	13.1%/4.9%	\$98,700
2020	13.1%/4.9%	\$102,300
2021	13.1%/4.9%	\$106,200
2022	13.1%/4.9%	\$109,200
2023	13.1%/4.9%	\$118,800
2024	13.1%/4.9%	\$125,100
2025	13.1%/4.9%	\$130,800
2026	13.1%/4.9%	\$137,100

IRM 21.7.2.7.10(3) Added exception regarding certain cases that will bypass routing to SBSE OCEA CARES team.

(3) The subsections which follow provide information for handling responses/inquiries received in AM for the following letters associated with these compliance workstreams:

Letter	TXMOD May Reflect Activity Code
Letter 6327	"TUCMPLT"
Letter 6328	"COVIDTU"
Letter 6348	"COVIDTU"
Letter 6378	"WF4LTR6378", or "WF5LTR6378", or "WF6LTR6378"
Letter 6379	"WF4LTR6379", or "WF5LTR6379", or "WF6LTR6379"
Letter 6362, or Letter 6362-A	"CVDGEMMDD"
Letter 6507	"WF7SFL1I"
Letter 6530	"18BRSBQ4"
Letter 6531	"18BRSBQ2"
Letter 6552	"ZEROFTDCVD"
Letter 6554	"SFLCRDT22"
Letter 6577	"ERCRCPTR"
Letter 6577C	"ERCRCPTR"

Note: The letter issued is also generally recorded on ENMOD.