Tax Rates [1]

Not all taxes are created equal. Review important information about federal, state and supplemental income taxes.

Federal taxes

Only current employees who want to change their withholdings, those who filed as tax-exempt in the prior tax year, and new hires need to submit a W-4 to CU.

See the self-service W-4 webpage for full instructions [2]

Helpful resources

Ensuring that the right amount of tax is withheld from your pay is an important part of preventing an unexpected bill or penalty during tax season.

Use the IRS Tax Estimator [3] to help determine your withholdings. Get started by gathering your most recent paystubs, income tax return and W-2s. If your personal circumstances change during the year, revisit the estimator to ensure withholdings are still correct.

State taxes

The University of Colorado withholds state taxes from the state in which you perform work. Make sure your withholdings are correct by submitting your state’s W-4.

Submit your form [4]

Supplemental income taxes

If you receive certain forms of compensation beyond your regular salary, it may be taxed. This can include, but is not limited to, bonuses, severance payments from termination of your employment, some prizes and awards, reimbursements of nondeductible moving expenses and more. The rates at which specific earnings are taxed are determined by IRS and individual states.

The current federal tax rate on supplemental wages is 22% and Colorado’s rate is 4.55%. Learn more about specific taxable supplemental incomes below.

Taxable supplemental income types
<table>
<thead>
<tr>
<th>Earning Code</th>
<th>Description</th>
<th>Eligible Employees</th>
<th>CU 401(a) Eligible</th>
<th>PERA Eligible</th>
<th>401K, 403B, 457 Eligible</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADP</td>
<td>Additional Pay - Student/Med Res</td>
<td>Students Medical Residents</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
<td>Additional pay due to student employee or medical resident. To be used for additional pay of a flat amount for additional work or services. Payment request for classified staff should be referred to Human Resources. Documentation is required. Recognition/award programs must be preapproved by appropriate campus entities (Human Resources, Provost, Vice Chancellor, Org Principal) in accordance with PSC Procedural Statement: Recognition and Training [5].</td>
</tr>
<tr>
<td>APF</td>
<td>Additional Pay Flat Amount</td>
<td>Faculty University Staff Classified Staff</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>AWR</td>
<td>Awards - Taxable</td>
<td>All</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Earning Code</td>
<td>Description</td>
<td>Eligible Employees</td>
<td>CU 401(a) Eligible</td>
<td>PERA Eligible</td>
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</tr>
<tr>
<td>BON</td>
<td>Bonus</td>
<td>Faculty University Staff</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Paying employee bonuses. Additional documentation is required.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Classified Staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INC</td>
<td>Incentive Pay</td>
<td>Faculty University staff</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Additional documentation is required with this request.</td>
</tr>
<tr>
<td>LSA</td>
<td>Legal Settlement No Retirement</td>
<td>All</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Legal settlements are not 401(a) or PERA eligible.</td>
</tr>
<tr>
<td>MVT</td>
<td>Moving Expense - Taxable</td>
<td>Faculty University Staff</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Payment for taxable moving expense reimbursement and moving expense flat allowance.</td>
</tr>
<tr>
<td>REC</td>
<td>Recruitment Incentive</td>
<td>Faculty University Staff</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>To pay recruitment incentive amounts. This must be documented in offer letter.</td>
</tr>
<tr>
<td>REF</td>
<td>Referral Award</td>
<td>Classified Staff</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Additional documentation is required with this request.</td>
</tr>
<tr>
<td>Earning Code</td>
<td>Description</td>
<td>Eligible Employees</td>
<td>CU 401(a) Eligible</td>
<td>PERA Eligible</td>
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</tr>
<tr>
<td>SEV</td>
<td>Severance</td>
<td>Faculty University Staff</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>To be used to issue severance pay.</td>
</tr>
<tr>
<td>UOC</td>
<td>UPI On-Call Incentive</td>
<td>Faculty</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>To pay CU Medicine (formerly University Physicians, Inc.) on-call incentive amounts. Limited to job code series 1100 and 1200 only.</td>
</tr>
<tr>
<td>UPI</td>
<td>UPI Incentive Payment</td>
<td>Faculty and Officer University Staff</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>To make a payment to an employee that is provided by CU Medicine (formerly University Physicians, Inc.). Additional documentation is required with this request.</td>
</tr>
</tbody>
</table>

**Groups audience:**
Employee Services

**Right Sidebar:**
ES: Payroll Contact
ES: Payroll - IRS Resources

**Source URL:** https://www.cu.edu/employee-services/payroll/taxes/tax-rates

**Links**