Published on *University of Colorado* (https://www.cu.edu)

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 4.4%. Learn more about specific taxable supplemental incomes below.

Taxable supplemental income types

Earning Code	Description	Eligible Employees	CU 401(a) Eligible	PERA Eligible	401K, 403B, 457 Eligible	Use
ADP	Additional Pay - Student/Med Res	Students Medical Residents	N/A	N/A	Yes	Additional pay due to student employee or medical resident.
APF	Additional Pay Flat Amount	Faculty University Staff Classified Staff	Yes	Yes	Yes	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.
AWR	Awards - Taxable	All	No	No	Yes	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].

Earning Code	Description	Eligible Employees	CU 401(a) Eligible	PERA Eligible	401K, 403B, 457 Eligible	Use
BON	Bonus	Faculty University Staff Classified Staff	No	No	Yes	Paying employee bonuses. Additional documentation is required.
INC	Incentive Pay	Faculty University staff	Yes	Yes	Yes	Additional documentation is required with this request.
LSA	Legal Settlement No Retirement	All	No	No	No	Legal settlements are not 401(a) or PERA eligible.
MVT	Moving Expense - Taxable	Faculty University Staff	No	No	No	Payment for taxable moving expense reimbursement and moving expense flat allowance.
REC	Recruitment Incentive	Faculty University Staff	No	No	Yes	To pay recruitment incentive amounts. This must be documented in offer letter.
REF	Referral Award	Classified Staff	No	No	No	Additional documentation is required with this request.

Earning Code	Description	Eligible Employees	CU 401(a) Eligible	PERA Eligible	401K, 403B, 457 Eligible	Use
SEV	Severance	Faculty University Staff	No	No	No	To be used to issue severance pay.
SKS	Sick Leave Payout	12-month Faculty University Staff Classified Staff	No	Yes	Yes	Pays a quarter of remaining balance upon retirement or death up to the limit according to employee type
UOC	UPI On-Call Incentive	Faculty	Yes	Yes	Yes	To pay CU Medicine (formerly University Physicians, Inc.) on-call incentive amounts. Limited to job code series 1100 and 1200 only.
UPI	UPI Incentive Payment	Faculty and Officer University Staff	Yes	Yes	Yes	To make a payment to an employee that is provided by CU Medicine (formerly University Physicians, Inc.). Additional documentation is required with this request.

Earning Code	Description	Eligible Employees	CU 401(a) Eligible	PERA Eligible	401K, 403B, 457 Eligible	Use
VCT	Vacation Leave Payout	12-month Faculty University Staff Classified Staff	Yes	Yes	Yes	Pays remaining balance at term or retirement up to the limit according to employee type

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
[1] https://www.cu.edu/employee-services/payroll/taxes/tax-rates [2] https://www.cu.edu/employee-services/payroll/self-service/w-4 [3] http://www.irs.gov/individuals/irs-withholding-calculator [4] https://www.cu.edu/docs/state-w-4-forms [5] https://www.cu.edu/controller/procedures/finance-procedural-statements/finance-procedural-statement-recognition-and