

Why Your Bonus Felt So Small

It wasn't taxed at a higher rate. It was withheld at a flat rate — and a few other lines on your stub made the hit look bigger than it is.



The real reason

Bonuses are typically **withheld at a flat 22%** federal supplemental rate.

That's **withholding — not the tax you actually owe.**

In a higher bracket (32–37%)? You'll owe the difference when you file.

Why it feels like more came out

- Medicare — 1.45%
 - Additional Medicare — 0.9% (income > \$250k MFJ)
 - Social Security — 6.2% (until you've maxed out)
 - State income tax
 - Pre-tax 401(k) contributions
- Stacked together it looks huge — but the **federal withholding is still only 22%.**

Example — \$100,000 bonus, 35% bracket

Withheld at 22% **\$22,000**

Actually owed at 35% **\$35,000**

OWE AT FILING

\$13,000

ACTION

Plan for the gap before April

If your bonus lands in Q4 and your withholding is light, a **Q4 estimated payment by Jan 15** can keep you clear of underpayment penalties.

22% withheld isn't 22% owed. Know the gap before the IRS reminds you.

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