

Release Notes: 04/03/2026

Last Modified on 04/02/2026 2:03 pm CDT

The release includes 2026 FUTA Credit Reduction rate updates and additional fixes across TempWorks products.

The Highlights



2026 FUTA Credit Reduction Rates & Recalculation

2026 FUTA Credit Reduction rates have been updated based on the requirements provided by the [Department of Labor](#).

Note The U.S. Department of Labor (DOL) has published its estimated credit reduction rates for 2026. Based on these estimates, **California** and the **U.S. Virgin Islands** are the jurisdictions forecasted to be affected this year:

- **California:** 5.3% (including a 3.8% BCR Add-On)
- **U.S. Virgin Islands:** 4.8%

As part of our annual process, we use these preliminary estimates to recalculate liabilities back to January 1st. **These rates will be updated with this release (4/3/2026), and the associated recalculation amounts will be reflected in the open weekend bill date.** Once the rates are finalized later this year, a second recalculation will be performed to reflect any adjustments.

Important note for California clients: The **Benefit Cost Rate (BCR) add-on** remains in effect for 2026. This surcharge is applied on top of the standard credit reduction for states with outstanding federal unemployment loans and can significantly increase FUTA tax liability. Clients with California payroll may see a notable increase in their tax amounts in upcoming reports. For those using our Payroll, Funding, or Tax processing services, these liabilities will be collected on your behalf.

For clients utilizing Payroll, Funding, or Tax processing services, these changes will impact funding and wire reports. For clients not using these services, the changes may affect tax reporting and gross profit.

For more information FUTA Credit Reductions, please see the article titled [FUTA Credit Reduction: Overview and Process](#).

Additional Updates

HRCenter

- Completed background image updates to the Rhode Island W-4 based on the requirements provided by the state of Rhode Island.
- Completed background image updates to the Arkansas W-4 based on the requirements provided by the state of Arkansas.
- Completed background image updates to the Maryland W-4 based on the requirements provided by the state of Maryland.
- Completed background image updates to the Mississippi W-4 based on the requirements provided by the state of Mississippi.
- Completed background image updates to the Maine W-4 based on the requirements provided by the state of Maine.

Reports

- Increased the performance of reports that contain transactional data.

For Self-Hosted Clients

Note For all self-hosted clients, as always, ensure you install all updates to give your users the best experience and new features.

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