

2016 Fast Wage and Tax Facts



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FEDERAL

MINIMUM WAGE

	Effective 7/24/09
Minimum Wage	\$7.25
Minimum Cash Wage (Tipped Employee)	\$2.13
Maximum Tip Credit	\$5.12
Youth Sub-Minimum Wage	\$4.25

FICA (MEDICARE)

Maximum Taxable Earnings	No Limit
Employee / Employer Tax Rate (Unchanged from 2015)	1.45%
Additional Medicare Tax Withholding on Wages > \$200,000 (No Employer Match)	0.9%

FICA (SOCIAL SECURITY)

Maximum Taxable Earnings (Unchanged from 2015)	\$118,500
Employee / Employer Tax Rate (Unchanged from 2015)	6.2%

FUTA (EMPLOYER-PAID)

Maximum Taxable Earnings	\$7,000
Percent of Taxable Wages	6.0%
Maximum Credit	5.4%
Normal Net Tax	0.6%

SUPPLEMENTAL WAGE / BONUS RATES

Flat rate withholding method (Unchanged from 2015)	25%
Pay over \$1 Million (Unchanged from 2015)	39.6%

HEALTH SAVINGS ACCOUNTS

Self-Only Contribution Limit (Employee & Employer) (Unchanged from 2015)	\$3,350
Family Contribution Limit (Employee & Employer) (Increased from \$6,650 in 2015)	\$6,750
Catch-up Contribution Limit (Employee & Employer) (Unchanged from 2015)	\$1,000

RETIREMENT PLANS

Contribution Limit - 401(k) & 403(b) plans (Unchanged from 2015)	\$18,000
Catch-up Contribution Limit - 401(k) & 403(b) plans (age 50 & older) (Unchanged from 2015)	\$6,000

TENNESSEE

MINIMUM WAGE

	Effective 7/24/09
Minimum Wage	\$7.25*
Minimum Cash Wage (Tipped Employee)	\$2.13*
Maximum Tip Credit	\$5.12*
Youth Sub-Minimum Wage	\$4.25*

* Tennessee does not have a state minimum wage law. Federal minimum wage requirements apply.

STATE INCOME TAX

Wage Withholding	None
Supplemental Wage / Bonus Rate	None

UNEMPLOYMENT INSURANCE

Maximum 2016 Taxable Earnings (Decreased from \$9,000 in 2015)	\$8,000
Employee Deduction	None
Employer 2016 Tax Rates (Effective 7/1/16 - 12/31/16)	0.01 – 10.0%
Standard FY 2017 New Employer Rate (Effective 7/1/16 - 6/30/17)	2.7%
Voluntary Contribution Permitted	No

DISABILITY INSURANCE

Employee Deduction	None
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AGENCY WEBSITE

Dept. of Labor and Workforce Development:
<http://tn.gov/workforce>