

# 2016 Fast Wage and Tax Facts



A more human resource.™

Published 12/22/2015

For the most current information and additional states, visit us at: [www.ADP.com/Fast](http://www.ADP.com/Fast)

## 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

## WASHINGTON

### MINIMUM WAGE

	Effective 1/1/15
Minimum Wage (Applies to workers in both agricultural & non-agricultural jobs, although 14- and 15-year-olds may be paid 85% of the adult minimum wage or \$8.05 per hour effective 1/1/15)	\$9.47
Minimum Cash Wage (Tipped Employee)	\$9.47
Maximum Tip Credit	None

### STATE INCOME TAX

Wage Withholding	None
------------------	------

### UNEMPLOYMENT INSURANCE

Maximum 2016 Taxable Earnings (Increased from \$42,100 in 2015)	\$44,000
Employee Deduction	None
Employer 2016 Tax Rates (Includes .03% Employment Administration Fund rate and .30% Social Cost rate)	0.13 – 7.73%
Standard 2016 New Employer Rates	Industry Average
Voluntary Contribution Permitted	Yes

### DISABILITY INSURANCE

Employee Deduction	None
--------------------	------

### WORKERS' COMPENSATION

Employers and employees each pay half of the stay-at-work rate, medical aid fund rate, and supplemental pension fund (SPF) rate. For 2016, the SPF rate is \$0.0952 per hour; employers and employees each pay \$0.0476 per hour.
---

### AGENCY WEBSITE

Employment Security Dept.: <a href="http://www.esd.wa.gov">www.esd.wa.gov</a>
---

FAST WAGE AND TAX FACTS is distributed with the understanding that the publisher is not rendering legal, accounting, tax or other professional services. If legal advice or other assistance is required, an attorney, CPA or tax adviser should be consulted. Minimum wage rates may vary by industry and may be superseded by Federal minimum wage rules. Contact the proper agency to verify.

For information about cost-effective solutions from ADP, please visit us at [www.adp.com](http://www.adp.com), contact your local ADP representative or call 1-800-225-5237.