

# 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

## WEST VIRGINIA

### MINIMUM WAGE

	Effective 1/1/16
Minimum Wage	\$8.75
Minimum Cash Wage (Tipped Employee)	\$2.62
Maximum Tip Credit	\$6.13

### STATE INCOME TAX

Wage Withholding	Tables
Supplemental Wage / Bonus Rate	3 – 6.5%

### UNEMPLOYMENT INSURANCE

Maximum 2016 Taxable Earnings (Unchanged from 2015)	\$12,000
Employee Deduction	None
Employer 2016 Tax Rates (Includes 1.0% surtax on certain employer groups)	1.5 – 8.5%
Standard 2016 New Employer Rate	2.7%
Voluntary Contribution Permitted	Yes

### DISABILITY INSURANCE

Employee Deduction	None
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### AGENCY WEBSITES

Dept. of Revenue: [www.revenue.wv.gov](http://www.revenue.wv.gov)  
 Workforce West Virginia:  
[www.wvcommerce.org/business/workforcewv](http://www.wvcommerce.org/business/workforcewv)

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