

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

NEW JERSEY

MINIMUM WAGE

	Effective 1/1/15
Minimum Wage	\$8.38
Minimum Cash Wage (Tipped Employee) ("Suggested" by State)	\$2.13
Maximum Tip Credit	\$6.25

STATE INCOME TAX

Wage Withholding	Tables
Supplemental Wage / Bonus Rate	No provision, but for pay over \$500,000 withhold at 9.9%

UNEMPLOYMENT INSURANCE

Maximum 2016 Taxable Earnings (Increased from \$32,000 in 2015)	\$32,600
Employee Deduction	0.505%
Workforce Development / Supplemental Workforce	0.0425%
UI Fund	0.3825%
Family Leave Insurance	0.08%
Maximum 2016 Employee Deduction	\$164.63
Employer FY 2017 Tax Rates	0.5 – 5.8%
Standard FY 2017 New Employer Rate (UI-2.6825% + WF/SWF-0.1175%)	2.8%
Voluntary Contribution Permitted	Yes

DISABILITY INSURANCE

Maximum 2016 Taxable Earnings (Increased from \$32,000 in 2015)	\$32,600
Employee 2016 Deduction Rate	0.20%
Maximum 2016 Employee Deduction	\$65.20
Standard FY 2017 Tax Rates	0.1 – 0.75%
New Employer FY 2017 Rate	0.50%

AGENCY WEBSITES

Division of Taxation: www.state.nj.us/treasury/taxation
 Dept. of Labor and Workforce Development:
<http://lwd.dol.state.nj.us/labor>