

December 2016

Please be advised that effective January 1, 2017 the payroll limits will be adjusted as follows:

FEDERAL PAYROLL LIMITS			
For Employees:	<u>Rate</u>	<u>Max Wages</u>	<u>Max Deduction</u>
<u>Social Security:</u>			
Employee Rate	6.20%	\$ 127,200	\$ 7,886.40
Employer Rate	6.20%	\$ 127,200	\$ 7,886.40
<u>Medicare:</u>			
Employee Rate	1.45%	unlimited	
Employer Rate	1.45%	unlimited	
		Wages > \$200,000 Single	
Additional Medicare Tax-Employee Or	0.90%	Wages > \$250,000 Married Filing Joint	
		Wages > \$125,000 Married Filing Separate	
For Self-Employed Individuals:			
Social Security	12.40%	\$ 127,200	\$ 15,772.80
Medicare	2.90%	unlimited	
		Wages > \$200,000 Single	
Additional Medicare Tax	0.90%	Wages > \$250,000 Married Filing Joint	
		Wages > \$125,000 Married Filing Separate	

NEW JERSEY PAYROLL LIMITS			
	<u>Rate</u>	<u>Max Wages</u>	<u>Max Deduction</u>
Unemployment Insurance	0.3825%	\$ 33,500	\$ 128.14
Disability Insurance	0.2400%	\$ 33,500	\$ 80.40
Workforce Development	0.0425%	\$ 33,500	\$ 14.24
Family Leave Insurance	0.1000%	\$ 33,500	\$ 33.50
Total	0.7650%		\$ 256.28
* NJ Employer rates became effective 07/1/16 and will remain in effect until 06/30/17			

Please view our website for further updates. For payroll tax limits for states other than New Jersey, contact your tax professional at Mills & DeFilippis.