

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

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

KENTUCKY

MINIMUM WAGE

	Effective 7/1/09
Minimum Wage	\$7.25
Minimum Cash Wage (Tipped Employee)	\$2.13
Maximum Tip Credit	\$5.12

STATE INCOME TAX

Wage Withholding	Tables
Supplemental Wage / Bonus Rate	No Provision

UNEMPLOYMENT INSURANCE

Maximum 2016 Taxable Earnings (Increased from \$9,900 in 2015)	\$10,200
Employee Deduction	None
Employer 2016 Tax Rates (Plus 0.21% interest surcharge)	1.0 - 10.0%
Standard 2016 New Employer Rate (Plus 0.21% interest surcharge)	2.7%
Voluntary Contribution Permitted	Yes

DISABILITY INSURANCE

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

AGENCY WEBSITES

Dept. of Revenue: <http://revenue.ky.gov>
Office of Employment & Training: <http://oet.ky.gov>

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 Minimum wage rates may vary by industry and may be superseded by Federal minimum wage rules.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, contact your local ADP representative or call 1-800-225-5237.