

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

MASSACHUSETTS

MINIMUM WAGE

	Effective 1/1/16
Minimum Wage	\$10.00
Minimum Cash Wage (Tipped Employee)	\$3.35
Maximum Tip Credit	\$6.65

STATE INCOME TAX

Wage Withholding	Tables
Supplemental Wage / Bonus Rate	5.10%

UNEMPLOYMENT INSURANCE

Maximum 2016 Taxable Earnings (Unchanged from 2015)	\$15,000
Employee Deduction	None
Employer 2016 Tax Rates (Plus 0.81% solvency assessment and 0.056% workforce training fund surcharge)	0.73 – 11.13%
Standard 2016 New Employer Rate (Plus 0.81% solvency assessment and 0.056% workforce training fund surcharge)	1.87%
Employer Medical Assistance Contribution (0.12% third year of liability; 0.24% fourth year of liability and 0.34% fifth year or later of liability)	0.12 – 0.34%
Workforce Training Fund 2016 Rate	0.056%
Voluntary Contribution Permitted	Yes

DISABILITY INSURANCE

Employee Deduction	None
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AGENCY WEBSITES

Dept. of Revenue: www.mass.gov/dor
Labor and Workforce Development: www.mass.gov/lwd

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