

2018 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 Minimum Wage	\$4.25

FICA (MEDICARE)

Maximum Taxable Earnings	No Limit
Employee / Employer Tax Rate (Unchanged from 2017)	1.45%
Additional Medicare Tax Withholding on Wages > \$200,000 (No Employer Match)	0.9%

FICA (SOCIAL SECURITY)

Maximum Taxable Earnings (Increased from \$127,200 in 2017)	\$128,400
Employee / Employer Tax Rate (Unchanged from 2017)	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 (Decreased from 25% in 2017)	22%
Pay over \$1 Million (Decreased from 39.6% in 2017)	37%

HEALTH SAVINGS ACCOUNTS

Self-Only Contribution Limit (Employee & Employer) (Increased from \$3,400 in 2017)	\$3,450
Family Contribution Limit (Employee & Employer) (Increased from \$6,750 in 2017)	\$6,850
Catch-up Contribution Limit (Employee & Employer) (Unchanged from 2017)	\$1,000

RETIREMENT PLANS

Contribution Limit - 401(k) & 403(b) plans (Increased from \$18,000 in 2017)	\$18,500
Catch-up Contribution Limit - 401(k) & 403(b) plans (age 50 & older) (Unchanged from 2017)	\$6,000

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CALIFORNIA

MINIMUM WAGE

	Effective 1/1/18
Minimum Wage	\$11.00*
Minimum Cash Wage (Tipped Employee)	\$11.00*
Maximum Tip Credit	Not Allowed

* For employers with 26 or more employees. For employers with 25 or fewer employees, the minimum wage and minimum cash wage (tipped employee) is \$10.50 an hour effective 1/1/18. California does not have a tip credit.

STATE INCOME TAX

Wage Withholding	Tables
Supplemental Wage / Bonus Rate	6.6%, except 10.23% for BONUSES and earnings from STOCK OPTIONS

UNEMPLOYMENT INSURANCE

Maximum 2018 Taxable Earnings (Unchanged from 2017)	\$7,000
Employee Deduction	None
Employer 2018 Tax Rates (Plus 0.1% employment training tax assessed on most ERs)	1.5 – 6.2%
Standard 2018 New Employer Rate (Plus 0.1% employment training tax)	3.4%
Voluntary Contribution Permitted	No

DISABILITY INSURANCE

Maximum 2018 Taxable Earnings (Increased from \$110,902 in 2017)	\$114,967
Employee 2018 Deduction Rate (Increased from 0.9% in 2017)	1.0%
Employee 2018 Maximum W/H	\$1,149.67
Employer Contribution	None

AGENCY WEBSITES

Franchise Tax Board: www.ftb.ca.gov
Employment Development Dept.: www.edd.ca.gov

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