

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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WASHINGTON

MINIMUM WAGE

	Effective 1/1/18
Minimum Wage (Applies to workers in both agricultural & non-agricultural jobs, although 14- and 15-year-olds may be paid 85% of the adult minimum wage or \$9.78 per hour Effective 1/1/18)	\$11.50
Minimum Cash Wage (Tipped Employee)	\$11.50
Maximum Tip Credit	None

STATE INCOME TAX

Wage Withholding	None
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UNEMPLOYMENT INSURANCE

Maximum 2018 Taxable Earnings (Increased from \$45,000 in 2017)	\$47,300
Employee Deduction	None
Employer 2018 Tax Rates (Includes applicable employment administrative fund surtax and graduated social cost rate)	0.13 – 7.73%
Standard 2018 New Employer Rates	Industry Average
Voluntary Contribution Permitted	Yes

DISABILITY INSURANCE

Employee Deduction	None
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WORKERS' COMPENSATION

Employers and employees each pay half of the stay-at-work rate, medical aid fund rate, and supplemental pension fund (SPF) rate. For 2018, the SPF rate is \$0.1030 per hour; employers and employees each pay \$0.0515 per hour.

AGENCY WEBSITE

Employment Security Dept.: www.esd.wa.gov

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