

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

CALIFORNIA

MINIMUM WAGE

	Effective 1/1/16
Minimum Wage	\$10.00
Minimum Cash Wage (Tipped Employee)	\$10.00
Maximum Tip Credit	Not Allowed

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 2016 Taxable Earnings (Unchanged from 2015)	\$7,000
Employee Deduction	None
Employer 2016 Tax Rates (Plus 0.1% employment training tax assessed on most ERs)	1.5 - 6.2%
Standard 2016 New Employer Rate (Plus 0.1% employment training tax)	3.4%
Voluntary Contribution Permitted	No

DISABILITY INSURANCE

Maximum 2016 Taxable Earnings (Increased from \$104,378 in 2015)	\$106,742
Employee 2016 Deduction Rate (Unchanged from 2015)	0.9%
Employee 2016 Maximum W/H	\$960.68
Employer Contribution	None

AGENCY WEBSITES

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

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