



SOBEL & CO. LLC

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
(973) 994-9494

2016 Payroll Tax Advisory

FEDERAL

MINIMUM WAGE: \$ 7.25

FICA:

Maximum Earnings: \$ 118,500
(2015-\$118,500)
Employee Max: \$ 7,347.00
Employee/Employer Percent 6.20%

MEDICARE:

Maximum Earnings Employee/Employer Percent Unlimited 1.45%
Additional Medicare rate on wages >\$200,000 .9%
(Total 1.45%+.9% = 2.35%)

FUTA:

Rate 6.00%
Maximum credit 5.40%
Normal net tax .60%
Maximum earnings \$ 7,000
Max, normal net tax \$42

RETIREMENT PLAN LIMITS:

(No change from 2015)

401-K/403B/SEP \$ 18,000
(2015 - \$18,000)
SIMPLE (2015 - \$12,500) \$ 12,500
IRA \$ 5,500
Catch-up Contributions: (50yrs+)
(No change from 2015)
401-K/403B/SEP \$ 6,000
SIMPLE \$ 3,000
IRA \$ 1,000

Annual Compensation:
Limit for certain plans \$ 265,000
(No change from 2015)

NEW JERSEY

MINIMUM WAGE: \$ 8.38
(2015 \$8.38)

SDI/UI/FLI WAGE BASE: \$ 32,600
(2015= \$32,000)
SDI employee percentage .20%
(2015 .25%)
Maximum SDI deduction \$ 65.20
SUI employee percentage .425%
Maximum SUI deduction \$ 138.55
Family Leave percentage .08%
(2015 .09%)
Maximum FLI \$ 26.08
Total maximum deduction
Payroll tax \$ 229.83

NEW YORK

MINIMUM WAGE: \$ 9.00
(2015 \$8.75)
SDI WAGE BASE: \$10,700
(2015 \$10,500)

SDI employee percentage is .5% of wages but not more than \$0.60/week

PENNSYLVANIA

MINIMUM WAGE: (no change) \$ 7.25
SUI: Employee
Employee % (no limit) .07%
SUI: Employer
Wage base (2015 \$9,000) \$9,500
Employer surcharge 5.10%
Employer interest rate 1.10%
Additional Contribution tax 0.65%

FEDERAL

Business Mileage Reimbursement Rate for an Accountable Plan: 54.00 cents

*All information in this advisory is accurate as of December 22, 2015
Tax laws and rates are subject to change at any time.*