

2017 Payroll Highlights

FICA Changes

	2016	2017
Social Security (OASDI) Wage Base	\$118,500	\$127,200
Medicare (HI) Wage Base	No Limit	No Limit
Social Security (OASDI) Percentage - Employer	6.2%	6.2%
Social Security (OASDI) Percentage - Employee	6.2%	6.2%
Medicare (HI) Percentage*	1.45%	1.45%
Maximum Social Security (OASDI) Withholding - Employer	\$7,347.00	\$7,886.40
Maximum Social Security (OASDI) Withholding - Employee	\$7,347.00	\$7,886.40
Maximum Medicare (HI) Withholding	No Limit	No Limit

Retirement Plan Contribution Limits

	2016	2017
IRA, TRADITIONAL AND ROTH		
Under age 50	\$5,500	\$5,500
Age 50 and older	\$6,500	\$6,500
DEFERRED CONTRIBUTIONS PLANS, e.g., 401(k), 403(b) AND 457 PLANS		
Under age 50	\$18,000	\$18,000
Age 50 and older	\$24,000	\$24,000
SIMPLE PLANS		
Under age 50	\$12,500	\$12,500
Age 50 and older	\$15,500	\$15,500
ANNUAL CONTRIBUTION LIMIT FOR:		
• Defined contribution plans	\$53,000 or 100% of compensation, whichever is less	\$54,000 or 100% of compensation, whichever is less
ANNUAL COMPENSATION LIMIT	\$265,000	\$270,000

Self-Employment

The 2017 social security wage base for self-employed individuals is \$127,200 with the social security tax rate at 12.4%. There is no Medicare wage limit, and the Medicare tax rate is 2.9% under the HI program.

Standard Mileage Rates

Beginning January 1, 2017, the standard mileage rates for the use of a car (including vans, pickups, or panel trucks) will be 53.5 cents per mile for business miles driven; 17 cents per mile driven for medical or moving purposes; and 14 cents per mile driven in service to a charitable organization.

Transportation

The limit on the amount to be excluded from income for either transit passes or a qualified van pool arrangement is \$255 per month for 2017. Tax-free, employer-provided parking is limited to \$255 for qualified vehicles per month and \$20 for bicycles for 2017.

For more information, contact us:

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