REGULATORY CHANGES FOR 2017

Federal & State Tax Withholding

Details to withholding Tax updates for Year 2017 will be on next Tax Year End News Release when it becomes available.

Taxable Social Security Wage and Rates

The Old-Age, Survivors and Disability Insurance (OASDI) taxable wage base for 2017 has increased to $127,200.00, up from $118,500.00 in 2016.

The maximum OASDI portion of the Federal Insurance Contributions Act tax payable by each employee in 2017 is $7,886.40 or 6.2 percent of the wage base. Employers match the employee amount with an equal contribution.

Taxable Medicare Wage and Rates

For the Medicare (HI) portion of the FICA taxes, there is no wage base and all wages earned are subject to the HI tax, which also is paid by employers and employees. Each pays at a 1.45 percent rate, although employees pay an additional 0.9 percent on wages greater than $200,000.

The employee withholding rate is 1.45% up to $200,000.00 and an additional 0.9% (2.35%) beyond $200,000.00.

The employer match withholding rate remains the same at 1.45% on all taxable Medicare wages.

For additional information and Frequently Asked Question on this new Medicare Tax Withholding rules, refer to this IRS website link: