

# PAYROLL FACTS & CALCULATIONS



	2020	2021
<b>Social Security and Medicare Tax</b>		
Social Security Wage Base Limit	\$137,700	\$142,800
Social Security Total Employee Tax	\$8,537.40	\$8,853.60
Social Security Employee Tax Rate	6.20%	6.20%
Social Security Employer Tax Rate	6.20%	6.20%
Medicare Employee Tax Rate	1.45%	1.45%
Medicare Employer Tax Rate	1.45%	1.45%
Total Tax Rate	15.30%	15.30%
Total Tax to be Withheld from Employee	7.65%	7.65%
<b>Medicare Additional Tax if wages &gt; \$200,000</b>		
Medicare Additional Tax Rate	0.9%	0.9%
Is there an employer match on this?	No	No
<b>FUTA (Employer-Paid)</b>		
Maximum Taxable Earnings	\$7,000	\$7,000
Normal Net Tax Rate	0.6%	0.6%
<b>MS SUTA (Employer-Paid)</b>		
Maximum Taxable Earnings	\$14,000	\$14,000
New Employer Rate	1.2%	1.2%
<b>401K Deferral</b>		
401K Deferral Max	\$19,500	\$19,500
401K Catch-up If Age 50	\$6,500 (total would be \$26,000)	\$6,500 (total would be \$26,000)
Annual 401K Compensation Limit	\$285,000	\$290,000
<b>Simple Employee Pension (SEP)</b>		
Simple Employee Deferral	\$13,500	\$13,500
Simple Catch-up Deferral If Age 50	\$3,000 (total would be \$16,500)	\$3,000 (total would be \$16,500)
<b>Flexible Spending Accounts</b>		
Health Flexible Spending Account Max	\$2,750	\$2,750
Dependent Care Spending Account Max	\$5,000	\$5,000
Federal Minimum Wage Rate	\$7.25	
While the federal minimum wage is \$7.25, many states have elected to have higher minimum wage standards. Be sure to consult with the Department of Labor website to ensure your Company is paying the appropriate rates.		
<b>Quick Calculation for Gross Up of Wages (Bonuses under \$1 MIL):</b>		
If grossing up a check 22% (Federal WH): 6.2% (SS) + 1.45% (MED) - 100% =	70.35%	
Amount of Check	100.00	
"Grossed Up" Amount = 100.00/.7035	142.14	
Federal WH 22%	31.27	
Social Security 6.2%	8.81	
Medicare 1.45%	2.06	
Net Check	100.00	