

Winter 2019

The following is an update on employment taxes effective January 1, 2020:

	<u>FICA/HI TAX</u>	<u>FUTA</u>	<u>NJ SUI</u> (Unemployment)	<u>NJ TDI/FLI</u> (Disability/Family Leave)
Maximum Earnings:	\$137,700 FICA (Up from \$132,900 in 2019)	\$7,000 (No change from 2019)	\$35,300 (Up from \$34,400 in 2019)	\$134,900 (Up from \$34,400 in 2019)
	No Limit HI (No change from 2019)			
Withholding % Employee/Employer:	FICA: 6.2% Employee (matched 6.2% by employers) HI: 1.45% Employee (matched 1.45% by employers) No change from 2019	Employee: N/A Employer (NJ, NY, CT): 0.6%	Worker Rate: 0.00425	Worker Rate: TDI: .002600 FLI: .001600
	Hi Tax remains at 2.35% for wages over \$200,000 for individuals, \$250,000 for married joint filers and \$125,000 for married filing separate			
Maximum Deduction:	FICA \$8,537.40 (Up from \$8,239.80 in 2019) HI Tax: unlimited	N/A	\$150.03	TDI: \$350.74 FLI: \$215.84

In addition to the 6.2% FICA withheld on the first \$137,700 of wages, all employees must pay 1.45% on wages paid over \$137,700 for the Medicare Hi Tax (maximum earnings in 2020 are unlimited, therefore, there is no maximum deduction).

The employer must contribute 6.20% of the first \$137,700 of wages and 1.45% of all wages (2.35% for amounts over \$200,000 for single filers and if over \$250,000 for married filing jointly).

New York State employers should note that the maximum earnings subject to employment insurance contributions increases to \$11,600 for 2020-up from \$11,400 in 2019.

NJ Base week amount for 2020 increases to \$200.00 (up from \$172.00 in 2019)

It is recommended that you visit the website [www.paycheckcity.com](http://www.paycheckcity.com) to ensure that you are withholding the correct amounts of tax.

If you have any questions on the above, please contact our office.

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