

Winter 2020

The following is an update on employment taxes effective January 1, 2021:

	<u>FICA/HI TAX</u>	<u>FUTA</u>	<u>NJ SUI</u> (Unemployment)	<u>NJ TDI/FLI</u> (Disability/Family Leave)
Maximum Earnings:	\$142,800 FICA (Up from \$137,700 in 2020)	\$7,000 (No change from 2020)	\$36,200 (Up from \$35,300 in 2020)	\$138,200 (Up from \$134,900 in 2020)
	No Limit HI (No change from 2020)			
Withholding % Employee/Employer:	FICA: 6.2% Employee (matched 6.2% by employers) HI: 1.45% Employee (matched 1.45% by employers) No change from 2020  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	Employee: N/A  Employer (NJ, NY, CT): 0.6%	Worker Rate: 0.00425	Worker Rate: TDI: .004700 (Up from .002600 in 2020)  FLI: .002800 (Up from .001600 in 2020)
Maximum Deduction:	FICA \$8,853.60 (Up from \$8,537.40 in 2020) HI Tax: unlimited	N/A	\$153.85 (Up from \$150.03 in 2020)	TDI: \$649.54 (Up from \$350.74 in 2020)  FLI: \$386.96 (Up from \$215.84 in 2020)

In addition to the 6.2% FICA withheld on the first \$142,800 of wages, all employees must pay 1.45% on wages paid over \$142,800 for the Medicare Hi Tax (maximum earnings in 2021 are unlimited, therefore, there is no maximum deduction.

The employer must contribute 6.20% of the first \$142,800 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 \$11,800 for 2021-up from \$11,600 in 2020.

NJ Base week amount for 2021 increases to \$220.00 (up from \$200.00 in 2020)

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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