

2025 PAYROLL QUICK REFERENCE



FEDERAL TAXES

TYPE OF TAX	TAXABLE WAGE BASE	EMPLOYER TAX RATE	EMPLOYEE TAX RATE	MAXIMUM EMPLOYER TAX	MAXIMUM EMPLOYEE TAX
SOCIAL SECURITY	\$176,100	6.20%	6.20%	\$10,918.20	\$10,918.20
MEDICARE	NO LIMIT	1.45%	1.45%*	NO LIMIT	NO LIMIT
FUTA**	\$7,000	0.60%	N/A	\$42.00	N/A
FEDERAL INCOME TAX	There will be new "Circular E" tables issued with an effective date of January 2025.				

*An additional 0.9% Medicare tax should be withheld on wages in excess of \$200,000 for any employee. Employers are not required to match this tax.

**For 2024, employers in California, New York and the U.S. Virgin Islands will be assessed a general FUTA credit reduction on wages paid to employees who work in these states and territory. This means their FUTA credit will be reduced, resulting in a higher FUTA tax paid on employees of these states and territory.

STATE & LOCAL INCOME TAXES

STATE	WITHHOLDING TAX RATE	REMARKS
PA	3.07%	
LOCAL (PA)	Withhold local earned income tax at proper rate from each employee which is the GREATER of: 1. The tax rate where the employee is employed (the employer non-resident rate); or 2. The tax rate where the employee lives, which is the employee resident rate VISIT HTTP://MUNSTATS.PA.GOV/PUBLIC/FINDLOCALTAX.ASPX TO FIND YOUR WITHHOLDING RATES BY ADDRESS	
LST (PA)	Varies by municipality (refer to link above)	
DE, MD, NJ	Use wage bracket tax tables provided by state taxing authorities	

STATE UNEMPLOYMENT TAX

STATE	TAXABLE WAGE BASE	EMPLOYEE TAX RATE	REMARKS
PA	\$10,000	0.07%*	*Employee withholding rate applies to all wages
DE	\$12,500	-	
MD	\$8,500	-	
NJ	\$43,300	0.9850%**	**Employee withholding rate applies to first \$43,300 of wages

For all states, employer contribution rate is per your contribution rate notice.

MINIMUM HOURLY WAGES

FEDERAL/STATE	MINIMUM PER HOUR	REMARKS
FEDERAL	\$7.25	Effective 7/24/09
PA	\$7.25	Effective 7/24/09
DE	\$15.00	Effective 1/1/25
MD	\$15.00	Effective 1/1/24 for employers of all sizes. This does not affect Montgomery County's minimum wages, which can be furnished upon request.
NJ	\$15.49	Effective 1/1/25-12/31/25 for most employers, Seasonal employers \$14.53, Small employers (fewer than six employees) \$14.53

For all states, there are special rules for tips and meals.

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(CONTINUED)

SOCIAL SECURITY & MEDICARE BENEFITS

AGE LIMIT	MAXIMUM AMOUNT	REMARKS
AGE 62 TO 65	\$23,400	Maximum amount retirees can earn before losing Social Security benefits.
AGE 66 & OVER	NO LIMITATION	
A \$62,160 earnings limit for 2025 applies to workers who retire in the calendar year when they turn 66. The limit is \$5,180 per month for 2025 until the month the worker reaches full retirement.		

RETIREMENT PLANS

MAXIMUM CONTRIBUTION / DEFERRAL LIMITS:	2024	2025
IRA/Roth IRA	\$7,000	\$7,000
IRA/ Roth IRA: Catch-up contribution for individuals aged 50 and older	\$1,000	\$1,000
401(K) Plans	\$23,000	\$23,500
401(K) Plans: Catch up contribution for participants aged 50 and older	\$7,500	\$7,500
403(B) Plans	\$23,000	\$23,500
403(B) Plans: Catch-up contributions for participants aged 50 and older	\$7,500	\$7,500
457 Plans	\$23,000	\$23,500
457 Plans: Catch-up contributions for participants aged 50 and older	\$7,500	\$7,500
Defined contribution plan maximum dollar limit	\$69,000	\$70,000
Annual plan compensation limit	\$345,000	\$350,000

MISCELLANEOUS

Standard Mileage Rate: Increased to 70 cents per mile for 2025.

W-2 Filing Due Date: The due date for filing W-2s and W-3s with SSA is January 31, 2025, when you file using paper forms and electronically. Many states have also accelerated the filing deadlines for annual reconciliation returns and form W-2s.

W-2 Reporting for Health Insurance: If 250+ W-2s were filed in a previous year, employers must report the cost of employer-provided health insurance costs on the current year W-2s, Box 12, Code DD. This reporting is informational only and not subject to tax.

1099-NEC for Nonemployee Compensation: Certain nonemployee compensation over \$600 must be reported via Form 1099-NEC. Forms 1099-NEC are due to the recipient by January 31, 2025. These forms must be filed with the IRS by February 28, 2025 (hard copy) or March 31, 2025 (electronic).

Year-end Bonus Reminder: Bonuses may cause you to exceed \$100,000 or more of federal tax liability and therefore expedite deposit schedules and requirements. Please contact your RKL advisor for guidance on this topic.