

2020 WAGE AND TAX FACTS

FEDERAL

MINIMUM WAGE

Minimum Wage	\$	7.25
Minimum Cash Wage (Tipped Employee)	\$	2.13
Maximum Tip Credit	\$	5.12
Youth Minimum Wage	\$	4.25

MEDICARE

Maximum Taxable Earnings		No Limit
Employee / Employer Tax Rate		1.45%
Additional Medicare Tax Withholding on Wages > \$200,000 (No Employer Match)		0.9%

SOCIAL SECURITY

Maximum Taxable Earnings	\$	137,700
Employee / Employer Tax Rate		6.2%

FUTA (EMPLOYER-PAID)

Maximum Taxable Earnings	\$	7,000
Percent of Taxable Wages		6.0%
Maximum Credit		5.4%
Normal Net Tax		0.6%

SUPPLEMENTAL WAGE / BONUS RATES

Flat rate withholding method		22%
Pay over \$1 million		37%

HEALTH SAVINGS ACCOUNTS

Self-Only Contribution Limit (Employee & Employer)	\$	3,500
Family Contribution Limit (Employee & Employer)	\$	7,000
Catch-up Contribution Limit (Employee & Employer)	\$	1,000

RETIREMENT PLANS

Contribution Limit - 401(k) & 403(b) plans	\$	19,000
Catch-up Contribution Limit - 401(k) & 403(b) plans	\$	6,000

CALIFORNIA

MINIMUM WAGE

Minimum Wage - 26 or more employees	\$	13.00
Minimum Wage - 25 or fewer employees	\$	12.00
Maximum Tip Credit		Not Allowed

STATE INCOME TAX

Wage Withholding		Tables
Supplemental Wage / Bonus Rate		6.6% except 10.23% for BONUSES and earnings from STOCK OPTIONS

UNEMPLOYMENT INSURANCE

Maximum 2020 Taxable Earnings	\$	7,000
Employee Deduction		None
Employer 2020 Tax Rates (Plus 0.1% employment training tax assessed on most employers)		1.5% - 6.2%
Standard 2020 New Employer Rate (Plus 0.1% employment training tax)		3.4%
Voluntary Contribution Permitted		No

DISABILITY INSURANCE

Maximum 2020 Taxable Earnings	\$	118,371
Employee 2020 Deduction Rate		1.0%
Employee 2020 Maximum Withholding	\$	1,183.71
Employer Contribution		None

AGENCY

Franchise Tax Board	www.ftb.ca.gov
Employment Development Dept.	www.edd.ca.gov

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