

ACCOUNTANTS UPDATE FOR 2018

W-2 Box 12 Reporting:

2017 W-2s - Employers that filed 250 or more Forms W-2 in 2016 will be required to report the cost of employer-sponsored group health plan coverage with Code DD.

Unemployment:

Pennsylvania Unemployment taxable wage base increases to \$10,000 from \$9,750 for 2018. The unemployment contribution rate for employees is 0.06 percent on all wages.

One state is losing full FUTA credit for 2017 due to outstanding loans from the Federal Unemployment Account. There will be additional FUTA Tax of \$147 per employee (2.1% up to the federal wage base of \$7000) incurred by employers in California.

2017 Standard Mileage Rates

- 54.5 cents per mile for business miles driven
- 18 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

Pension plan limitations for Year 2018:

Salary Deferral (pretax) Limits

401(k) / 403(b)	\$ 18,500
457(b) State and Local Governments and tax exempt organizations	18,500
Catch-up Contributions	6,000
408(p)(2)(E) Simple Retirement Accounts	12,500
Catch-up Contributions for Simple Plans	3,000

Section 415 Annual Benefits Limits

Defined contribution plans	55,000
Defined benefit plans	220,000

Compensation

Definition of highly compensated employee	120,000
Key employee in a "top-heavy" plan	175,000
Annual compensation limit for qualified plans	275,000

For employers in Pennsylvania and the surrounding states the 2018 minimum wages are as follows:

<u>State</u>	<u>Minimum Wage</u>	<u>Food Service Minimum Cash Wage</u>	<u>Tip Credit</u>	
Delaware	8.25	2.23	6.02	
Maryland	9.25	3.63	5.62	
Maryland	10.10	3.63	6.47	July 1, 2018
New Jersey	8.60	2.13	6.47	
New York	10.40(1)	7.50	2.90	
Pennsylvania	7.25	2.83	4.42	
Federal Minimum	7.25	2.13	5.12	

(1) New York minimum wage for Fast Food Workers is \$11.75.

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