

# ACCOUNTANTS UPDATE FOR 2017

## W-2 Box 12 Reporting:

**2016 W-2s** - Employers that filed 250 or more Forms W-2 in 2015 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 \$9,750 from \$9,500 for 2017 with a future increase in 2018. The unemployment contribution rate for employees remains at 0.07 percent on all wages.

One state is losing full FUTA credit for 2016 due to outstanding loans from the Federal Unemployment Account. There will be additional FUTA Tax of \$126 per employee (1.8% up to the federal wage base of \$7000) incurred by employers in California.

## 2017 Standard Mileage Rates

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

## Pension plan limitations for Year 2017:

### Salary Deferral (pretax) Limits

401(k) / 403(b)	\$ 18,000
457(b) State and Local Governments and tax exempt organizations	18,000
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	54,000
Defined benefit plans	215,000

### Compensation

Definition of highly compensated employee	120,000
Key employee in a "top-heavy" plan	175,000
Annual compensation limit for qualified plans	270,000

## For employers in Pennsylvania and the surrounding states the 2017 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	8.75	3.63	5.12	
Maryland	9.25	3.63	5.62	July 1, 2017
New Jersey	8.44	2.13	6.31	
New York	9.70(1)	7.50	2.20	
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 \$10.75.

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