

**PAYROLL**

	2026	2025
<b>FICA / MEDICARE &amp; SELF-EMPLOYMENT TAX</b>		
Taxable wages for social security / Medicare	Up to \$184,500 / All	Up to \$176,100 / All
Maximum social security / Medicare tax	\$11,439.00 / No Limit	\$10,918.00 / No Limit
Social Security / Medicare tax rate (Employee - wages under \$200K)	6.20% / 1.45%	6.20% / 1.45%
Medicare tax rate (Employee > \$200K single, \$250K MFJ, \$125K MFS)	2.35%	2.35%
Social security / Medicare tax rate (employers)	6.20% / 1.45%	6.20% / 1.45%
Social security / Medicare tax rate (self-employed - up to limits below)	12.4% / 2.9%	12.4% / 2.9%
Medicare tax rate (Self-employed > \$200K single, \$250K MFJ, \$125K MFS)	3.80%	3.80%
<b>FUTA (Federal Unemployment Tax)</b>		
Taxable wage base	\$7,000	\$7,000
Maximum contributions	\$42	\$42
Net tax rate (6% less FUTA credit reduction of 5.4% for state UI taxes paid)	0.60%	0.60%
<b>SOCIAL SECURITY EARNINGS LIMIT</b>		
Under Full Retirement Age (age 65 - 67 depending on D.O.B.)	\$24,480	\$23,400
Over Full Retirement Age	No Limit	No Limit

**FEDERAL TAX DEPOSITORY RULES:**

**MONTHLY** - If the annual accumulated tax liability is < = \$50,000 for the lookback period, deposit monthly by the 15th of the following month regardless of pay date.

**SEMI-WEEKLY** - If the annual accumulated tax liability is > \$50,000 for the lookback period and

\* payroll check date is Wed, Thur, Fri, deposit by the following **Wednesday**.

\* payroll check date is Sat, Sun, Mon or Tues, deposit by the following **Friday**.

**EXCEPTIONS:**

\* De minimis Rule - If the quarterly accumulated tax liability is less than \$2,500 for the quarter, remit the liability with the quarterly tax return.

\* \$100,000 Rule - If the accumulated tax liability is \$100,000 or more, deposit the liability on the next banking day.

**LOOKBACK PERIOD:**

Cumulative tax liability for the preceding period July 1, 2024 through June 30, 2025

**ELECTRONIC FEDERAL TAX PAYMENT SYSTEM (EFTPS):**

Tax deposits must be made through EFTPS (Electronic Federal Tax Payment System) utilizing either the Internet or telephone. This requirement applies to corporate income tax, estimated corporate income tax, employment taxes (FUTA, FICA, withholding), and excise taxes. Taxpayers are subject to a 10% penalty for failure to deposit by EFTPS. The only exception to this is if the taxpayer is remitting less than \$2,500 in employment taxes for the entire quarter.

**STATE RATES:**

	Rate
<b>PENNSYLVANIA INCOME TAX WITHHOLDING</b>	3.07%
Nonresident Withholding	> \$5,000
<b>PENNSYLVANIA UNEMPLOYMENT</b>	
Employer taxable wage base for employees	\$10,000
Employee tax w/h rate	0.07%/No Limit

**NEW JERSEY INCOME TAX WITHHOLDING**

Employee withholding rates	1.50% to 11.8%
Construction Contractor Services	7.00%

**NEW JERSEY UNEMPLOYMENT**

UI/WF employee taxable wage base	\$44,800
TDI/FLI employee taxable wage base	\$171,100
Unemployment tax withholding rate for employees:	
Unemployment (UI)	0.003825
Disability (DI)	0.001900
Workforce Development (WF)	0.000425
Family Leave (FLI)	0.002300

**DELAWARE INCOME TAX WITHHOLDING**

Graduated from	2.20% to 6.60%
For annual wages paid in excess of	\$2,000

**DELAWARE UNEMPLOYMENT**

Employer taxable wage base for employees	.6% - 5.6%
	\$14,500

	Minimum Wage Rates	w/ Tips
Federal	\$7.25	\$2.13
Pennsylvania	\$7.25	\$2.83
New Jersey	\$15.92	\$6.05
Delaware	\$15.00	\$2.23
Florida	\$14.00	\$10.98

Philadelphia Wage Tax	
Resident	3.7400%
Non-Resident	3.4300%

INDIVIDUAL - RETIREMENT		INDIVIDUAL - EDUCATION			
	2026	2025	2026		
<b>IRA CONTRIBUTION LIMIT</b>	\$7,500	\$7,000	<b>LIFETIME LEARNING CREDIT</b>	\$2,000	\$2,000
50 & over catch-up	\$1,100	\$1,000	<b>AMERICAN OPPORTUNITY CREDIT</b>	\$2,500	\$2,500
<b>SIMPLE DEFERRAL LIMIT</b>	\$17,000	\$16,500	Income Phaseouts for Credits:		
50-59 or 64 & over catch-up	\$4,000	\$3,500	Single/Head of Household	\$80,000 - \$90,000	\$80,000 - \$90,000
60-63 catch-up	\$5,250	\$5,250	Married filing Joint	\$160,000 - \$180,000	\$160,000 - \$180,000
<b>401(k) DEFERRAL LIMIT</b>	\$24,500	\$23,500	Married filing separately	N/A	N/A
50-59 or 64 & over catch-up	\$8,000	\$7,500	<b>QUALIFIED TUITION PROGRAMS (529 PLANS)</b>		
60-63 catch-up	\$11,250	\$11,250	Single/Head of Household/Married filing separately	\$19,000	\$19,000
<b>PHASE-OUT INCOME LEVELS FOR:</b>			Married filing Joint	\$38,000	\$38,000
<b>IRA DEDUCTIBILITY (with workplace retirement plan)</b>			Superfund - 5 yr Single/MFJ	\$95,000/\$190,000	\$95,000/\$190,000
Single / Head of Household	\$81,000 - \$91,000	\$79,000 - \$89,000	K-12 Tuition Distributions - Annual	\$20,000	\$10,000
Married filing Joint	\$129,000 - \$149,000	\$126,000 - \$146,000	Student Loan Repayment - Lifetime	\$10,000	\$10,000
Joint & Spouse with no income or no plan	\$242,000 - \$252,000	\$236,000 - \$246,000			
Married filing separately	\$0 - \$10,000	\$0 - \$10,000			
<b>ROTH IRA CONTRIBUTION ELIGIBILITY</b>					
Single/Head of Household	\$153,000 - \$168,000	\$150,000 - \$165,000			
Married filing Joint	\$242,000 - \$252,000	\$236,000 - \$246,000			
Married filing separately	\$0 - \$10,000	\$0 - \$10,000			
Rollover of regular IRA to Roth IRA	No Limit	No Limit			
Rollover of 529 to Roth IRA/Lifetime	\$7000/\$35,000	\$7000/\$35,000			
BUSINESS					
	2026	2025			
<b>SECTION 179 DEPRECIATION</b>			<b>INDIVIDUAL - OTHER</b>		
Maximum deduction limit	\$2,560,000	\$2,500,000	<b>ESTATE TAX EXCLUSION</b>	\$15,000,000	\$13,990,000
Phase-out threshold	\$4,090,000	\$4,000,000	<b>ANNUAL GIFT EXCLUSION</b>	\$19,000	\$19,000
<b>BONUS DEPRECIATION</b>			<b>HEALTH SAVINGS ACCOUNT (HSA)</b>		
Property Acquired after 1/19/25	100%	100%	Self-Only Coverage	\$4,400	\$4,300
Property Acquired before 1/20/25	20%	40%	Family Coverage	\$8,750	\$8,550
<b>STANDARD MILEAGE RATE</b>			Age 55 and older Catch-Up	\$1,000	\$1,000
Business	72¢	70¢	<b>CHILD TAX CREDIT &amp; PHASE-OUT INCOME LEVELS</b>		
Charitable activities	14¢	14¢	Children under age 17 (CTC)	\$2,200	\$2,200
Medical/Moving expense	20.5¢	21¢	Other Dependent Credit (ODC)	\$500	\$500
			Single/Married filing separately/HOH	\$200,000	\$200,000
			Married filing Joint	\$400,000	\$400,000
			<b>STANDARD DEDUCTION</b>		
			Single/Married filing separately	\$16,100	\$15,750
			Married filing Joint	\$32,200	\$31,500
			Head of Household	\$24,150	\$23,625
			Additional amount for Age 65 or older (Single, HOH)	\$2,050	\$2,000
			Additional amount for Age 65 or older (MFJ, MFS)	\$1,650	\$1,600
			<b>SENIOR DEDUCTION w/MAGI Phase-out</b>	\$6,000	\$6,000