

Year 2022 Payroll Wage and Tax Highlights

FEDERAL TAXES

TYPE OF TAX	TAXABLE WAGE BASE	EMPLOYER TAX RATE	EMPLOYEE TAX RATE	MAXIMUM EMPLOYER TAX	MAXIMUM EMPLOYEE TAX
SOCIAL SECURITY	\$ 147,000.00	6.20 %	6.20 %	\$ 9,114.00	\$ 9,114.00
MEDICARE	NO LIMIT	1.45 %	1.45 %	NO LIMIT	NO LIMIT
MEDICARE	OVER \$ 200,000	0.00 %	0.90 %	0.00	NO LIMIT
FUTA	\$ 7,000	.60 %	N/A	\$ 42.00	N/A
FEDERAL INCOME TAX	New income tax withholding tables released for 2022. Supplemental Wages – Flat withholding rate of 22%. 37% for supplemental wages exceeding \$1,000,000.00.				

STATE AND LOCAL TAXES

STATE	WITHHOLDING TAX RATE	COMMENTS
PA	3.07 %	Flat percent on taxable wages.
NJ	1.50 % -11.80 %	Graduated according to withholding tables A thru E. Yearly withholding allowance of \$1,000 per exemption reduces gross.
PA - EIT	PA ACT 32 went into effect on January 1, 2012. The local EIT rate for withholding must be the greater of the employee's resident rate or the work location nonresident rate.	
PA LST/OPT	Most municipalities impose a Local Services Tax or an Occupational Privilege Tax, which can range from \$ 10 to \$ 52 per year. Distressed cities may elect a higher LST rate. For amounts over \$ 10, the tax is prorated over the number of pay periods in the year. Refer to your local municipality for further information.	

STATE UNEMPLOYMENT TAXES

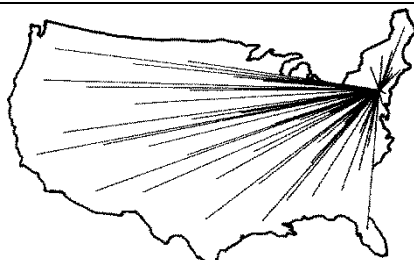
STATE	TAXABLE WAGE BASE	EMPLOYEE TAX RATE	COMMENTS	BASE WEEK WAGES
PA	\$ 10,000.00	0.06 %	Employees taxed on total wages. Employer pays tax on first \$ 10,000.00 with rate assigned by state.	\$ 116.00
NJ	\$ 151,900.00	0.280 %	Employee taxed on first \$ 151,900.00 of wages including tips, sick pay and taxable fringe benefits for DI and FLI.	\$ 240.00
	\$ 39,800.00	0.425 %	Employee taxed on first \$39,800.00 of wages including tips, sick pay and taxable fringe benefits for UI and WF. Employer pays tax on first \$ 39,800.00 for UI, WF and DI with rate assigned by state.	

MINIMUM HOURLY WAGE

FEDERAL/STATE	MINIMUM PER HOUR	MINIMUM WITH TIPS	MAXIMUM CREDIT FOR TIPS	MAXIMUM TIP CREDIT %
FEDERAL	\$ 7.25 (1)	\$ 2.13	\$ 5.12	N/A
PA	\$ 7.25 (1)	\$ 2.83	\$ 4.42	N/A
NJ	\$ 13.00 (1)	\$ 5.13	\$ 7.87	N/A

(1) The reasonable cost of meals and lodging by an employer may be treated as "wages" for the purposes of satisfying the minimum wage requirements if they are furnished primarily for the benefit of the employees and are voluntarily accepted by them.

December 7, 2021



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Any changes occurring after December 7, 2021 will be reflected on our website.

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