

## **2019 PAYROLL TAX ALERT**

### **SOCIAL SECURITY TAX**

For 2019, employees and employers will pay 6.2% (.062) each for Social Security (OASDI) tax on a taxable wage base of \$132,900, for a combined 12.4% on wages paid up to the maximum wage base. The Medicare portion of the tax remains at 1.45% (.0145) for both the Employee and Employer, for a combined 2.9% on all wages paid (there is no wage ceiling on the Medicare tax.) The additional Medicare tax of 0.09% is to be withheld from an employee's wages in excess of \$200,000 annually, there is no employer matching of the additional Medicare Tax.

### **PENNSYLVANIA PERSONAL INCOME TAX**

The employee withholding rate for Pennsylvania Personal Income Tax remains 3.07% (.0307).

### **PENNSYLVANIA UNEMPLOYMENT COMPENSATION**

The maximum taxable wage base for Pennsylvania Unemployment will remain at \$10,000 for 2019. The Employee withholding contributions rate for the PA State Unemployment Fund will also remain at .06% (.0006) of all wages.

### **LOCAL SERVICES TAX (LST)**

If the LST tax exceeds \$10 for 2019, employee withholding must be done pro rata over the year. Withholding would be \$1/week if employees are paid weekly or \$2/pay for a bi-weekly payroll for a \$52 tax, remitted to the taxing authority quarterly. Check with your local income tax collector for specific municipal requirements.

### **UPDATED I-9 & W-4**

An updated I-9 & W-4 Form is available and required to be completed for all employees hired in 2019.

### **1099 REPORTING**

1099-MISC forms should be issued to unincorporated independent contractors for services, rents and other income payments you paid them during 2018. In addition, all fees paid to lawyers require a 1099-MISC. 1099s for Non-Employee Compensation are to be given to recipients and filed with the IRS by 1/31/19. The remaining 1099 Forms for rents, other income, interest and dividends are due 2/28/19.

### **MINIMUM WAGE RATES**

Federal minimum wage rate for all employers is \$7.25 per hour. Please remember that States also have their own minimum wage laws, which may require a higher pay rate than the Federal law.