



SOCIAL SECURITY (FICA) AND SDI RATES FOR 2017

Below are the FICA and State Disability Insurance (SDI) rates for 2017.

FICA The total FICA tax rate is 7.65% for employees and total FICA tax rate is 7.65% for employers. FICA is made up of two parts: OASDI (Old Age Survivor Disability Insurance) and HI (Hospital Insurance), which is Medicare.

The 2017 rates are as follows:

OASDI Portion for Employee	
- Tax rate	6.2%
- Maximum taxable wage base	\$127,200.00 *
- Maximum tax	\$7,886.40 **
OASDI Portion for Employer	
- Tax rate	6.2%
- Maximum taxable wage base	\$127,200.00 *
- Maximum tax	\$7,886.40 ***
HI (Medicare) for Employee/Employer	
- Tax rate	1.45%
- Maximum taxable wage base	No Limit
- Maximum tax	No Limit

* The 2016 OASDI Maximum taxable wage base was \$118,500.00

** The 2016 OASDI maximum tax was \$7,347.00 for employee

*** The 2016 OASDI maximum tax was \$7,347.00 for employer

NOTE:

- All employees that were hired/rehired after March 31, 1986, and do not pay full FICA taxes are required to pay the HI (Medicare) tax.
- All employees who are not members of a retirement program do not have to pay FICA taxes if they contribute to the Deferred Compensation 475(b) account at least 7.5% of their regular bi-weekly earnings, up to \$127,200.

ADDITIONAL MEDICARE TAX

Additional Medicare Tax went into effect for taxable years beginning after December 31, 2012. The rate is 0.9 percent plus 1.45%, Total Additional Medicare Tax is 2.35%. Employers do not pay the additional 0.9% in matching contributions.

INDIVIDUALS LIABLE FOR ADDITIONAL MEDICARE TAX

An individual is liable for Additional Medicare Tax if the individual's wages, other compensation, or self-employment income (together with that of his or her spouse if filing a joint return) exceed the threshold amount for the individual's filing status. See chart below:

Filing Status	Threshold Amount
Married filing jointly	\$250,000
Married filing separately	\$125,000
Single	\$200,000
Head of household (with qualifying person)	\$200,000
Qualifying widow(er) with dependent child	\$200,000

SDI

The 2017 State Disability Insurance tax is as follows:

SDI	
- Tax rate	0.9% *
- Maximum taxable wage base	\$110,902.00 **
- Maximum tax	\$998.12 ***

** The 2016 SDI tax rate was 0.9%

** The 2016 SDI maximum taxable wage base was \$106,742.00.

*** The 2016 SDI maximum tax was \$960.68.

QUESTIONS

If you have questions regarding the information on this directive, please contact Elizabeth Li at (415) 701-3457.