



2007 --- Fast Wage and Tax Facts

Published on 12/5/2006 --- subsequent changes may occur.

(for latest info --- check, then print: <http://smallbusiness.adp.com/accountants/resources.asp>)

FEDERAL

Agency internet web sites:

- Internal Revenue Service: www.irs.gov
- Social Security Administration: www.ssa.gov
- U.S. Dept. of Labor: www.dol.gov

Minimum Wage: \$5.15

Minimum Cash Wage: \$2.13
(Tipped Employee)

Maximum Tip Credit: \$3.02

Youth Sub-Minimum Wage: \$4.25

FICA (Social Security)

Maximum Taxable Earnings: \$97,500
(Up from \$94,200 in 2006)

EE / ER Deduction: 6.2%

Maximum Deduction: \$6,045.00
(Up from \$5,840.40 in 2006)

Self-Employment Tax: 12.4%

FICA (Medicare)

Maximum Taxable Earnings: No Limit

EE / ER Deduction: 1.45%

Maximum Deduction: No Limit

Self-Employment Tax: 2.9%

FUTA (Employer-Paid)

Maximum Taxable Earnings: \$7,000

Percent of Taxable Wages: 6.2%

Maximum Credit: 5.4%

Normal Net Tax: 0.8%

Supplemental Wage/Bonus

Rate (flat rate withholding method): 25%

--Pay Over \$1 Million: 35%

MASSACHUSETTS

Agency internet web sites:

- Dept. of Revenue: www.dor.state.ma.us/
- Div. of Unemployment Assistance: www.detma.org

	Effective 1/1/01	Effective 1/1/07	Effective 1/1/08
Minimum Wage:	\$6.75	\$7.50	\$8.00

Minimum Cash Wage: \$2.63 \$2.63 \$2.63
(Tipped Employee)

Maximum Tip Credit: \$4.12 \$4.87 \$5.37

State Income Tax

Wage Withholding: Table
Supplemental Wage/ Bonus Rate: 5.3%

Unemployment Insurance

Maximum 2007 Taxable Earnings: \$14,000
(Unchanged from \$14,000 in 2006)

Employee Deduction: None

Employer 2006 Tax Rates: 1.12 - 10.96%
(PLUS 0.06% workforce training tax)

Standard 2006 New Employer Rate: 2.53%
(PLUS 0.06% workforce training tax)

Employer Health Ins. Contribution: 0.12%
(New employers not liable during first 2 years;
3rd year rate is 0.04%; 4th year rate is 0.08%.
For all subsequent years, tax rate of 0.12%)

Voluntary Contribution Permitted: Yes

Disability Insurance

Employee Deduction: None

Ask ADP . . .

the leading provider of

integrated business services:

PAYROLL SERVICES

H.R. SOLUTIONS

TAX & COMPLIANCE MANAGEMENT

BENEFIT & RETIREMENT SERVICES

PROFESSIONAL EMPLOYER ORGANIZATION

TIME & LABOR MANAGEMENT

SMALL BUSINESS SERVICES

ADP, Inc.

For information about the cost-effective solutions from ADP, call your local ADP Representative at 1-800-225-5237
ALSO, check www.adp.com

ADP does not render wage, tax or legal advice. Minimum wage rates may vary by industry. State minimum wage rates may be superseded by Federal. Contact proper agency to verify.