

## Compensation and Benefits by the Numbers – 2017 Changes

Compensation	2016	2017
MA Minimum Wage Rate	\$10/hour	\$11/hour
Federal Minimum Wage Rate	\$7.25/hour	\$7.25/hour
Social Security Taxable Wage Base	\$118,500	\$127,200

Tax Rates for Employers and Employees	2016	2017
FICA Tax	7.65%	7.65%
Social Security Tax	6.2%	6.2%
Medicare Tax*	1.45%	1.45%

**\*Note:** An additional 0.9 percent for Medicare taxes (called Additional Medicare Tax) must be withheld from an employee's compensation in excess of \$200,000.

Health Savings Accounts (HSA) and High Deductible Health Plans (HDHP)	Single Coverage		Family Coverage	
	2016	2017	2016	2017
HSA Maximum Annual Contribution	\$3,350	\$3,400	\$6,750	\$6,750
HDHP Minimum Annual Deductible	\$1,300	\$1,300	\$2,600	\$2,600
HDHP Maximum Annual Out of Pocket Expenses	\$6,550	\$6,550	\$13,100	\$13,100

**Note:** For 2017, the HSA catch up contribution limit for participants age 55 or older on December 31, 2017, remains at \$1,000.

Affordable Care Act (ACA)	2016	2017
Minimum Percent of Full-time Employees and Their Children to Whom Coverage Must Be Offered	95%	95%
Minimum a Plan Must Pay for Covered Health Expenses (i.e., minimum value)	60%	60%
Maximum Employees Required to Pay as Percent of Household Income (i.e., affordable coverage requirement)	9.66%	9.69%
Penalty Per Month for Failure to Offer Coverage	\$2,160/12 x # Full-Time Employees Minus Up to 30	\$2,260/12 x # Full-Time Employees Minus Up to 30
Penalty Per Month for Failure to Offer Affordable Coverage	\$3,240/12 Per Full-Time Employee Receiving Tax Credit Up to Max of \$2,160/12 x # Full-Time Employees Minus Up to 30	\$3,390/12 Per Full-Time Employee Receiving Tax Credit Up to Max of \$2,260/12 x # Full-Time Employees Minus Up to 30

**Note:** The ACA requirements apply to employers employing an average of 50 or more full-time equivalent employees in the prior year. Full-time means 30 hours.

Flexible Spending Accounts	2016	2017
Health FSA Maximum Election	\$2,550	\$2,600
Dependent Care FSA Maximum Election	\$5,000	\$5,000

Transportation Benefits	2016	2017
Parking	\$255/mo.	\$255/mo.
Mass Transit	\$255/mo.	\$255/mo.

Retirement Plans	2016	2017
<b>401(k), 403(b), and 457(b) Plans</b>		
Employee Deferral Limit	\$18,000	\$18,000
Catch Up Contribution	\$6,000	\$6,000
Defined Contribution Dollar Limit (Annual Additions Limit)	\$53,000	\$54,000
Defined Benefit Dollar Limit	\$210,000	\$215,000
Annual Compensation Limit	\$265,000	\$270,000
Highly Compensated Employees	\$120,000	\$120,000
Key Employee/Officer	\$170,000	\$175,000
<b>Individual Retirement Accounts</b>		
Contribution Limit	\$5,500	\$5,500
Catch Up Contribution	\$1,000	\$1,000