

Compensation and Benefits by the Numbers: 2020

Compensation	2020	2019
MA Minimum Wage Rate	\$12.75/hour	\$12/hour
MA Minimum for Tipped Staff	\$4.95/hour	\$4.35/hour
Federal Minimum Wage Rate	\$7.25/hour	\$7.25/hour
Federal Contractors	\$10.80/hour	\$10.60/hour
IRS Mileage Reimburse Rate	57.5¢	58¢

Social Security & Medicare	2020	2019
FICA Tax (SS & Medicare Combined)	7.65%	7.65%
Social Security Tax (OASDI)	6.2%	6.2%
Social Security Taxable Wage Base	\$137,700	\$132,900
Medicare Tax (no limit)	1.45%	1.45%
Additional Medicare Tax on Wages > \$200,000	.9%	.9%

Health Savings Accounts (HSA) and High Deductible Health Plans (HDHP)	Single Coverage		Family Coverage	
	2020	2019	2020	2019
HSA Maximum Annual Contribution	\$3,550	\$3,500	\$7,100	\$7,000
HDHP Minimum Annual Deductible	\$1,400	\$1,350	\$2,800	\$2,700
HDHP Maximum Annual Out of Pocket Expenses	\$6,900	\$6,750	\$13,800	\$13,500

Note: For 2020, the HSA catch up contribution limit for participants age 55 or older on December 31, 2020, remains at \$1,000.

Affordable Care Act (ACA)	2020	2019
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)	9.78%	9.86%
Penalty Per Month for Failure to Offer Coverage	\$2,570 x # Full-Time Employees Minus Up to 30	\$2,500/12 x # Full-Time Employees Minus Up to 30
Penalty Per Month for Failure to Offer Affordable Coverage	\$3,860/12 Per Full-Time Employee Receiving Tax Credit Up to Max of \$2,320/12 x # Full-Time Employees Minus Up to 30	\$3,750/12 Per Full-Time Employee Receiving Tax Credit Up to Max of \$2,320/12 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	2020	2019
Health FSA Maximum Election	\$2,750	\$2,700
Dependent Care FSA Maximum Election	\$5,000	\$5,000

Other Programs	2020	2019
Commuter (Parking & Transit)	\$270	\$265
Adoption Assistance	\$14,300	\$14,080

Retirement Plans	2020	2019
401(k), 403(b), and 457(b) Plans		
Employee Deferral Limit	\$19,500	\$19,000
Catch Up Contribution	\$6,500	\$6,000
Defined Contribution Plan Annual Additions Limit	\$57,000	\$56,000
Defined Benefit Plan Annual Benefit Limit	\$230,000	\$225,000
Annual Compensation Limit	\$285,000	\$280,000
Highly Compensated Employee Threshold	\$130,000	\$125,000
Key Employee/Officer	\$185,000	\$180,000
Individual Retirement Accounts		
Contribution Limit	\$6,000	\$6,000
Catch Up Contribution	\$1,000	\$1,000