Quick Reference Tool

hr@work

# Compensation and Benefits by the Numbers: 2021

| Compensation | 2020 | 2021 |
|---|---|---|
| MA Minimum Wage Rate | $12.75/hour | $13.50/hour |
| MA Minimum for Tipped Staff | $4.95/hour | $5.55/hour |
| Federal Minimum Wage Rate | $7.25/hour | $7.25/hour |
| Federal Contractors | $10.80/hour | $10.95/hour |
| IRS Mileage Reimburse Rate | 57.5¢ | 56¢ |

| Social Security & Medicare | 2020 | 2021 |
|---|---|---|
| FICA Tax (SS & Medicare Combined) | 7.65% | 7.65% |
| Social Security Tax (OASDI) | 6.2% | 6.2% |
| Social Security Taxable Wage Base | $137,700 | $142,800 |
| Medicare Tax (no limit) | 1.45% | 1.45% |
| Additional Medicare Tax on Wages > $200,000, single filers; $250,000 joint filers | .9% | .9% |

| Health Savings Accounts (HSA) and High Deductible Health Plans (HDHP) | Single Coverage | | Family Coverage | |
|---|---|---|---|---|
| | 2020 | 2021 | 2020 | 2021 |
| HSA Maximum Annual Contribution | $3,550 | $3.600 | $7,100 | $7,200 |
| HDHP Minimum Annual Deductible | $1,400 | $1,400 | $2,800 | $2,800 |
| HDHP Maximum Annual Out of Pocket Expenses | $6,900 | $7,000 | $13,800 | $14,000 |

**Note:** For 2021, the HSA catch up contribution limit for participants age 55 or older on December 31, 2021, remains at $1,000 (no change from prior year).

| Affordable Care Act (ACA) | 2020 | 2021 |
|---|---|---|
| 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% | 9.83% |
| Penalty for Failure to Offer Minimum Essential Coverage to 95% of Full-time Employees | $2,570 ($214.17/month) per full-time employee minus first 30 | $2,700 ($225/month) per full-time employee minus first 30 |
| Penalty for Failure to Offer Affordable Coverage | $3,860 ($321.67/month) per full-time employee receiving subsidized coverage minus first 30 | $4,060 ($338.33/month) per full-time employee receiving subsidized coverage minus first 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 is considered to be 30 hours.

| Flexible Spending Accounts | 2020 | 2021 |
|---|---|---|
| Health FSA Maximum Election | $2,750 | $2,750 |
| Dependent Care FSA Maximum Election (*American Rescue Plan Act temporarily increased maximum for 2021 to $10,500) | $5,000 | $5,000 *$10,500 |

| Other Programs | 2020 | 2021 |
|---|---|---|
| Commuter (Parking & Transit) | $270 | $270 |
| Adoption Assistance | $14,300 | $14,660 |

| Retirement Plans | 2020 | 2021 |
|---|---|---|
| **401(k), 403(b), and 457(b) Plans** | | |
| Employee Deferral Limit | $19,500 | $19,500 |
| Catch Up Contribution | $6,500 | $6,500 |
| Defined Contribution Plan Annual Additions Limit | $57,000 | $58,000 |
| Defined Benefit Plan Annual Benefit Limit | $230,000 | $230,000 |
| Annual Compensation Limit | $285,000 | $290,000 |
| Highly Compensated Employee Threshold | $130,000 | $130,000 |
| Key Employee/Officer | $185,000 | $185,000 |
| **Individual Retirement Accounts** | | |
| Contribution Limit | $6,000 | $6,000 |
| Catch Up Contribution | $1,000 | $1,000 |