

2026 Compensation & Benefits by the Numbers

(Updated for IRS Mileage Rate for Period July 1-December 31)

Compensation	2026	2025
MA Minimum Wage Rate	\$15.00/hour	\$15.00/hour
MA Minimum for Tipped Staff	\$6.75/hour	\$6.75/hour
Federal Minimum Wage Rate	\$7.25/hour	\$7.25/hour
Federal Contractors	\$13.30/hour	\$17.20/hour
IRS Standard Mileage Reimbursement Rate	76¢	70¢

Social Security & Medicare	2026	2025
FICA Tax (SS & Medicare Combined)	7.65%	7.65%
Social Security Tax (OASDI)	6.2%	6.2%
Social Security Taxable Wage Base	\$184,500	\$176,100
Medicare Tax (no limit)	1.45%	1.45%
Additional Medicare Tax on Wages > \$200,000; \$250,000 joint filers	.9%	.9%

MA PFML Contribution Rates	2026			2025		
	Total	Medical	Family	Total	Medical	Family
25+ Covered Individuals						
• Total	.88%	.70%	.18%	.88%	.70%	.18%
• Employer Share		.42%	0%		.42%	0%
• Employee Share		.28%	.18%		.28%	.18%
<25 Covered Individuals						
• Total	.46%	.28%	.18%	.46%	.28%	.18%
• Employer Share		0%	0%		0%	0%
• Employee Share		.28%	.18%		.28%	.18%
MA PFML Max Weekly Benefit	\$1,230.39			\$1,170.64		

Health Savings Accounts (HSA) and High Deductible Health Plans (HDHP)	Single Coverage		Family Coverage	
	2026	2025	2026	2025
HSA Maximum Annual Contribution	\$4,400	\$4,300	\$8,750	\$8,550
HDHP Minimum Annual Deductible	\$1,700	\$1,650	\$3,400	\$3,300
HDHP Maximum Annual Out of Pocket Expenses	\$8,500	\$8,300	\$17,000	\$16,600

Note: For 2025 and 2026 the HSA catch up contribution limit for participants who are 55 or older remains at \$1,000.

Affordable Care Act (ACA)	2026	2025
Maximum Employees Required to Pay as Percent of Household Income (i.e., affordable coverage)	9.96%	9.02%
Penalty for Failure to Offer Minimum Essential Coverage to 95% of Full-time Employees	\$3,340 (\$278.33/month) per full-time employee minus first 30	\$2,900 (\$241.67/month) per full-time employee minus first 30
Penalty for Failure to Offer Affordable Coverage	\$5,010 (\$417.50/month) per full-time employee receiving subsidized coverage minus first 30	\$4,350 (\$362.50/month) per full-time employee receiving subsidized coverage minus first 30

Note: ACA applies to employers with an average of 50 or more FTE employees in the prior year. Full-time is 30 hours/week.

Flexible Spending Accounts and HRA	2026	2025
Health FSA Maximum Election	\$3,400	\$3,300
Health FSA Maximum Carryover	\$680	\$660
Excepted Benefit HRA Max Available	\$2,200	\$2,150
Dependent Care FSA Maximum Election	\$7,500*	\$5,000*

Other Programs	2026	2025
Monthly Commuter (Parking & Transit)	\$340	\$325
Adoption Assistance Tax Exclusion	\$17,670	\$17,280

***Note:** Dependent Care FSA maximum election is \$2,500 for 2025 and \$3,750 for 2026 if married and filing separately.

Retirement Plans	2026	2025
Maximum Pre-tax Employee Contribution (401k, 403b, and 457b)	\$24,500	\$23,500
Catch Up Contribution (401k, 403b, and 457b) for ages 50 and above	\$8,000/\$11,250*	\$7,500/\$11,250
Maximum Contribution (IRA)	\$7,500	\$7,000
Catch Up Contribution (IRA)	\$1,100	\$1,000

***Note:** In general, the catch-up is \$8,000. However, the catch-up contribution for those ages 60 to 63 is \$11,250.