



**SOCIAL SECURITY CHANGES -**

- ⇒ The base payroll subject to the Social Security Tax is \$137,700 .
- ⇒ The Employee Social Security rate will compute at .062 to a maximum deduction of \$8,537.40.
- ⇒ All payroll is subject to Medicare Tax.
- ⇒ The Employee Medicare tax rate of .0145 will be computed on all earned income.
- ⇒ Computation of Payroll Tax Deposit:  
To compute the required deposit amount, you can use the following method: Federal Income Tax Withheld plus (Social Security Withheld and Medicare Withheld multiplied by 2) equals the amount of your deposit.
- ⇒ The self-employed rate remains at 15.3%, comprised of 12.4% for Social Security and 2.9% for Medicare Tax.
- ⇒ You are required to withhold an additional Medicare tax of .9% on wages in excess of \$200,000. The additional Medicare tax is implemented on Medicare wages, railroad retirement compensation and self-employment income of more than \$125,000-MFS; \$250,000-MFJ; \$200,000-SINGLE,HOH,WIDOW(ER).

**NEW JERSEY UNEMPLOYMENT INSURANCE -**

- ⇒ The base payroll subject to the tax increases to \$35,300 from \$34,400 for employee's unemployment & workforce development—maximum \$150.03 Employee's disability insurance and family leave insurance wage base increases form \$34,400 to \$134,900—maximum \$566.58 .  
( UI - .3825% DI - .26% WF - .0425% FLI - .16 %)

**FEDERAL UNEMPLOYMENT INSURANCE -**

- ⇒ The 2020 rate remains at .6%.
- ⇒ The base wage subject to the tax will remain at \$7,000, with a maximum employer contribution of \$42.

**WAGE AND HOURS -**

- ⇒ The Federal minimum wage is \$7.25. The NJ minimum wage increased to \$11.00.

**IRA CONTRIBUTIONS -**

- ⇒ For 2020, IRA contributions will be \$6,000 per person for individuals under age 50, and can be made up until 4/15/21. The limit is increased an additional \$1,000 to \$7,000 for individuals who have attained age 50 before the end of the year. The eligibility requirements vary depending on the type of IRA, your filing status, whether you are in a pension plan and on your adjusted gross income.

**SOCIAL SECURITY RULES -**

- ⇒ Social Security and Supplemental Security Income beneficiaries will receive a 1.6% increase in benefits for 2020. The average monthly Social Security benefit amount for retired workers will be \$1,503.
- ⇒ Individuals reaching full retirement age may earn unlimited income without loss of benefits. There is a modified test that applies for the year an individual reaches full retirement age. In that year for the months prior to attaining full retirement age, an individual may earn \$4,050 a month before loss of benefits, or \$48,600 for the year. Individuals under full retirement age may earn \$1,520 a month, or \$18,240 for the year of earned income before loss of benefits. (The full retirement age those born from 1937 and prior is 65 and gradually increases to 67 for those born for years thereafter.)

2020

**January**

S	M	T	W	T	F	S
				1	2	3
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

**February**

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

**March**

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

**April**

S	M	T	W	T	F	S
				1	2	3
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

**May**

S	M	T	W	T	F	S
						1
						2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

**June**

S	M	T	W	T	F	S
1	2	3	4	5	6	
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

**July**

S	M	T	W	T	F	S
				1	2	3
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

**August**

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

**September**

S	M	T	W	T	F	S
1	2	3	4	5		
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

**October**

S	M	T	W	T	F	S
						1
						2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

**November**

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

**December**

S	M	T	W	T	F	S
						1
						2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

**STEPHEN STEMPINSKI, C.P.A.**  
**JOSEPH GORMLEY, C.P.A.**  
 195 MAIN STREET  
 SUITE 201  
 METUCHEN, NJ 08840  
 (732) 549-1116

**REMINDERS  
 FOR  
 2020**

