

TO: All Human Resource Directors for
Agencies Serviced by the
Bureau of Commonwealth Payroll Operations (BCPO)

FROM: Stephen R. Burns
Director
Bureau of Commonwealth Payroll Operations



DATE: November 20, 2015

RE: BCPO Memo #15-04, Social Security Rates - 2016

The Social Security Administration has announced changes to the maximum earnings subject to Social Security and Medicare tax for 2016 as follows:

- 1) The Social Security Tax rate will remain at 6.2 percent. The maximum taxable earnings subject to Social Security Tax is \$118,500—unchanged from 2015. The maximum employee/employer Social Security Deduction will be \$7,347.
- 2) The Medicare portion will remain at 1.45 percent on wages up to \$200,000 and increase to 2.35 percent on wages greater than \$200,000. As in 2015, there is no limit to wages subject to the Medicare portion of the tax.

Please share this information with the appropriate Human Resource, Payroll, and Budget staff members. Questions on this subject may be referred to any Payroll Staff Member.

cc: Anna Maria Kiehl, Chief Accounting Officer, Office of the Budget
James Honchar, Deputy Secretary, Human Resources & Management
Jeff Snyder, Manager IES Payroll, Office of Administration
Bureau Directors (5)