



208 North Washington Street
 Naperville IL 60540-4514
 (630) 355-8188 fax (630) 355-8675
 www.jobcost.com

DATE: January 4, 2016
 SUBJECT: **2016 Released** Tax Changes for Visual ContrAcct Customers

Complete the **2015** Year End Instructions and then proceed with the following tax changes.

2016 TAX TABLE – Publication 15 (Circular E) Released

FEDERAL INFORMATION & WITHHOLDING TAX TABLE

Admin > Payroll > Tax Tables > Federal

[-----INFORMATION-----]

Standard Exemption	\$4,050.00	
Employer Soc Sec	6.20%	(Unchanged from 2015)
Employee Soc Sec	6.20%	(Unchanged from 2015)
Soc Sec Limit	\$118,500.00	(Unchanged from 2015)
Employer Medicare	1.45%	(Unchanged from 2015)
Employee Medicare	1.45%	(Unchanged from 2015)

A Visual ContrAcct update is required if Additional Employee Medicare fields do not exist in your tax table.
 Percentage and Limits unchanged from 2015.

	Additional Employee Medicare	.90%
	For FWT Status-Single: On Wages Exceeding	\$200,000.00
(Changed for 2016)	For FWT Status-Married: On Wages Exceeding	\$200,000.00

Federal Unemployment tax is generally .6% on the first \$7,000. However, employers in credit reduction states are subject to a higher rate.
 Check with your accountant to determine what rate to use.

Fed Unemployment	.60%	(Unchanged from 2015)
Federal Unemployment Max	\$ 7,000.00	(Unchanged from 2015)

401K limits pertain to payroll deductions where "Section 401K Deduction (non-Roth)" is checked.

401K Limit	\$18,000.00	(Unchanged from 2015)
Over 50 401K Limit	\$24,000.00	(Unchanged from 2015)

[-----SINGLE-----]

<u>LOWER LIMIT\$</u>	<u>TAX \$</u>	<u>PLUS %</u>
2,250.00	0.00	10.00
11,525.00	927.50	15.00
39,900.00	5,183.75	25.00
93,400.00	18,558.75	28.00
192,400.00	46,278.75	33.00
415,600.00	119,934.75	35.00
417,300.00	120,529.75	39.60

[-----MARRIED-----]

<u>LOWER LIMIT\$</u>	<u>TAX\$</u>	<u>PLUS %</u>
8,550.00	0.00	10.00
27,100.00	1,855.00	15.00
83,850.00	10,367.50	25.00
160,450.00	29,517.50	28.00
240,000.00	51,791.50	33.00
421,900.00	111,818.50	35.00
475,500.00	130,578.50	39.60

STATE & LOCAL INFORMATION & WITHHOLDING TAX TABLE

2016 Illinois State Withholding Tax

Illinois State Withholding Tax Exemption and Tax Rate for **2016**:

Exemption: \$2175 (Increased for 2016)

Tax Rate: 3.75% (Unchanged from 2015)

[-----SINGLE-----]		
<u>LOWER LIMIT\$</u>	<u>TAX \$</u>	<u>PLUS %</u>
0.00	0.00	3.75 (Unchanged from 2015)
0.00	0.00	0.00

[-----Married-----]		
<u>LOWER LIMIT\$</u>	<u>TAX \$</u>	<u>PLUS %</u>
0.00	0.00	3.75 (Unchanged from 2015)
0.00	0.00	0.00

2016 Illinois State Unemployment Tax

As of the date of this letter, no published changes exist for Illinois State Unemployment Tax taxable wage base. Taxable wage base amount (employee gross limit) \$12,960.00 (Same as 2015)

As always, you are responsible for changes to all state tax tables.

From the Admin Menu, Select Payroll > Tax Tables > State/Local

Click the binoculars icon or (type Ctrl + L) for a list

Highlight the state you need to change and hit Enter or (double click on it).

Make the needed changes and type Ctrl + S to save.