

Memorandum

To: Employees

From: Payroll Department

Date: 12/15/2022

RE: Important Year End W2 and 2023 Tax Changes, Etc.

Below is **IMPORTANT** information that you need to know. This information could affect your take home pay in 2023.

Social Security Wage Base in 2023 changes

2023 Wage Base limit increases to \$160,200.00.

The maximum withholding for OASDI tax at a rate of 6.2% will be \$9,932.40.

Medicare Tax Wage for 2023 (no change)

2022 Medicare tax rate on wages up to \$200,000 is 1.45%.

2022 Medicare tax rate on wages \$200,000 and over is 2.35%.

Federal Income Withholding Tax 2023

There are new federal income tax withholding tables for 2023. For assistance completing Form W-4, Employee's Withholding Certificate, visit <https://www.irs.gov/individuals/tax-withholding-estimator>.

Form W2 Box 12 Code DD

The Affordable Care Act requires reporting the total of the employer provided medical premiums. This is informational only.

Health Care FSA Limits for 2023

Maximum annual contribution \$3,050

HSA Limits for 2023

	Single	Family
Maximum annual contribution	\$3,850	\$7,750
Maximum out of pocket	\$7,500	\$15,000
Minimum out of pocket	\$1,500	\$3,000

Retirement Plan Limits

401(k), 403(b), & Profit Sharing limits \$22,500

Catch-up limit for employees 50 & over \$7,500

If you have self-employment income in addition to wages paid by your employer, and you intend to claim any qualified sick leave or qualified family leave equivalent credits, you must report the qualified sick leave or qualified family leave wages on Form 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals, included with your income tax return and reduce (but not below zero) any qualified sick leave or qualified family leave equivalent credits by the amount of these qualified leave wages. If you have self-employment income, you should refer to the instructions for your individual income tax return for more information.