

**From the desk of  
Peter S. Muffoletto, C.P.A.**

# SSA Announces 2018 Social Security Wage Base

The Social Security Administration (SSA) has announced a correction to its previously issued announcement regarding the wage base for computing the Social Security tax in 2018.

The corrected amount is \$128,400.

The Federal Insurance Contributions Act (FICA) imposes two taxes on employers, employees, and self-employed workers, and for Old Age, Survivors and Disability Insurance (OASDI; commonly known as the Social Security tax), and the other for Hospital Insurance (HI; commonly known as the Medicare tax).

There is a maximum amount of compensation subject to the OASDI tax, but no maximum for HI.

In October 2017 the SSA announced that for 2018, the FICA tax rate for employers will be 7.65%, 6.2% for OASDI and 1.45% for HI.

The SSA has also issued a corrected OASDI maximum for 2018.

The new amount for 2018 based on updated wage data reported to Social Security, is \$128,400.

The increase to \$128,400 from \$127,200 will increase employee Social Security Taxes by \$91.80 for 2018.

Total Social Security Taxes each employee can pay is now \$9,822.60.

Medicare Taxes have no limit and is charged as stated above at the rate of 1.45% on all wages or self-employed income.

And then there is the new gas tax in California.

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