Social Security Wage Limitations set for 2019

The Social Security Administration (SSA) has set the maximum amount of wages subject to the old age, survivors, and disability insurance (OASDI) tax to $132,900 for 2019.

The OASDI tax rate is 6.2%.

An employee with wages up to or above the maximum in 2019 will pay $8,239.80 in tax with the employer paying an equal amount.

Self-employed individuals pay tax at a 12.4% rate up to the same limit.

The 2018 wage base was $128,400 with a $7,960.80 maximum amount of OASDI tax.

The Medicare hospital insurance tax which has no limit as to wages paid is 1.45% for employees, and employers, and 2.9%.

The SSA also announced that recipients of Social Security benefits will receive a 2.8% cost-of-living adjustment for 2019.

The earnings test for the amount of income that benefit recipients can receive without their benefits being reduced for the year is $17,640 before full retirement age.

The limit taxpayers can earn in the year they reach full retirement age is $46,920.

The Social Security Administration also announced that for 2019 amounts paid by an employer for domestic service in a private home are not subject to FICA taxes if the amount paid during the year is less than $2,100.00. Amounts exceeding $2,100.00, and including that amount are subject to the above payroll taxes.
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