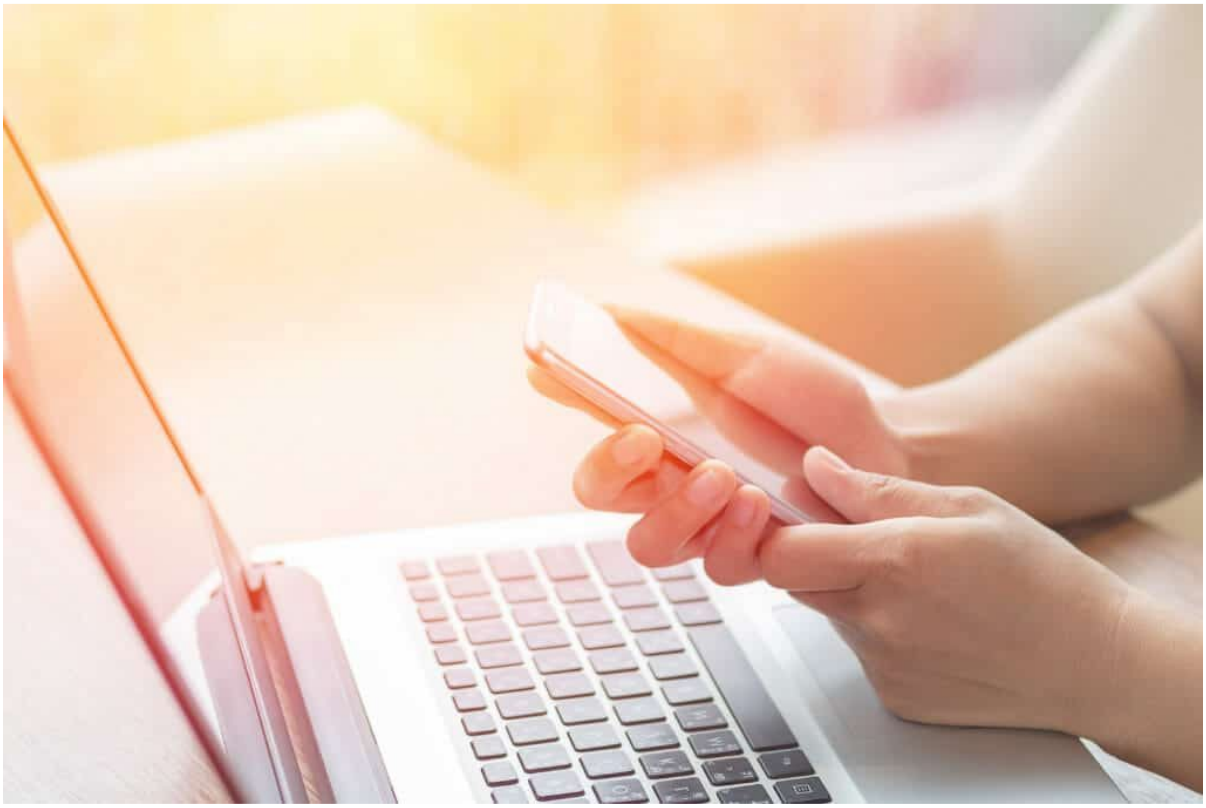
Pay Matters: Year-End 2023

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Note: As we go to publication, Form W-4 for 2024 has still not been released by the IRS. Employers s hould continue to accept the 2023 form from their onboarding and current employees.

Similarly, the final federal withholding tables (Publication 15-T) for 2024 have still not been released b y the IRS.

Viventium's Year-End Portal Is Live for Viventium Clients!

We are excited to announce that our **2023 Year-End Portal is now live**! Since it's hosted on the Viventium Support Center, simply log into Viventium Software, select "Help" in the upper right-hand corner of the screen, and click on the Year-End Portal icon.

Please review the information in this portal carefully, as it will assist you in navigating your year-end process as well as in processing accurate and compliant payrolls in 2024. If you have any questions or require further clarification, please contact your Dedicated Client Service Team.

New Mandated E-filing Threshold Finalized

The IRS finalized regulations drastically expanding mandatory electronic filing requirements to virtually all employers starting with this year-end (2023).

Under the regulations, the threshold for which employers must file certain information returns electronically was lowered from 250 forms to just 10 forms. In addition, to determine if the threshold is met, employers must count all Forms W-2, 1099, 1095-C, and other information returns. If this total is at least 10 returns, they **all** must be filed electronically. This new rule applies to applicable 2023 returns that are to be filed in 2024.

For more information on these requirements, check out our on-demand webinar IRS E-Filing for 2023: How the Reduced Threshold Changes Your Year-End.

For Viventium clients: To learn how Viventium can help you meets these new e-filing requirements, please reach out to your Dedicated Client Service Team.

Social Security Wage Base to Rise in 2024

The Social Security Administration (SSA) announced that the 2024 Social Security wage base will rise to $168,600, a $8,400 increase from the $160,200 wage base in 2023. The employee and employer Social Security tax rate will remain at 6.2%. The maximum Social Security tax employees and employers will each pay in 2024 is $10,453.20, up from $9,932.40 in 2023.

There is no limit to wages subject to Medicare tax. Both the employee and the employer Medicare tax rate for 2024 will remain at 1.45%. As in previous years, employers are required to withhold an additional 0.9% in Medicare taxes on wages earned by employees in excess of $200,000 in a calendar year. Employers are not required to match this 2.35% employee rate but continue to pay 1.45% in Medicare tax on all subject wages earned by employees.

For a copy of the SSA Fact Sheet, click here.

2024 Pension and Benefit Contribution Limits

The 2024 limits on the exclusion for elective deferrals for 401(k), 403(b), and most 457 plans will increase to $23,000, up from $22,500. The catch-up contribution for employees ages 50 and older will remain at $7,500.

The 2024 monthly limit for qualified transportation fringe benefits and for qualified parking will increase to $315, up from $300.

2024 Health Account Contribution Limits

Health Flexible Spending Arrangements (FSA)

The 2024 maximum employee salary reduction contribution under Section 125 to a Health Flexible Spending Arrangement will increase to $3,200, up from $3,050.

Health Saving Accounts (HSA)

HSA limits are making one of the biggest jumps in recent years, as follows:

Contribution and Out-of-Pocket Limits for Health Savings Accounts and High-Deductible Health Plans			
	2024	**2023**	**Change**
HSA contribution limit (employer + employee)	Self only: $4,150 Family: $8,300	Self only: $3,850 Family: $7,750	Self only: +$300 Family: +$550
HSA catch-up contributions (age 55 or older)	$1,000	$1,000	No change
HDHP minimum deductibles	Self only: $1,600 Family: $3,200	Self only: $1,500 Family: $3,000	Self only: +$100 Family: +$200
HDHP maximum out-of-pocket amounts (Deductibles, co-payments, and other amounts, but not premiums)	Self only: $8,050 Family: $16,100	Self only: $7,500 Family: $15,000	Self only: +$550 Family: +$1,100

2024 Minimum Wage

While federal minimum wage stays at $7.25, states across the nation are scheduled to increase their minimum hourly rates in 2024. For your convenience, we've compiled a list of the upcoming changes:

New York

The following is the schedule of rate increases:

Location	01/01/2024
NYC	$16.00
Long Island & Westchester	$16.00
Remainder of New York State	$15.00

Note: Higher minimum wage rates apply to home health aides throughout the state. For more information, check out our on-demand webinar Caring for Your Caregivers: A New York HCM Compliance Primer.

The following states' hourly minimum wage will increase effective January 1, 2024, unless otherwise noted:

State	2024	2023
Alaska	$11.73	$10.85
Arizona	$14.35	$13.85
California	$16.00	$15.50
Connecticut	$15.69	$15.00 on 6/1/23
Delaware	$13.25	$11.75
Florida	$13.00 on 9/30/24	$12.00 on 9/30/23
Hawaii	$14.00	$12.00
Illinois	$14.00	$13.00
Maine	$14.15	$13.80
Maryland	$15.00	$13.25
Michigan	$10.33	$10.10
Minnesota	$10.85	$10.59
Missouri	$12.30	$12.00
Montana	$10.30	$9.95

Nebraska	$12.00	$10.50
Nevada	$12.00 on 7/1/24	$10.25 on 7/1/23
New Jersey	$15.13	$14.13
Ohio	$10.45	$10.10
Rhode Island	$14.00	$13.00
South Dakota	$11.20	$10.80
Vermont	$13.67	$13.18
Washington	$16.28	$15.74

Disclaimer: State minimum wage laws frequently change and may have been modified since the publication of this information. In addition, some states may have different minimum wages based o n company size and industry, and many localities have passed minimum wage laws that are higher th an state law. Please consult your legal advisor.

2024 New York Wage Parity Rates

New York City (5 Boroughs):

Type of Pay	Current	01/01/2024
Base Wage	$17.00	$18.55
Benefits	$4.09	$2.54
Total	$21.09	$21.09

Nassau, Suffolk, and Westchester:

Type of Pay	Current	01/01/2024
Base Wage	$17.00	$18.55
Benefits	$3.22	$1.67
Total	$20.22	$20.22

California Health Care Minimum Wage

Effective June 1, 2024, under Senate Bill 525, certain large health care facilities in California, including hospitals (but not state or tribal hospitals), licensed nursing facilities, and home health agencies and clients, will be subject to higher minimum wage requirements.

The amount and timing of increases to minimum wage vary for different categories of health care facilities.

In general, large health care facilities with 10,000 or more full-time equivalent employees, dialysis clinics, and certain "large-county" facilities will be required to pay virtually all employees at a minimum of $23.00 per hour.

For rural hospitals, certain "small-county" facilities and hospitals with elevated government payor mixes, minimum wage will be $18.00 per hour, while for certain clinics and all other covered health care facilities, minimum wage will be $21.00 per hour.

Rates will continue to increase for each category until they reach $25.00 per hour.

Health care employers should review SB 525 with their legal counsel to determine which category they fall under and pay their employees accordingly.

2024 State Wage Bases

States have begun releasing their 2024 SUTA wage bases. Below is a chart of the wage bases released so far:

State	2024 Wage Base	2023 Wage Base
Alabama	$8,000	$8,000
Alaska	**$49,700**	$47,100
Arizona	$8,000	$8,000
Arkansas	$7,000	$7,000
California	$7,000	$7,000
Colorado	**$23,800**	$20,400
Connecticut	**$25,000**	$15,000
District of Columbia	$9,000	$9,000
Florida	$7,000	$7,000

Georgia	$9,500	$9,500
Illinois	**$13,590**	$12,960
Indiana	$9,500	$9,500
Iowa	**$38,200**	$36,100
Kansas	$14,000	$14,000
Maine	$12,000	$12,000
Maryland	$8,500	$8,500
Massachusetts	$15,000	$15,000
Michigan	$9,500	$9,500
Minnesota	**$42,000**	$40,000
Mississippi	$14,000	$14,000
Missouri (decreasing)	**$10,000**	$10,500
Montana	**$43,000**	$40,500
Nebraska	$9,000	$9,000
Nevada	**$40,600**	$40,100
New Hampshire	$14,000	$14,000
New Jersey *see details below	**$42,300**	$41,100
New Mexico	**$31,700**	$30,100
New York	**$12,500**	$12,300
Ohio	$9,000	$9,000
Oklahoma	**$27,000**	$25,700
Oregon	**$52,800**	$50,900
Pennsylvania	$10,000	$10,000
South Carolina	$14,000	$14,000

South Dakota	$15,000	$15,000
Tennessee	$7,000	$7,000
Texas	$9,000	$9,000
Utah	**$47,000**	$44,800
Vermont	**$14,300**	$13,500
Virginia	$8,000	$8,000
Washington	**$68,500**	$67,600
Wisconsin	$14,000	$14,000
Wyoming	**$30,900**	$29,100

**New Jersey Details:*

	2024	**2023**
SUTA EE/ER	**$42,300**	$41,100
FLI EE	**$161,400**	$156,800
SDI EE	**$161,400**	$156,800
SDI ER	**$42,300**	$41,100
WFD ER	**$42,300**	$41,100

Disclaimer: SUTA wage base laws frequently change and may have been modified since the publication of this information. Some states may have two-tiered wage bases. Please consult your tax advisor.

Montana Drastically Changes Withholding Formula and Releases New Form MW-4

Montana has drastically changed its withholding formula for 2024 to align it more closely to the federal withholding tax formula. Included in these changes is the release of a new Form MW-4, Montana's employee withholding and exemption certificate. The new Form MW-4 introduces new filing statuses that mirror the federal filing statuses.

Montana recommends that all employees complete a new Form MW-4 prior to January 1, 2024, to ensure correct withholding from wages for the new year.

New York City Employers Required to Distribute and Post Employee Bill of Rights

On December 3, 2023, the New York City Council enacted a law requiring employers to provide a workers' bill of rights by July 1, 2024, to their NYC employees. This bill of rights will be published on the City's website on or before March 1, 2024.

By July 1, employers must:

- Provide a copy of the bill of rights to each current employee;
- Furnish a copy to the new employees on their first day of work;
- Post the information in an accessible and visible area;
- Display it on their website; AND
- Provide employee access to the bill of rights online or via mobile app (if the employer regularly communicates with employees electronically).

Failure to meet posting requirements will incur a $500 penalty.

For more information on 2024 compliance changes, check out our webinar Getting Ahead of 2024 Compliance.

This information is for educational purposes only, and not to provide specific legal advice. This may not reflect the most recent developments in the law and may not be applicable to a particular situation or jurisdiction.