



MEDIA DATA SOLUTIONS, LLC.

"The Payroll Experts"

2024

YEAR END INFORMATION

&

2025

PAYROLL TAX PREVIEW

DISCLAIMER

PLEASE READ THIS INFORMATION CAREFULLY AND SHARE IT WITH YOUR ACCOUNTANT, TAX, AND/OR OTHER LICENSED PROFESSIONAL

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TAX and TAXABLE WAGE NEWS FOR 2025

Please note that **MEDIA DATA** is prepared to implement any payroll tax and form changes as required, whether detailed below or not yet announced.

SOCIAL SECURITY ADMINISTRATION

2025 Social Security Wage Base Set at \$176,100

The Social Security maximum taxable earnings will increase to \$176,100 in 2025 from \$168,600 in 2024. The Social Security tax rate will remain at 6.2% for employees and employers. Maximum employer and employee social security contributions will be \$10,918.20. Medicare maximum taxable earnings remain unlimited. Medicare tax rates also remain the same as the past several years and are as follows:

Employer rate: 1.45%

Employee withholding rate: 1.45% on wages < \$200,000

Employer withholding rate: 2.35% on wages >\$200,000 (1.45%+0.9%)

IRS NEWS FOR 2025

ALL W-2s FOR 2024 MUST BE FILED BY JANUARY 31

Consistent with previous years, **all W-2s (regardless of whether they are electronically filed or filed by paper) must be reported to the SSA no later than January 31, 2025.** Please note that the IRS has lowered the threshold to 10 aggregate informational forms (from 250 by form type) for which employers **must** file electronically. This includes Forms W-2, 1099, and 1095 Forms among others. If you were not previously required to submit forms electronically, you may now be required. If you need help meeting this requirement, please contact your Media Account Representative.

In order to prepare your W2s timely, companies **MUST** give MEDIA the following information **no later than your last scheduled payroll for the year or BY December 13, 2024, whichever is LATER, to avoid penalties:**

- 1) **Social Security Number and Address Changes** for your employees. If you access your payroll data through **Media's online product**, you can simply verify your employee data on the system. If you would like online access, please contact your Media Account Representative. If you require a paper report displaying employee information for your review, please ask your Media Account Representative as it is no longer on payroll reports or check stubs due to privacy legislation. Media charges a small fee for a W-2c. Please note **MEDIA WILL NOT BE RESPONSIBLE FOR INCOMPLETE OR INACCURATE INFORMATION ON FORM W-2, FORM 941, NJWR-30 OR OTHER STATE WAGE LISTINGS.** As we have communicated in the past, the SSA and State of NJ do not recognize social security numbers that start with the number "9". Any such numbers may cause notices from the SSA, IRS or State of NJ. You will be responsible for any penalties that may result.
- 2) **Taxable Fringe Benefits Reporting.** According to the IRS rules, the value of certain fringe benefits (e.g., car allowance, owners' health benefits) must be reported as taxable income on the Form 941 as well as on the



employee's Form W-2. Please consult your CPA or tax advisor regarding the taxability of benefits for your company and report the information to your Media Account Representative. You may be subject to additional fees for late submissions.

- 3) **Disability Reporting.** If you have not already submitted disability income reports to us, please do so IMMEDIATELY. All disability information must be processed through Media BEFORE year end. If you have already reported disability income for any of your employees during this year, this information will automatically be generated on a W-2 for that employee. You may be subject to additional fees for late submissions.
- 4) **Qualified Pension Reporting.** As required, a qualified pension plan (e.g. 401k, 403b, SEP or SIMPLE) will automatically be marked on an employee's W-2 if there is a salary deferral for the plan from the wage of the employee. However, if the plan is funded entirely by the employer, then you must inform Media BEFORE year end with participant information. You may be subject to additional fees for late submissions.

FEDERAL INCOME TAX

For tax year 2025, the IRS has announced various tax changes due to inflation adjustments, including, but not limited to, tax rate schedule changes. Media is prepared to implement these changes promptly.

As previously communicated to you, the IRS issued a new W4 Form in 2020. Employees hired after 12/31/2019 should use the redesigned W4 Form. However, employers are not required to have existing employees complete the new form. That said, if existing employees want to adjust their withholding, they are required to use the redesigned form. Employers can encourage their employees to go to www.irs.gov/W4App to use the "estimator" to determine the most accurate federal income tax withholding. Submit any updated Form W-4s to your Media Account Representative. Please go to www.irs.gov for more information and to download the Form. The Form can also be downloaded from our website at: http://www.mediadataservices.com/resources/payroll_government_forms

U.S. Citizenship and Immigration Services updated its I-9 Form, which, as you know, is a required form to be completed by all new hires in addition to the W-4 form. The Form I-9 is used to verify the identity and employment authorization of individuals hired for employment in the U.S. All employers must properly complete Form I-9 for every individual they hire for employment in the U.S. Please go to U.S. Citizenship and Immigration Services website for more information and to download the form. <https://www.uscis.gov/sites/default/files/document/forms/i-9.pdf>

The annual dollar limit on employee contributions to employer-sponsored healthcare flexible spending arrangements (FSA) is \$3,300 in 2025 (up \$100) from 2024). In 2025, the annual limit on HSA contributions will be \$4,300 (up \$150) for self-only and \$8,550 (up \$250) for family coverage. Any "catch-up" contributions for an HSA must be reported to Media each year. The catch-up contribution limit for those over age 55 will remain at \$1,000.

FUTA CREDIT REDUCTION

A state that has not repaid money it borrowed from the federal government to pay unemployment benefits is a "credit reduction state." The U.S. Department of Labor (DOL) determines these states. If an employer pays wages that are subject to the unemployment tax laws of a credit reduction state, that employer MUST PAY additional federal

unemployment tax when filing its form 940. For 2024, three (3) states may have a credit reduction of 0.9% and the Virgin Islands of 4.2%.

State	Final 2024 FUTA Credit Reduction
California	0.9%
New York	0.9%
Virgin Islands	4.2%

PENSION PLAN CONTRIBUTION LIMITS FOR 2025

The IRS announced an increase to 401(k), SEP, 403(b) and 457 plan contribution limits to \$23,500 (up \$500). Employees of age 50 and older can contribute an additional \$7,500 for a total of \$31,000. Workers ages 60 to 63 have a new, higher **catch-up** limit of \$11,250. The limit on Simple plans rises to \$16,500 (up \$500), with the catch-up staying at \$3,500.

Limits on exclusions for elective deferrals	2025	2024	2023	2022	2021
401(k) and SEP plans	\$23,500	\$23,000	\$22,500	\$20,500	\$19,500
403(b) and 457 plans	\$23,500	\$23,000	\$22,500	\$20,500	\$19,500
Simple Plans	\$16,500	\$16,000	\$15,500	\$14,000	\$13,500
“Catch-up on 401(k),403(b), SEP,457	\$7,500	\$7,500	\$7,500	\$6,500	\$6,500
“Catch-up” on Simple plan	\$3,500	\$3,500	\$3,500	\$3,000	\$3,000

Over-contributing to a **401 (k)** can lead to a 10% penalty and double taxation on the excess amount.

The Secure Act 2.0 was passed into law late December 2022. There are many aspects to this law that may or may not affect your plan. You should consult your Plan Administrator or Third-Party Adviser to navigate these changes. Two notable items are, 1) required minimum distributions (RMDs) increased to age 73 for those turning 72 on or after Jan. 1, 2023, and to age 75 for those turning age 73 on or after Jan. 1, 2033. In addition, the law states that retirement plans that allow catch-up contributions must support Roth catch-up contributions on or after Jan. 1, 2024, for participants with FICA compensation over \$145,000. However, since this is difficult to implement, the IRS has provided for a two-year administrative transition period. This gives plan sponsors until Jan. 1, 2026, to take the necessary steps to accommodate Roth contributions.



AFFORDABLE CARE ACT & HEALTH CARE COVERAGE REPORTING

Media has the tracking tools necessary to help our clients with Affordable Care Act (ACA) compliance issues including Employer Reporting Responsibilities of the ACA. Media can also produce and electronically file Forms 1094C & 1095C. An applicable large employer (ALE) is any employer who employs a total of 50 full time or full-time equivalent employees in the prior year. The deadline to give 1095C Forms *to employees* has been automatically extended to March 3, 2025. The deadlines to file the Forms with *the IRS* remain Feb. 28 for paper filing or March 31 for electronic filing. As previously mentioned, the IRS lowered the threshold for electronically filing to 10 aggregated forms, including 1095s and W2s. If you qualify as an ALE, we urge you to take action immediately to ensure that your reporting obligations are met. Please call your Media Account Representative if you want our assistance with that process.

Similar to ACA, the health care reporting requirements on the W-2 continue to be optional for small employers. However, employers with 250 or more employees (based on prior year W-2s) are subject to the reporting requirements. It is your responsibility to provide your Media Account Rep with the appropriate information on your health care costs for W-2 reporting on or before December 13, 2024. Please see www.irs.gov for more information on these two reporting requirements.

Social Security Administration (SSA) Mismatch Information

In years past, the SSA sent notices to employers if the SSA could not match the name and social security number for the employers' employees on a Form W-2 to the SSA's records. We believe they will continue sending these letters. If you receive such notices, it is likely a W-2c will be required to rectify the mismatch. Please inform your Media Account Representative if you would like an employee listing with social security numbers or if you receive any notices. For a small fee, we can assist you with any W-2c filings required. As previously mentioned above and in past newsletters, Media is not responsible for incomplete or inaccurate information on Form W-2, Form 941 or NJ WR-30 or any other state wage listings.

The Social Security Administration provides a free tool to verify social security numbers. You can find important information and the free online service in this [link](#).

NEW JERSEY PAYROLL NEWS

Effective January 1, 2025, the minimum wage for the State of NJ increases for most employers to \$15.49 (from \$15.13). The State of NJ also increased the **EMPLOYER** taxable wage base for unemployment (UI) and temporary disability (TDI) to \$43,300 for 2025 from \$42,300 in 2024. **FOR THE EMPLOYEE**, the wage base will also be \$43,300 in 2025 for unemployment and will **INCREASE to \$165,400** for TDI and family leave insurance (FLI) up from \$161,400 in 2024. The State has also increased the employee FLI rate to 0.33%, from 0.09%. Additionally, the state increased the TDI rate to 0.23%, from 0.0%. The UI rate remains the same at 0.425%.

	2025	2024	2023	2022	2021
The maximum employee contributions					
UI \$43,300 X 0.425% =	\$184.03	\$179.78	\$174.68	\$169.15	\$153.85
TDI \$165,400 X 0.23% =	\$380.42	\$0.00	\$0.00	\$212.66	\$649.54
FLI Employee \$165,400 x 0.33% =	\$545.82.82	\$145.26	\$94.08	\$212.66	\$386.96
Maximum Employee Total =	\$713.31	\$325.04	\$268.76	\$594.47	\$1,190.35
Maximum Workers' Compensation weekly benefit	\$1,159	\$1,131	\$1,099	\$1,065	\$969.00
Maximum Unemployment Insurance weekly	\$875.00	\$854.00	\$830.00	\$804.00	\$731.00
Maximum Temp. Disability Insurance weekly	\$1,081	\$1,055	\$1,025	\$993.00	\$903.00
Base week amount increases to	\$303	\$283.00	\$260.00	\$240.00	\$220.00
Alternative earnings test amount is	\$15,200	\$14,200	\$13,000	\$12,000	\$11,000
NJ Minimum Wage (for most employers)	\$15.49	\$15.13	\$14.13	\$13.00	\$12.00
For seasonal and small employers (under 6)	\$14.53	\$13.73	\$12.93	\$11.90	\$11.10
For tipped employees	\$5.62	\$5.26	\$5.26	\$5.13	\$4.13

In the third quarter of 2024, Media implemented each employer's unemployment and disability rates as dictated by the State of NJ's Department of Labor and Workforce Development Employment Security Agency (DOL). Employers received a notice from the state describing the final unemployment experience rate (allocated between Unemployment and Workforce Funds) and Disability Insurance experience rate. The new rates were retroactively implemented from July 1, 2024, and will remain in effect until June 30, 2025.

NJ LAW REQUIRES EMPLOYERS TO PROVIDE PAID SICK LEAVE (PSL)

The State of NJ requires employers to pay up to 40 hours of sick leave (PSL) per year for all employees. Employees accrue one hour of paid sick leave for every 30 hours worked, up to 40 hours in a year. Employers are required to post a notice of the law in a conspicuous place and provide a notice to all employees within 30 days after it is issued by the Department of Labor and Workforce Development (DOLWD). You may download the poster from the DOLWD website at: https://www.state.nj.us/labor/forms_pdfs/mw565sickleavposter.pdf

Please go to <https://nj.gov/labor/earnedsick/index.html> for more details. The State has issued answers to Frequently Asked Questions that you may find helpful as you navigate this law.

Please note that if you are utilizing Media's payroll system to help you monitor PSL, it is your responsibility to check the accuracy of the accrual and tracking process. Media disclaims any legal responsibility to do so. Your payroll report package includes a report to help you monitor the PSL accrual or "front loaded" PSL hours.



Please review this report after each pay period. Please alert your Media Account Representative promptly if you find errors or require changes to this report. If your report package does not include the Time Off Accrual report, please let your Media Account Representative know and we will rectify that with your next payroll.

NJ LAW REQUIRES EMPLOYERS TO PROVIDE RETIREMENT SAVINGS

In March 2019, Governor Murphy signed into law the New Jersey Secure Choice Savings Act. The NJ savings program was scheduled to begin late March 2021. However, given the effects of COVID-19 that date was pushed back multiple times. It is in effect now.

The Act mandates certain businesses must implement a retirement savings program for employees. Qualifying business include those employers who have:

- 25 or more employees,
- Been in business for at least two (2) years, and
- **Not** offered a qualified retirement plan in the past two years (e.g., 401(k), SIMPLE plan).

The implementation deadline for employers who have 25-39 employees was November 15, 2024, and for employers with 40 or more employees the deadline was September 15, 2024. Penalties will incur if the employers fail to register before June 15, 2025. If the employer has 25-39 employees penalties will incur if the employers fail to register before August 15, 2025, in accordance with the statute.

Employer responsibilities will include:

- Offering open enrollment periods at least once a year,
- Enrolling new hires in the program within three months of their hire date,
- Providing employees information about the program, and
- Depositing employee payroll deductions.

Enrollment is automatic at a default rate of 3% to be withheld from each paycheck, unless the employee chooses to opt out of the program. The employee must be age 18 or older.

Employer responsibilities do not include matching employee contributions. In fact, employers will not be able to match contributions by employees in the program even if they wanted to. Although businesses with fewer than 25 employees are not mandated, they are still eligible to participate if they choose.

If employers do not comply with the Act, they can be subject to penalties.

Please note that employers shall retain the option at all times to set up any type of employer-sponsored retirement plan, such as a defined benefit plan, 401(k), SIMPLE plan, or to offer an automatic enrollment payroll deduction IRA instead



of participating in the state’s plan. If you would like to set up an employer-sponsored retirement plan please call your Media Account Representative.

WHITE COLLAR SALARY THRESHOLD – UPDATE

In June 2024 Media sent an important message to its clients regarding an increase applicable to salaried employees. Those increases were invalidated by the District Court on November 15, 2024, therefore the salary for salaried employees will remain the same at \$684 per week or \$35,568 per year.

NEW MINIMUM WAGE ACTIONS

The Federal minimum wage remains \$7.25 per hour except for those rates paid to Federal contractors, which is \$17.75 per hour in 2025. However, as you know, some states have a higher minimum wage rate. When the state minimum wage rate is higher than the federal rate, workers need to be paid at the higher rate. Below is only a summary of certain state minimum wage actions for 2025. For more information, and if you operate in states not listed below, please go to the particular state department of labor website.

New Jersey: \$15.49 for most employers - see prior page under New Jersey Payroll News)

New York: Annual increases to minimum wage are published by the NY Commissioner of Labor on or before October 1. Please be aware that changes in the New York Paid Family Leave (PFL) contribution are also displayed.

<i>Non-tipped Employees by Location</i>	2025	2024	2023	2022
<i>NYC – Large & Small Employers</i>	\$16.50	\$16.00	\$15.00	\$15.00
<i>Long Island & Westchester</i>	\$16.50	\$16.00	\$15.00	\$15.00
<i>Remainder of New York State</i>	\$15.50	\$15.00	\$14.20	\$13.20
<i>Tipped Employees by Location (food service) – Cash (min)</i>	2025	2024	2023	2022
<i>NYC – Large & Small Employers</i>	\$11.00	\$10.65	\$10.00	\$10.00
<i>Long Island & Westchester</i>	\$11.00	\$10.65	\$10.00	\$10.00
<i>Remainder of New York State</i>	\$10.35	\$10.00	\$9.45	\$8.35
<i>Tipped Employees by Location – Tip Credit (max)</i>				
<i>NYC – Large & Small Employers</i>	\$5.50	\$5.35	\$5.00	\$5.00
<i>Long Island & Westchester</i>	\$5.50	\$5.35	\$5.00	\$5.00



Remainder of New York State	\$5.15	\$5.00	\$4.75	\$4.15
NY Family Leave Insurance Rate	0.388%	0.373%	0.455%	0.511%
NY Family Leave Insurance Wage Base	\$91,373.88	\$89,343.16	\$87,786.81	\$82,917.81

Massachusetts: Massachusetts’ 2025 proposed minimum wage is \$17.00 from the current \$16.25. The large employer rate for MA’s Paid Family and Medical leave will remain unchanged at 0.88% (split between employer and employee) in 2025. For small employers with fewer than 25 employees, the rate will remain unchanged at 0.46% (all employees paid).

Connecticut: The minimum wage in Connecticut is expected to rise to \$16.35 from 15.69 effective January 1, 2025.

California: In 2025, the minimum wage for CA will increase to a minimum of \$16.50 from \$16.00 for all employers, regardless of size, unless the employees perform work in one of the many cities that have a higher local minimum wage. For more information on local rates go to www.dir.ca.gov/dlse.

North Carolina: Effective January 1, 2025, the minimum wage will be \$15.00 per hour or the minimum wage set forth in the Fair Labor Standards Act, whichever is higher.

Florida: The minimum wage in Florida rose to \$13.00 on September 1, 2024, and will rise to \$14.00 on September 1, 2025.

Currently, there are about 20 states that either have the minimum wage equal to the Fed minimum wage of \$7.25 or do not have their own state minimum wage.

Please consult the Wage and Hour Divisions of every state in which you do business to ensure that you are in compliance with the requirements.

It is the employer’s responsibility to instruct your Media Account Representative to make any necessary wage rate changes for each employee. Media disclaims any legal responsibilities if such changes are not requested of us. In addition, it is the employer’s responsibility to ensure that any requested changes are made promptly and accurately. Media disclaims any legal responsibilities if you do not alert us to errors or omissions promptly. Wage rates are visible on all payroll registers. However, if you need a pay rate schedule for your employees, please ask your Media Account Representative.

2025 PAYROLL FACTS AT A GLANCE

	FICA SOCIAL SECURITY	FICA MEDICARE
MAXIMUM TAXABLE WAGE BASE	\$176,100	NO LIMIT
TAX RATE	6.2%	1.45% ON WAGES <\$200,000 2.35% ON WAGES >\$200,000
MAXIMUM TAX	\$10,918.20	NO MAXIMUM

NJ EMPLOYEE SUI/DI/FLI CONTRIBUTIONS	NJ UNEMPLOYMENT	NJ DISABILITY	NJ FAMILY LEAVE
MAXIMUM TAXABLE WAGE BASE	\$43,300	\$165,400	\$165,400
TAX RATE	0.425%	0.23%	0.33%
MAXIMUM TAX	\$184.83	\$380.42	\$545.82
EMPLOYEE TOTAL CONTRIBUTION	\$1111.07		
BASE WEEK	\$303.00		
NJ MINIMUM WAGE	\$15.49 (most ERs), \$14.53 (seasonal/small), \$5.62 (tipped)		

RETIREMENT PLAN INFO	401K/403B/457	SIMPLE IRA
MAXIMUM PRETAX CONTRIBUTION	\$23,500	\$16,500
CATCH UP (50 YEARS OLD AND OVER)	\$7,500	\$3,500
MAXIMUM ON CATCH UP	\$31,000	\$20,000



MEDIA'S PAYROLL PLATFORM FEATURES

Media's payroll system is a robust platform that offers many additional features that include unlimited pay types and deductions as well as customized reports. Additional features include:

ON-LINE PAYROLL Media offers on-line payroll services to allow for a completely paperless payroll. We have various add-on components including onboarding and benefits platforms.

QUICK BOOKS AND OTHER GL DOWNLOADS... Formats compatible with certain general ledger systems can be sent to you via email after every payroll to expedite your bookkeeping processes.

PAY AS YOU GO WORKERS' COMP.... Payroll data is transmitted electronically with each payroll to E-Comp, which transmits the data to various insurance companies.

TIMEKEEPING SERVICES....Media partners with timekeeping services providers where the data from the time clocks can be imported directly into our system. Various employee fields are also linked to our online payroll system with single-sign-on integration.

DIRECT DEPOSIT.... Media can submit payroll data to our ACH processing partner to facilitate direct deposit payment into the individual employee's bank account on the pay date.

RETIREMENT PLAN REPORTING.... Annual compliance reports for 401(k), 403(b), 457, etc. are available. We can also transmit information to your plan provider after each payroll. We also have partners that integrate with our payroll software for a more seamless approach to retirement savings with payroll.

ADDITIONAL PRODUCTS AND SERVICES..... Employee address list, Payroll check signing, stuffing and sealing in envelopes, individual earnings reports (Ledger cards); Vacation, Sick, Holiday accumulators, Automatic New Hire reporting (unless you opt out).

MEDIA'S WEBSITE HAS MANY RESOURCES FOR YOU, INCLUDING LINKS TO FEDERAL AND STATE POSTERS, FORM W-4 AND I-9. PLEASE GO TO www.mediadataservices.com