**Tax Rate Changes for 2018**

The Social Security Administration (SSA) has announced that the 2018 Social Security wage base will be $128,400, an increase of $1,200 from 2017 wage base of $127,200. The FICA tax rate will remain the same at 6.2% for the employee portion to match with the employer portion. The maximum Social Security tax that employees and employers will each pay in 2018 is $7,960.80. This is an increase of $74.40 from the 2017 maximum tax of $7,886.40.

There is no limit to wages subject to the Medicare Tax. All covered wages are still subject to the tax at 1.45%. When an employee reaches $200,000 an additional .9% of Medicare Tax will be withheld for the employee portion only. For State and Local Wage and Tax Information, please use this link.

If you have questions or require additional information, please contact the Tax Helpdesk at [https://www.finance.upenn.edu:44301/apps/TaxHelpDesk/](https://www.finance.upenn.edu:44301/apps/TaxHelpDesk/) or (215) 898-6291.

**2018 Tax Rates & Benefit Limitations**

**Federal Withholding**
- Supplemental Tax Rate 22%
- Supplemental Rate for > $1 Million 37%

**FICA Tax Rate**
- Employee 6.2%
- Employer 6.2%
- FICA Wage Base Limit $128,400

**Medicare Tax Rate**
- Employee 1.45%
- Employer 1.45%
- Employee Supplemental on wages over $200,000 0.90%

**Pennsylvania State Tax Rate**
- 3.07%

**Philadelphia City Wage Tax Rate**
- Resident 3.8907%
- Non-Resident 3.4654%

**Other State & Local Tax Rates** [Here](#)