

Paychex® 2025 Tax Bulletin

This tax bulletin provides you with tax information for 2025 and reminders about Forms W-4, W-5, and I-9. We have included a separate bulletin with information for your employees. Please post the employee bulletin somewhere where your employees can easily see it.

2025 Federal Wage Base Limits

Employer FICA Wage Limits and Tax Rates	2025	2024
Social Security (OASDI) wage base	\$176,100.00	\$168,600.00
Medicare (HI) wage base	No Limit	No Limit
Social Security (OASDI) percentage	6.2%	6.2%
Medicare (HI) percentage	1.45%*	1.45%*
Total Social Security and Medicare percentage	7.65%	7.65%
Maximum Social Security (OASDI) withholding	\$10,918.20	\$10,453.20
Maximum Medicare (HI) withholding	No Limit	No Limit
Maximum Social Security and Medicare withholding	No Limit	No Limit
Federal Unemployment Tax (FUTA)	\$7,000.00	\$7,000.00

*Additional .9% assessed on employee wages exceeding \$200,000.

2025 Retirement Plan Contribution Limits

Retirement Plan Contribution Limits	2025	2024
401(k)	\$23,500.00	\$23,000.00
Roth 401(k)	\$23,500.00	\$23,000.00
403(b)	\$23,500.00	\$23,000.00
SARSEP	\$23,500.00	\$23,000.00
457	\$23,500.00	\$23,000.00
Section 501(c)(18)(D)	\$7,000.00	\$7,000.00
Simple IRA and 401(k)	\$16,500.00	\$16,000.00
Traditional IRA	\$7,000.00	\$7,000.00

(2025 Retirement Plan Contribution Limits continue on pg. 2)

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2025 Retirement Plan Contribution Limits (Cont'd)

Retirement Plan Contribution Limits	2025	2024
Catch-up 401(k)	\$7,500.00	\$7,500.00
Catch-up 403(b)	\$7,500.00	\$7,500.00
Catch-up 457	\$7,500.00	\$7,500.00
Catch-up Simple IRA and Simple 401(k)	\$3,500.00	\$3,500.00
Catch-up IRA	\$1,000.00	\$1,000.00

Health Savings Account (HSA) and High Deductible Health Plan (HDHP) Limits

The following are the maximum annual limits for HSAs and HDHPs:

HSA	2025		2024	
	Self-Only	Family	Self-Only	Family
HSA Maximum Annual Contribution	\$4,300.00	\$8,550.00	\$4,150.00	\$8,300.00
HSA Catch-Up Contributions (age 55 by the end of year)	\$1,000.00		\$1,000.00	
HDHP Minimum Annual Deductible	\$1,650.00	\$3,300.00	\$1,600.00	\$3,200.00
HDHP Maximum Out-of-Pocket	\$8,300.00	\$16,600.00	\$8,050.00	\$16,100.00

Forms W-4

- If employees claim to be exempt from withholding, they must submit a new Form W-4 to their employer by **February 17, 2025**. Please notify your payroll contact of any changes to your employees' federal exemptions or update your employee information if you input your own payroll.
- The Internal Revenue Service (IRS) may request copies of selected employee Forms W-4 if the agency suspects an under-withholding problem. Follow the instructions on the IRS letter if this occurs.

Social Security Cards

Employers are permitted to ask for and copy employee Social Security cards to ensure that the correct number and name are included on Form W-2. Employers may be assessed penalties if an employee's name and Social Security Number are not reported on Form W-2 as they appear on their Social Security card.

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2025 Out-of-Business Employers

The federal government requires employers who go out of business to provide Forms W-2 to employees and file federal Forms W-2 information according to the following schedule:

Out of Business Quarter	Forms 941 Due to IRS	Forms W-2 Information Due to Employees	Forms W-2/W-3 Due to SSA
1	April 30, 2025	April 30, 2025	June 2, 2025
2	July 31, 2025	July 31, 2025	September 2, 2025
3	October 31, 2025	October 31, 2025	December 1, 2025
4	February 2, 2026	February 2, 2026	March 2, 2026

Employers required to file Form W-2 information electronically will receive an extension for employee copies until **October 31, 2024**, and for the government copies until **December 2, 2024**. Paychex can prepare and file the Forms W-2 on your behalf for a fee. Please discuss this with your payroll contact when you report that your company is going out of business.

SUI or FUTA Exempt Employees

If you had employees who were exempt for state unemployment insurance (SUI) or federal unemployment insurance (FUTA) in 2024, determine if they are still exempt for 2025. If not, please notify your payroll service representative, or update your employee information if you input your own payroll.

Note: If you process your own payroll and do not make these changes before your first payroll of the year, please call your payroll service representative **before** making this update.

Future Tax Changes

This bulletin contains tax changes for 2025 that we know at the time of publication; however, make sure you consult with your CPA or tax consultant to ensure you are aware of all 2025 federal, state, and local tax changes.

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2025 Federal Wage Base-Limits

The following are employee federal wage limits and tax rates.

Employee FICA Wage Base Limits	2025	2024
Social Security (OASDI) wage base	\$176,100.00	\$168,600.00
Medicare (HI) wage base	No Limit	No Limit
Social Security (OASDI) percentage	6.2%	6.2%
Medicare (HI) percentage - earnings that are \$200,000.00 or less - earnings are more than \$200,000.00	1.45% 2.35%	1.45% 2.35%
Total Social Security and Medicare percentage - earnings that are \$200,000.00 or less - earnings are more than \$200,000.00	7.65% 8.55%	7.65% 8.55%
Maximum Social Security (OASDI) withholding	\$10,918.20	\$10,453.20
Maximum Medicare (HI) withholding	No Limit	No Limit
Maximum Social Security and Medicare withholding	No Limit	No Limit

Form W-4

If you are claiming to be exempt from withholding, complete and provide a new Form W-4 to your employer by **February 17, 2025**.

If you would like to change your marital status or number of allowances for federal withholding, complete and provide a new Form W-4 to your employer. Also, remember to complete and provide the appropriate state form to your employer to change your state withholding.

Social Security Cards

Employers are permitted to ask for and copy employee Social Security cards to ensure that the correct number and name are used on Forms W-2.