



2020 Payroll and HR Changes

A state-by-state guide of changes to state and federal regulations that impact small businesses.



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Introduction

When it comes to payroll and HR, there are several federal and state changes to keep an eye on in 2020.

On the federal side, payroll calculations are going to look a little different in a number of ways. There is an updated social security wage base, new FSA (Flexible Spending Account) and HSA (Health Savings Account) limits, revised HDHP (High Deductible Health Plan) out-of-pocket maximums, and changes to mileage reimbursements and transportation benefits.

You'll also see a new QSEHRA (Qualified Small Employer Health Reimbursement Arrangement) limit, and increased contribution limits for 401(k), 403(b), 457, and IRA plans. Last, but not least, there's a revamped W-4 form that you'll need to use for all new employees.

In addition to these federal changes, we've outlined the changes to each state's minimum wages, tipped minimum wages, unemployment wage bases, state unemployment tax rates, and state income tax rates. A number of states are also enacting paid leave laws, harassment training requirements, and new or updated workers' compensation requirements.

To use this guide effectively, make sure you review both the federal changes, and changes in any states where your business has employees.

About OnPay

We set a new standard in payroll by making it easy for small businesses and their accountants to get payroll, HR, and benefits right. All the payroll-related changes mentioned in this guide have been added to OnPay, and we'll send periodic reminders about additional compliance-related changes you need to be aware of.

Disclaimer: The information in this guide is not a substitute for independent research or formal tax advice. While all efforts have been made to provide accurate and thorough information, we recommend that you independently verify the laws and regulations that impact your clients.



Federal Changes for **2020**



Federal Changes

Social Security Wage Base		2019	2020
		\$132,900.00	\$137,700.00
FSA Limit Changes		2019	2020
Health FSA Limit		\$2,700.00	\$2,750.00
Dependant Care Limit		\$5,000.00	\$5,000.00
HSA Limit Changes		2019	2020
Individual HSA Limit		\$3,500.00	\$3,550.00
Family HSA Limit		\$7,000.00	\$7,100.00
HSA Catch-up Contribution (age 55+)		\$1,000.00	\$1,000.00
Individual HDHP Out-Of-Pocket Max		\$6,750.00	\$6,900.00
Family HDHP Out-Of-Pocket Max		\$13,500.00	\$13,800.00
Mileage Reimbursement Changes		2019	2020
Business Miles Driven		\$0.58	\$0.575
Transportation Benefits		2019	2020
Parking Allowance - Per Month		\$265.00	\$270.00
Transit Allowance - Per Month		\$265.00	\$270.00
Qualified Small Employer HRA (QSEHRA)		2019	2020
Single - Monthly		\$429.00	\$438.00
Family - Monthly		\$870.00	\$883.00
Single - Annual		\$5,150.00	\$5,250.00
Family - Annual		\$10,450.00	\$10,600.00
401(k), 403(b), 457 Plan Limit Changes		2019	2020
Maximum employee elective deferral		\$19,000.00	\$19,500.00
Employee catch-up contribution (if age 50 or older by year-end)*		\$6,000.00	\$6,500.00
Employee compensation limit for calculating contributions		\$280,000.00	\$285,000.00
IRA Contribution Limits		2019	2020
Traditional IRA		\$6,000.00	\$6,000.00
Roth IRA		\$6,000.00	\$6,000.00
Employee catch-up contribution (if age 50 or older by year-end)*		\$1,000.00	\$1,000.00

**The catch-up contribution limits for participants age 50 or older apply from the start of the year for anyone turning 50 at any time during the year.*

The All New 2020 W-4

It's been 33 years since the last major update to the W-4, so most people working today have been filling it out by habit or memory for years (or even decades). But all the employees you hire after January 1, 2020, will need to complete the new Form W-4 as part of their onboarding paperwork.

Here's a look at all the questions employers (and their employees) are likely to have about the updates the IRS has made:

Do my current employees need to fill out a new W-4?

Your existing employees can use the new form if they want to update withholdings for any reason (or after a life change like getting married or having a baby). Other than that, your current employees will not be required to complete a new W-4 — and you will continue to calculate payroll tax withholding based on the information from their most recent W-4.

Why did the IRS redesign the W-4?

The new W-4 is designed to accomplish two things: first, make the form easier for workers to complete. And second, to line up better with the elimination of withholding allowances after the passage of the [2017 Tax Cuts and Jobs Act](#) (TCJA), which prevents employees from claiming personal exemptions or dependency exemptions.

Is the new W-4 actually as complicated as it looks?

The new form appears complicated mostly because of the instructions and charts that accompany it, but it's more straightforward than the previous version of the W-4 when you dig into it.

The American Payroll Association has even [created a letter you can use](#) to help inform your new employees about the change.

Remember that your employees must complete a W-4 prior to their first paycheck.

What information are employees required to fill out on the new Form W-4?

Employees are only required to fill in step 1 and step 5 on the new W-4. The other three steps are optional if they do not apply to that employee. Skipping them may mean that their withholding won't match up with their tax liability, so it's important that employees take their time and understand what the form is asking for.

The IRS has also launched an updated [Tax Withholding Estimator](#). This comprehensive withholding calculator walks employees through the process of estimating their withholdings.

Steps for filling out the new Form W-4

Step 1: Personal Information

Your employee will enter their personal information including name, address, and their filing status. Note that for any employee who does not have a completed Form W-4, you will calculate withholdings at the higher "Single" rate.

Form W-4
Department of the Treasury
Internal Revenue Service

Employee's Withholding Certificate
OMB No. 1545-0074
2020

► Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
► Give Form W-4 to your employer.
► Your withholding is subject to review by the IRS.

Step 1: Enter Personal Information

(a) First name and middle initial	Last name	(b) Social security number
Address		► Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .
City or town, state, and ZIP code		
(c) ☐ Single or Married filing separately ☐ Married filing jointly (or Qualifying widow(er)) ☐ Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		

Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.

Step 2: Multiple jobs or spouse works (optional)

This section applies to employees who have more than one job or are married and filing jointly with a working spouse. The IRS offers some guidance here for employees to determine whether they need to complete this step and where to look for additional instructions. Option (a) provides the most privacy for the employee's information, according to the IRS, as well as the most accurate calculations.

Step 2: Multiple Jobs or Spouse Works	Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.
	Do only one of the following.
	(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3–4); or
	(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or
	(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld ☐
	TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.
Complete Steps 3–4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)	

Step 3: Claim dependents (optional)

If your employee has dependents, they will complete this section. Single taxpayers with an income of \$200,000 or less (\$400,000 if married filing jointly) are now eligible for the child tax credit as a result of the TCJA as well.

Step 3: Claim Dependents	If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):		
	Multiply the number of qualifying children under age 17 by \$2,000 ► \$		
	Multiply the number of other dependents by \$500 ► \$		
	Add the amounts above and enter the total here	3	\$

Step 4: Other adjustments (optional)

Here, the employee can account for other income not from jobs, or add in additional deductions or withholdings.

Step 4 (optional): Other Adjustments	(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income	4(a)	\$
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here	4(b)	\$
	(c) Extra withholding. Enter any additional tax you want withheld each pay period .	4(c)	\$

Step 5: Signature

The employee will sign and date the form, and the employer will complete the last section.

Step 5: Sign Here	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.		
	Employee's signature (This form is not valid unless you sign it.)		Date
Employers Only	Employer's name and address	First date of employment	Employer identification number (EIN)

That's it!

The new Form W-4 is available for download from the IRS website or will be automatically available through your payroll service provider in 2020. And if you're wondering if this new form means you'll have to calculate federal payroll taxes based on both W-4s from 2019 and prior and for the new 2020 format, you're correct. You can ask your employees to fill out the new form, but you cannot require them to complete it.

It's also likely that each state will follow the federal government's lead and update their forms to sync up with this one. Be on the lookout for those updates over the coming months.



State-by-State Updates for **2020**



Alabama



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$8,000.00

State unemployment tax rate: 0.65% - 6.8%, 2.7% for new employers

State income tax rate: 2.0% - 5.0%

Paid leave laws: n/a

Harassment training requirements: n/a

Workers' compensation requirements: If you regularly employ fewer than five employees, full-time or part-time and including officers of a corporation in any one business, other than the business of constructing or assisting on-site in the construction of new single-family, detached residential dwellings, the Alabama Workers' Compensation Law does not require you to have workers' compensation insurance coverage.

Alaska



Minimum wage: \$10.19*

Tipped minimum wage: Prohibited

Unemployment wage base: \$41,500.00*

State unemployment tax rate: 1.0% - 5.4%, 1.0% - 1.28% for new employers

State income tax rate: n/a

Paid leave laws: n/a

Harassment training requirements: n/a

Workers' compensation requirements: The Alaska Workers' Compensation Act requires each employer having one or more employees in Alaska to obtain workers' compensation insurance with a few exceptions. Alaska does not have a state fund for workers' compensation insurance. Employers should contact their insurance agent or broker for assistance in acquiring a workers' compensation policy for their business.

Arizona



Minimum wage: \$12.00*

Tipped minimum wage: \$9.00*

Unemployment wage base: \$7,000.00

State unemployment tax rate: 0.05% - 12.85%, 2.0% for new employers*

State income tax rate: 2.59% - 4.54%

Paid leave laws: Employees are granted paid sick leave mandated by law earning a minimum of one hour of leave for every 30 hours worked. Employers with fewer than 15 employees must provide at least 24 hours of paid sick leave each year. Businesses with 15 or more employees must provide a minimum of 40 hours yearly.

Harassment training requirements: n/a

Workers' compensation requirements: Arizona law requires all public and private employers with at least one employee to carry workers' compensation insurance. An exception applies to domestic workers in private homes. Some business owners, such as members of LLCs, corporate officers, partners in partnerships, and sole proprietors, are not required to be covered by workers' compensation insurance.

Arkansas



Minimum wage: \$10.00*

Tipped minimum wage: \$2.63

Unemployment wage base: \$7,000.00*

State unemployment tax rate: 0.3% - 14.2%, 3.1% for new employers*

State income tax rate: 2.0% - 6.6%*

Paid leave laws: n/a

Harassment training requirements: n/a

Workers' compensation requirements: Most employers in Arkansas with three or more employees are required by law to have workers' compensation insurance coverage for their employees. There are exceptions to this requirement, so employers should check with state authorities.

California



Minimum wage: \$12.00 for employers with 25 employees or less, \$13.00 for employers with 26 employees or more*

Tipped minimum wage: Prohibited

Unemployment wage base: \$7,000.00

State unemployment tax rate: 1.5% - 6.2%, 3.4% for new employers

State income tax rate: 1.0% - 13.3%

Paid leave laws: Employees get time off to care for a new, adopted or foster child, or specific family relations. Employees can receive 60% - 70% of wages for up to six weeks within any 12-month period. Employees must be a part- or full-time public- or private-sector employee who has contributed to the State Disability Insurance program through mandatory payroll deductions at some point during the previous 18 months.

Harassment training requirements: Employers with at least five employees must provide at least two hours of sexual harassment training to all employees with supervisor duties and at least one hour of training to all employees without supervisor duties. This is to be repeated once every two years.*

Workers' compensation requirements: Workers' compensation is mandatory for all employers, even if the company only has one employee. Sole proprietors are generally not required to have workers' compensation insurance but may decide to purchase coverage.

Colorado



Minimum wage: \$12.00*

Tipped minimum wage: \$8.98*

Unemployment wage base: \$13,600.00*

State unemployment tax rate: 0.58% - 7.4%, 1.7% for new employers*

State income tax rate: 4.5%

Paid leave laws: n/a

Harassment training requirements: Training not required, but the state does encourage it through sensitizing employees to sexual harassment issues.

Workers' compensation requirements: All public and private employers in Colorado, with limited exceptions, must provide workers' compensation coverage for their employees if one or more full- or part-time persons are employed. A person hired to perform services for pay is presumed by law to be an employee.

Connecticut



Minimum wage: \$12.00*

Tipped minimum wage: \$6.38, \$8.23 for bartenders

Unemployment wage base: \$15,000.00

State unemployment tax rate: 1.9% - 6.8%, 3.2% for new employers*

State income tax rate: 3.0% - 6.99%

Paid leave laws: As of January 1, 2022, employees get up to 16 weeks of unpaid leave in any two-year period in the event of the birth or adoption of a child, serious illness of the employee, or serious illness of a close family member. Employers with fewer than 75 employees are exempt. Employees must have been employed for 12 months and have worked at least 1,000 or more hours in the 12-month period preceding the first day of leave. Payroll withholding begins on January 1, 2021.*

Harassment training requirements: Employers with three or more employees must provide at least two hours of training to all employees by October 1, 2020 or within six months of hiring thereafter.*

Workers' compensation requirements: All businesses with one or more employees are required by law to have workers' compensation insurance. There are exemptions for household employees who work 26 hours or less per week. Sole proprietors, multiple-member LLCs, corporate officers, and partnerships may elect not to carry workers' compensation insurance for themselves. However, they must always provide coverage for their employees.

Delaware



Minimum wage: \$9.25*

Tipped minimum wage: \$2.23

Unemployment wage base: \$16,500.00

State unemployment tax rate: 0.3% - 8.2%, 1.8% for new employers, 2.3% for new employers in the construction industry*

State income tax rate: 0.0% - 6.6%

Paid leave laws: n/a

Harassment training requirements: Employers with 50 or more employees must train new employees within a year of their start date and every two years after that. Employers must provide interactive training and education on the prevention of sexual harassment.

Workers' compensation requirements: Employers with one or more employees are required to carry workers' compensation insurance.

District of Columbia



Minimum wage: \$15.00*

Tipped minimum wage: \$5.00*

Unemployment wage base: \$9,000.00

State unemployment tax rate: 1.6% - 7.0%, 2.7% for new employers

State income tax rate: 4.0% - 8.95%

Paid leave laws: Employees receive eight weeks for the birth or adoption of a child, six weeks to care for a family member with a serious health condition, and two weeks to care for their own serious health condition. The tax is 100% employer-funded and may not be deducted from a worker's paycheck.*

Harassment training requirements: Employers with tipped employees must create and distribute a sexual harassment policy to such employees and post it in a conspicuous place. New employees must receive training within 90 days of employment unless they have received training within the past two years. The training must be developed by the D.C. Office of Human Rights (OHR) or presented by an OHR-certified provider. Owners, operators, and managers must receive training every two years.

Workers' compensation requirements: Employers with one or more employees should obtain coverage for all of their employees in the District of Columbia. Employers who have employees located outside the District are required to have a workers' compensation insurance policy for coverage under the laws of the other states. Sole proprietors, casual workers, and unpaid volunteers are not covered.

Florida



Minimum wage: \$8.56*

Tipped minimum wage: \$5.54*

Unemployment wage base: \$7,000.00

State unemployment tax rate: 0.1% - 5.4%, 2.7% for new employers

State income tax rate: n/a

Paid leave laws: n/a

Harassment training requirements: Training is required for state employees.

Workers' compensation requirements: Employers conducting work in the state of Florida are required to provide workers' compensation insurance for their employees. Specific employer coverage requirements are detailed and based on the type of industry, number of employees, and entity organization.

Georgia



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$9,500.00

State unemployment tax rate: 0.04% - 7.56%, 2.7% for new employers*

State income tax rate: 1.0% - 5.5%*

Paid leave laws: Employers with 25 employees or more are required to allow their employees to use up to five days of their available paid sick leave to care for immediate family members. Georgia's statute does not obligate employers to provide sick days. The law only requires that if an employer already provides workers with paid sick leave, then that employer is also required to allow employees to use a certain amount of their leave allowance to care for immediate family members.

Harassment training requirements: n/a

Workers' compensation requirements: Georgia requires most employers with three or more full-time, part-time, or seasonal employees to have workers' compensation insurance. If the business is incorporated or an LLC, the corporate officers or members are included in the three or more employee count regardless of whether they exempt themselves from coverage.

Hawaii



Minimum wage: \$10.10

Tipped minimum wage: \$9.35

Unemployment wage base: \$48,100.00*

State unemployment tax rate: 0.0% - 5.6%, 2.4% for new employers

State income tax rate: 1.4% - 11.0%

Paid leave laws: n/a

Harassment training requirements: Training is not required, but the state encourages employers to take any necessary preventative measures against sexual harassment. Employers are encouraged to affirmatively raise the subject, express strong disapproval, develop appropriate sanctions, inform employees of their right to raise and how to raise the issue of sexual harassment, and take any other steps necessary to prevent sexual harassment from occurring.

Workers' compensation requirements: Any employer with one or more employees, full-time or part-time, permanent or temporary, is required to provide workers' compensation coverage for its employees except where excluded by law. Most employers purchase insurance from insurance carriers authorized in Hawaii.

Idaho



Minimum wage: \$7.25

Tipped minimum wage: \$3.35

Unemployment wage base: \$41,600.00*

State unemployment tax rate: 0.255% - 5.4%, 1.0% for new employers*

State income tax rate: 1.125% - 6.925%

Paid leave laws: n/a

Harassment training requirements: Training is recommended but not required. The Idaho Human Rights Commission states: "Effective policies and employee training can go a long way towards discouraging improper conduct before it becomes serious enough to violate the law."

Workers' compensation requirements: Employers with one or more full-time, part-time, seasonal, or occasional employees are required to maintain a workers' compensation policy unless specifically exempt from the law. Workers' compensation is required to be in place before the first employee is hired.

Illinois



Minimum wage: \$9.25*

Tipped minimum wage: \$5.55*

Unemployment wage base: \$12,740.00*

State unemployment tax rate: 0.625% – 7.25%, 3.125% for new employers*

State income tax rate: 4.95%

Paid leave laws: n/a

Harassment training requirements: The Department of Human Rights will develop and adopt a sexual harassment training program that all employers will use unless they establish another that "equals or exceeds the minimum standards provided by the model." Employers with 15 or more employees must provide this training at least once a year.

Workers' compensation requirements: Illinois law requires employers to provide workers' compensation insurance for almost everyone who is hired, injured, or whose employment is localized in Illinois. Sole proprietors, business partners, corporate officers, and members of limited liability companies may exempt themselves.

Indiana



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$9,500.00

State unemployment tax rate: 0.5% - 7.4%, 2.5% for new employers

State income tax rate: 3.23%

Paid leave laws: n/a

Harassment training requirements: n/a

Workers' compensation requirements: Most businesses with employees in Indiana must have workers' compensation insurance to provide protection against workplace injuries and illnesses. Unlike workers' comp laws in some states, the number of employees at a business has no bearing on the requirement.

Iowa



Minimum wage: \$7.25

Tipped minimum wage: \$4.35

Unemployment wage base: \$31,600.00*

State unemployment tax rate: 0.0% - 7.5%, 1.0% for new employers, 7.5% for new employers in the construction industry

State income tax rate: 0.33% - 8.53%

Paid leave laws: n/a

Harassment training requirements: Training is required for state employees.

Workers' compensation requirements: Iowa employees are covered by the Iowa workers' compensation law under most employment relationships. Sole proprietors, partners in a partnership, and members of an LLC that are not employees are not covered by Iowa workers' compensation law. They may, however, elect to be covered by purchasing insurance that expressly covers them.

Kansas



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$14,000.00

State unemployment tax rate: 0.0% - 7.1%, 2.7% for new employers, 6.0% for new employers in the construction industry

State income tax rate: 3.1% - 5.7%

Paid leave laws: n/a

Harassment training requirements: Employees and interns of executive government agencies must take annual sexual harassment training. No training is required for private-sector employees.

Workers' compensation requirements: Kansas workers' compensation laws require that all employers carry occupational injury compensation insurance. Exceptions include employers "in certain agricultural pursuits" and those with gross annual payroll of less than \$20,000. If the employer is a sole proprietor or a partnership, the wages paid to the owners and any of their family members are not used in the computation of the gross annual payroll.

Kentucky



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$10,800.00*

State unemployment tax rate: 0.3% - 9.0%, 2.7% for new employers, 10.0% for new employers in the construction industry

State income tax rate: 5.0%

Paid leave laws: n/a

Harassment training requirements: State employees must receive sexual harassment training once every two years. No training is required for private-sector employees.

Workers' compensation requirements: Employers with one or more workers are required to maintain workers' compensation coverage. There are no exceptions for family member employees, temporary, or part-time employees. Out-of-state employers performing any work in this state are required to have Kentucky coverage.

Louisiana



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$7,700.00

State unemployment tax rate: 0.09% - 6.2%, 1.14% - 2.85% for new employers, depending on the industry*

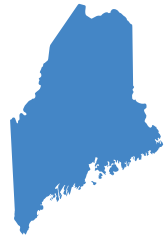
State income tax rate: 2.0% - 6.0%

Paid leave laws: n/a

Harassment training requirements: The state requires all state employees to receive one hour of harassment training each year, and supervisors must receive additional training. No training is required for private-sector employees.

Workers' compensation requirements: Employers in Louisiana are required to maintain workers' compensation insurance even if they only have one employee. This includes part-time, full-time, temporary, or seasonal employees.

Maine



Minimum wage: \$12.00*

Tipped minimum wage: \$6.00*

Unemployment wage base: \$12,000.00

State unemployment tax rate: 0.6% - 5.46%, 1.92% for new employers*

State income tax rate: 5.8% - 7.15%

Paid leave laws: As of January 1, 2021, employers will provide one hour of paid leave for every 40 hours worked up to a max of 40 hours of paid leave per year. Employees start accruing leave on their first day of work, but cannot use it until after 120 days of employment. Employees may use leave for any reason. Before full-time workers can take paid leave, they would also need to work 40 hours per week for 24 weeks. Companies that operate seasonally or those with fewer than 10 employees are exempt.*

Harassment training requirements: Employers with 15 or more employees must use a checklist developed by the Maine Department of Labor in developing the sexual harassment training program. They must use this checklist to train every employee within one year of his or her start date.

Workers' compensation requirements: Every business with employees in Maine is required to have workers' compensation insurance. There are some exceptions for business owners.*

Maryland



Minimum wage: \$11.00*

Tipped minimum wage: \$3.63

Unemployment wage base: \$8,500.00

State unemployment tax rate: 0.3% - 7.5%, 2.6% for new employers

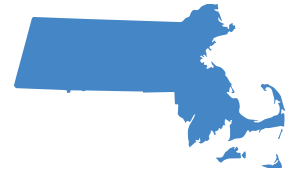
State income tax rate: 2.0% - 5.75%

Paid leave laws: All employers whose employees' primary worksite is located in Maryland are required to offer their employees paid sick leave. Both paid and unpaid leave will accrue at the rate of one hour of leave for every 30 hours worked with a maximum of 40 hours. Employees can carry over 40 hours of unused time to the next year.

Harassment training requirements: n/a

Workers' compensation requirements: With few exceptions, every employer with one or more employees is required by law to provide workers' compensation insurance. Agricultural employers with less than three employees or an annual payroll for full-time employees that does not exceed \$15,000 are not required to carry worker's compensation insurance.

Massachusetts



Minimum wage: \$12.75*

Tipped minimum wage: \$4.95*

Unemployment wage base: \$15,000.00

State unemployment tax rate: 0.94% - 14.37%, 2.42% for new employers, 7.37% for new employers in the construction industry*

State income tax rate: 5.0%*

Paid leave laws: Leave can be used to manage a serious personal illness, care for a sick family member, birth or adoption of a child, or manage family affairs while a family member is on active military duty. Coverage is available to all W-2 workers who work in Massachusetts, whether full-time, part-time, or seasonal, as well as some 1099-MISC contractors. This applies to all Massachusetts employers regardless of size. Those caring for a loved one who serves in the military may be covered for up to 26 weeks starting January 1, 2021.*

Harassment training requirements: The law requires a sexual harassment policy to be written out for companies of six or more employees. Employers must distribute a written version of their sexual harassment policy annually to all employees and to each new employee at the beginning of employment. Training is not required, but it is encouraged. Massachusetts' Fair Employment Practices Act encourages employers and labor organizations to conduct an education and training program for new employees and members, within one year of commencement of employment or membership.

Workers' compensation requirements: All employers operating in Massachusetts are required to carry workers' compensation insurance for their employees and themselves if they are an employee of their company. The requirement applies no matter the number of hours worked or the number of employees. The only exception is for domestic employees who must work at least 16 hours a week to be covered under a workers' compensation policy.

Michigan



Minimum wage: \$9.65*

Tipped minimum wage: \$3.67*

Unemployment wage base: \$9,500.00

State unemployment tax rate: 0.06% - 10.3%, 2.7% for new employers, 8.2% for new employers in the construction industry*

State income tax rate: 4.25%

Paid leave laws: n/a

Harassment training requirements: The department of civil rights is required to offer training programs to all employers, labor organizations, and employment agencies to assist in understanding requirements.

Workers' compensation requirements: All private employers regularly employing one or more employees 35 hours or more per week for 13 weeks or longer during the preceding 52 weeks or with three or more employees (full-time or part-time) are required to have workers' compensation coverage.

Minnesota



Minimum wage: \$8.15 for employers with annual gross sales less than \$500,000, \$10.00 for employers with annual gross sales more than \$500,000*

Tipped minimum wage: Prohibited

Unemployment wage base: \$35,000.00*

State unemployment tax rate: 0.2% - 9.1%, 1.0% - 8.9% for new employers, depending on the industry

State income tax rate: 5.35% - 9.85%

Paid leave laws: n/a

Harassment training requirements: n/a

Workers' compensation requirements: There is no minimum number of employees an employer must have before insurance is required; therefore, an employer with only one part-time employee generally must provide workers' compensation coverage.

Mississippi



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$14,000.00

State unemployment tax rate: 0.0% - 5.4%, 1.2% for new employers

State income tax rate: 3.0% - 5.0%

Paid leave laws: n/a

Harassment training requirements: All state employees must take an online sexual harassment training course. No training is required for private-sector employees.

Workers' compensation requirements: All employers with five employees regularly employed are required to provide workers' compensation insurance coverage. If the employer has less than five employees, workers' compensation coverage is not mandatory but may be provided voluntarily by the employer. Domestic and farm labor, employees of non-profit fraternal, charitable, religious or cultural organizations are not covered under the law unless coverage is provided voluntarily by the employer.

Missouri



Minimum wage: \$9.45*

Tipped minimum wage: \$4.73*

Unemployment wage base: \$11,500.00*

State unemployment tax rate: 0.0% - 5.4%, 2.376% for new employers, 1.0% for nonprofits

State income tax rate: 1.5% - 5.4%

Paid leave laws: n/a

Harassment training requirements: n/a

Workers' compensation requirements: Employers with five or more employees are required to carry workers' compensation insurance. Employers in the construction industry with one or more employees who erect, demolish, alter, or repair improvements must carry workers' compensation insurance.

Montana



Minimum wage: \$8.65*

Tipped minimum wage: Prohibited

Unemployment wage base: \$34,100.00*

State unemployment tax rate: 0.0% - 6.12%, 1.0% - 2.4% for new employers, depending on the industry

State income tax rate: 1.0% - 6.9%

Paid leave laws: n/a

Harassment training requirements: n/a

Workers' compensation requirements: All businesses in Montana with employees are required to have workers' compensation insurance.

Nebraska



Minimum wage: \$9.00

Tipped minimum wage: \$2.13

Unemployment wage base: \$9,000.00

State unemployment tax rate: 0.0% - 5.4%, 1.25% for new employers, 5.4% for new employers in the construction industry

State income tax rate: 2.46% - 6.84%

Paid leave laws: n/a

Harassment training requirements: Employers need to have an effective complaint process, provide anti-harassment training to all employees, and take immediate and appropriate action when an individual complains.

Workers' compensation requirements: Employers with more than one employee must have workers' compensation insurance.

Nevada



Minimum wage: \$9.00*

Tipped minimum wage: Prohibited

Unemployment wage base: \$32,500.00*

State unemployment tax rate: 0.3% - 5.4%

State income tax rate: n/a

Paid leave laws: Employers must provide earned paid leave that employees may use for any reason including those for which sick leave is typically used. Nevada Law requires “covered employers” to provide 0.01923 hours of paid leave per work hour. Employee’s paid leave may be accrued over the course of the year or may be front-loaded. The amount of leave used in a year may be limited to 40 hours, and leave carryover may also be limited to 40 hours per year.*

Harassment training requirements: Training is required for state employees. No training is required for private-sector employees.

Workers’ compensation requirements: All employers who have at least one worker must have workers’ compensation coverage.

New Hampshire



Minimum wage: \$7.25

Tipped minimum wage: \$3.26

Unemployment wage base: \$14,000.00

State unemployment tax rate: 0.1% - 7.0%, 1.2% for new employers

State income tax rate: 5.0%

Paid leave laws: n/a

Harassment training requirements: n/a

Workers’ compensation requirements: New Hampshire law requires employers to provide workers’ compensation insurance. Every employer who has any employees, full or part-time, is required to cover them with workers’ compensation insurance written by a carrier. This requirement also applies to nonprofit organizations.

New Jersey



Minimum wage: \$11.00*

Tipped minimum wage: \$3.13*

Unemployment wage base: \$35,300.00*

State unemployment tax rate: 0.4% - 5.4%, 2.8% for new employers

State income tax rate: 1.4% - 11.8%

Paid leave laws: Employees can take up to 12 weeks of leave in a 24-month period to care for a child or a family member who has a serious health condition. Employees must have been with the employer for one year and worked at least 1,000 hours in the last 12 months. This leave cannot be used for the employee's own personal illness. Employees must give at least 15 days notice for intermittent leave and 30 days notice for consecutive leave.

Harassment training requirements: New Jersey state government employees and supervisors are required to be trained. No training is required for private-sector employees.

Workers' compensation requirements: New Jersey law requires that all New Jersey employers have workers' compensation coverage or be approved for self-insurance. Employers covered by federal workers' compensation are exempt from state coverage.

New Mexico



Minimum wage: \$9.00*

Tipped minimum wage: \$2.35*

Unemployment wage base: \$25,800.00*

State unemployment tax rate: 0.33% - 5.4%, the greater of 1.0% or the industry's average rate for new employers

State income tax rate: 1.7% - 4.9%

Paid leave laws: n/a

Harassment training requirements: n/a

Workers' compensation requirements: All businesses that employ three or more workers are required to have coverage. This includes owners, if they work in the business, as well as family members, part-time, temporary, and seasonal workers. All agricultural employers are required to carry workers' compensation insurance. New Mexico also requires coverage for all employees engaged in construction activities.

New York



Minimum wage: \$11.80, \$15.00 in New York City*

Tipped minimum wage: \$9.85 for tipped service employees, \$7.85 for tipped food service workers*

Unemployment wage base: \$11,600.00*

State unemployment tax rate: 0.525% - 7.825%, 3.125% for new employers

State income tax rate: 4.0% - 8.82%

Paid leave laws: Employees can take up to 10 weeks of leave to care for a family member with a serious health condition. Most employees who work in New York State for private employers are eligible to take paid family leave. Full-time and part-time employees are eligible, but both have minimum hours and length of employment requirements.

Harassment training requirements: All employers must provide employees an annual, interactive sexual harassment training. The training needs to include an explanation of sexual harassment, examples of conduct that amounts to sexual harassment, and the ways employees can report sexual harassment. New York City employers with 15 or more employees must comply with the New York State laws, but there are additional training requirements under the Stop Sexual Harassment in NYC Act. This applies to employees who work more than 80 hours in a calendar year and work for at least 90 days. Employers are required to train employees annually and are encouraged to train new employees as soon as possible.

Workers' compensation requirements: Employers operating in New York State are required to have workers' compensation coverage for their employees, with limited exceptions. Employers are required to obtain and keep in effect workers' compensation coverage for all employees even part-time employees and family members that are employed by the company.

North Carolina



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$25,200.00*

State unemployment tax rate: 0.06% - 5.76%, 1.0% for new employers

State income tax rate: 5.25%

Paid leave laws: n/a

Harassment training requirements: All state agencies are required to develop a plan on unlawful workplace harassment that includes training and other methods to educate state employees. No training is required for private-sector employees.

Workers' compensation requirements: All businesses that employ three or more employees, including those operating as corporations, sole proprietorships, limited liability companies, and partnerships must obtain workers' compensation insurance.

North Dakota



Minimum wage: \$7.25

Tipped minimum wage: \$4.86

Unemployment wage base: \$37,900.00*

State unemployment tax rate: 0.08% - 9.69%, 1.21% for new employers, 9.75% for new employers in the construction industry*

State income tax rate: 1.1% - 2.9%

Paid leave laws: n/a

Harassment training requirements: n/a

Workers' compensation requirements: North Dakota law requires businesses to have workers' compensation insurance prior to hiring their first employee (with limited exceptions).

Ohio



Minimum wage: \$8.70*

Tipped minimum wage: \$4.35*

Unemployment wage base: \$9,000.00*

State unemployment tax rate: 0.3% - 9.4%, 2.7% for new employers, 5.8% for new employers in the construction industry*

State income tax rate: 0.0% - 4.797%

Paid leave laws: n/a

Harassment training requirements: Training is not required but state law recommends it. According to the Ohio Administrative Code, "Prevention is the best tool for the elimination of sexual harassment. An employer should take all steps necessary to prevent sexual harassment from occurring, such as affirmatively raising the subject, expressing strong disapproval, developing appropriate sanctions, informing employees of their right to raise, how to raise the issue of harassment under Chapter 4112 of the Revised Code, and developing methods to sensitize all concerned."

Workers' compensation requirements: With some exceptions for type or structure of business, all employers with one or more employees must carry workers' compensation insurance coverage.

Oklahoma



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$18,700.00*

State unemployment tax rate: 0.1% - 5.5%, 1.5% for new employers

State income tax rate: 0.5% - 5.0%

Paid leave laws: n/a

Harassment training requirements: All state personnel who investigate complaints of discrimination are required to be trained in the areas of equal opportunity including sexual harassment, discrimination, and burdens of proof.

Workers' compensation requirements: With a few exceptions, every employer is required by law to carry workers' compensation insurance for its employees.

Oregon



Minimum wage: \$12.00*

Tipped minimum wage: Prohibited

Unemployment wage base: \$42,100.00*

State unemployment tax rate: 0.7% - 5.4%, 2.1% for new employers*

State income tax rate: 5.0% - 9.9%

Paid leave laws: As of January 1, 2023, employees are entitled to a maximum of 12 weeks of family leave within a 12-month period. This covers parental leave for the birth or adoption of a child, managing a serious health condition for the employee or a family member, pregnancy, sick child leave, bereavement, or military family leave. Employees may be required to give 30-days' notice in advance of leave unless it is taken for an emergency. Employers with fewer than 25 employees are exempt.*

Harassment training requirements: Training is recommended but not required. According to the Oregon Government Technical Assistance for Employers, training for staff is essential: "Employers should have departmental or unit meetings to explain policies and grievance procedures so that all employees understand what is prohibited conduct and how to complain about it."

Workers' compensation requirements: Oregon requires most employers to carry workers' compensation insurance for their employees.

Pennsylvania



Minimum wage: \$7.25

Tipped minimum wage: \$2.83

Unemployment wage base: \$10,000.00

State unemployment tax rate: 1.2905% - 9.933%, 3.689% for new employers, 10.2238% for new employers in the construction industry*

State income tax rate: 3.07%

Paid leave laws: n/a

Harassment training requirements: Training is required for state employees. No training is required for private-sector employees.

Workers' compensation requirements: Workers' compensation insurance coverage is mandatory for all employers who have one or more employees, whether they're part-time or full-time, including family members.

Rhode Island



Minimum wage: \$10.50

Tipped minimum wage: \$3.89

Unemployment wage base: \$24,000.00*

State unemployment tax rate: 0.9% - 9.4%, 1.06% for new employers*

State income tax rate: 3.75% - 5.99%

Paid leave laws: Employees can take up to 13 weeks in any two calendar years for the birth or adoption of a child, the employee's own serious illness, or to care for a family member with a serious illness. Employers with fewer than 50 employees are exempt.

Harassment training requirements: Training is encouraged, not required. Employers are encouraged to conduct an education and training program for new employees and members, within one year of commencement of employment or membership.

Workers' compensation requirements: With limited exceptions, employers with one or more employees are required to have workers' compensation insurance coverage. Individual owners and partners are exempt.

South Carolina



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$14,000.00

State unemployment tax rate: 0.06% - 5.46%, 0.55% for new employers*

State income tax rate: 0.0% - 7.0%

Paid leave laws: n/a

Harassment training requirements: n/a

Workers' compensation requirements: Any South Carolina employer who regularly employs four or more full-time or part-time workers is required to have workers' compensation insurance. Exceptions include agricultural employees, railroads, railway express companies and their employees, and employers who had a total annual payroll during the previous year of less than \$3,000.

South Dakota



Minimum wage: \$9.30*

Tipped minimum wage: \$4.65*

Unemployment wage base: \$15,000.00

State unemployment tax rate: 0.0% - 9.5%, 1.2% for new employers, 6.0% for new employers in the construction industry*

State income tax rate: n/a

Paid leave laws: n/a

Harassment training requirements: Training is recommended but not required. The South Dakota Division of Human Rights urges prevention. Employers should take all steps necessary to prevent sexual harassment from occurring, have an explicit policy against sexual harassment that is clearly and regularly communicated to employees, affirmatively raise the subject with all personnel, express strong disapproval, and explain the sanctions for harassment.

Workers' compensation requirements: All employers with one or more employees are required to carry workers' compensation insurance.

Tennessee



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$7,000.00

State unemployment tax rate: 0.1% - 10.0%, 2.7% for new employers

State income tax rate: 1.0%*

Paid leave laws: n/a

Harassment training requirements: Training is required for state employees. No training is required for private-sector employees.

Workers' compensation requirements: All employers in the construction business or trades (construction service providers) and employers in the coal mining industry that have one or more employees are required to have workers' compensation insurance unless they are specifically exempted. Every other employer in the state of Tennessee that has five or more employees must secure workers' compensation insurance coverage for their employees. Family members, part-time employees, and corporate officers are included when determining the number of employees if they meet the definition of employee.

Texas



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$9,000.00

State unemployment tax rate: 0.31% - 6.31%, the greater of 2.7% or the average rate for all employers in the NAICS code for new employers*

State income tax rate: n/a

Paid leave laws: n/a

Harassment training requirements: Training is required for state employees. No training is required for private-sector employees.

Workers' compensation requirements: Texas does not require an employer to have workers' compensation coverage. Private employers can choose to carry workers' compensation insurance coverage.

Utah



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$36,600.00*

State unemployment tax rate: 0.1% - 7.1%, new employer rates are assigned based on industry

State income tax rate: 4.95%

Paid leave laws: n/a

Harassment training requirements: Training is required for state employees. No training is required for private-sector employees.

Workers' compensation requirements: With a few exceptions, every employer in Utah is required to provide workers' compensation coverage for all its employees.

Vermont



Minimum wage: \$10.96*

Tipped minimum wage: \$5.48*

Unemployment wage base: \$16,100.00*

State unemployment tax rate: 0.8% - 6.5%, 1.0% for new employers

State income tax rate: 3.35% - 8.75%

Paid leave laws: The law entitles Vermont employees to earn up to 40 hours per year of paid leave to address certain personal and family needs. The number of hours to which an employee is entitled is related to the number of hours worked. Employers have two options to provide their employees earned sick time. Employees can accrue time as they work or can be provided with a lump sum on a yearly basis. One hour of sick time is accrued for every 52 hours of actual work, including overtime.

Harassment training requirements: Training is encouraged, not required. Vermont's Fair Employment Practices Act states:

1. Employers and labor organizations are encouraged to conduct an education and training program for all new employees and members that includes at a minimum all the information outlined in this section within one year after commencement of employment and continue to do so annually.
2. Employers are encouraged to conduct additional training for new supervisory and managerial employees and members within one year after commencement of employment or membership, which should include at a minimum the information outlined in this section, the specific responsibilities of supervisory and managerial employees, and the actions that these employees must take to ensure immediate and appropriate corrective action in addressing sexual harassment complaints.
3. In certain instances, the Vermont Attorney General may require employers to conduct annual sexual harassment training for up to three years.

Workers' compensation requirements: Workers' compensation coverage is required for all employers.

Virginia



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$8,000.00

State unemployment tax rate: 0.11% - 6.21%, 6.21% for foreign contractors doing business in Virginia, 2.5% for new employers

State income tax rate: 2.0% – 5.75%

Paid leave laws: n/a

Harassment training requirements: Each Virginia legislative branch employee must take online harassment training once every two years. No training is required for private-sector employees.

Workers' compensation requirements: Every employer who regularly employs two or more full-time or part-time employees is required to carry workers' compensation insurance.

Washington



Minimum wage: \$13.50*

Tipped minimum wage: Prohibited

Unemployment wage base: \$52,700.00*

State unemployment tax rate: 0.13% - 5.72%, average industry rate between 1.0% - 5.4% for new employers

State income tax rate: n/a

Paid leave laws: Employees receive up to 12 weeks to care for a new child or a family member with a serious health condition, recover from a serious illness or injury, or manage a military deployment-related situation. Employees must have worked at least 820 hours for any Washington employer during the previous 12 months. Employees must give 30 days notice of commencement date for the leave except in the case of an emergency. Worker's receive between \$100 and \$1000 per week depending on their income.*

Harassment training requirements: State employees must take sexual harassment training. There is no requirement to train private-sector employees, but the Washington State Human Rights Commission has published a detailed best practices document that strongly encourages training.

Workers' compensation requirements: Workers' compensation insurance is required for every employee, including part-time workers.

West Virginia



Minimum wage: \$8.75

Tipped minimum wage: \$2.62

Unemployment wage base: \$12,000.00

State unemployment tax rate: 1.5% - 8.5%, 2.7% for new employers

State income tax rate: 3.0% - 6.5%

Paid leave laws: n/a

Harassment training requirements: The state has a model sexual harassment policy for state agencies that encourages the training of employees.

Workers' compensation requirements: All employers are required to carry workers' compensation coverage.

Wisconsin



Minimum wage: \$7.25

Tipped minimum wage: \$2.33

Unemployment wage base: \$14,000.00

State unemployment tax rate: 0.0% - 12.0%, 3.05% for new employers with payroll less than \$500,000, 3.25% for new employers with payroll above \$500,000, 3.30% for new employers in the construction industry with payroll less than \$500,000, 3.45% for new employers in the construction industry with payroll above \$500,000

State income tax rate: 3.86% - 7.65%

Paid leave laws: n/a

Harassment training requirements: Training is not required, but the Department of Workforce Development recommends training.

Workers' compensation requirements: Employers must have workers' compensation insurance if they employ three or more full-time or part-time employees. Employers must have insurance immediately upon employing a third person. If you employ one or more full-time or part-time employees to whom you have paid combined gross wages of \$500 or more in any calendar quarter for work done at one or more locations in Wisconsin, you must have insurance by the 10th day of the first month of the next calendar quarter. If you are a farmer who employs six or more workers on the same day for any 20 days during the calendar year, you must have insurance by the 10th day after the 20th day of employment.

Wyoming



Minimum wage: \$7.25

Tipped minimum wage: \$2.13

Unemployment wage base: \$26,400.00*

State unemployment tax rate: 0.18% - 8.72%, minimum of 1.22% for new employers

State income tax rate: n/a

Paid leave laws: n/a

Harassment training requirements: n/a

Workers' compensation requirements: Most employers in Wyoming are required to carry workers' compensation insurance to protect their employees. Workers' compensation coverage must be purchased through the state fund.

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