

Federal

- Social Security Tax base increases to \$160,200.00; no change to employer or employee rates or Medicare rates.
- Employers can create an account online with the Social Security Administration to be able to verify employee SSN.
- 401k contribution limit increases to \$22,500.
- The limit on annual contributions to an IRA will increase to \$6,500. The IRA catch-up contribution limit for individuals aged 50 and over is not subject to an annual cost-of-living adjustment and remains \$1,000.
- The catch-up contribution limit for employees aged 50 and over who participate in 401(k), 403(b), most 457 plans and the federal government's Thrift Savings Plan will increase to \$7,500.
- The amount individuals can contribute to their SIMPLE retirement accounts will increase to \$15,500.
- Taxpayers can deduct contributions to a traditional IRA if they meet certain conditions. If during the year either the taxpayer or the taxpayer's spouse was covered by a retirement plan at work, the deduction may be reduced, or phased out, until it is eliminated, depending on filing status and income. (If neither the taxpayer nor the spouse is covered by a retirement plan at work, the phase-outs of the deduction do not apply.) The amount individuals can contribute to their SIMPLE retirement accounts is increased to \$14,000, up from \$13,500.

Helpful Federal Links:

<https://www.dol.gov/agencies/whd/employers>

<https://www.irs.gov/newsroom/taxpayers-should-review-the-401k-and-ira-limit-increases-for-2023#:~:text=Here%20are%20some%20of%20the%20changes%20for%202023%3A&text=The%20limit%20on%20annual%20contributions,living%20adjustment%20and%20remains%20%241%2C000.>

Oregon

- PFML – Payroll deductions begin 1/1/2023. Employees can start using PFML September of 2023.
- Contributions are paid by employees (60%) and employers (40%) if the employer has over 25 employees. Small employers (less than 25 employees) are not required to pay the employer portion (40%) of contributions, but they still must withhold and submit the employee portion of contributions with their payroll reports.
- Beginning July 1, 2023, the Oregon minimum wage rate will be adjusted annually based on the Consumer Price Index.
- Unemployment wage base will increase to \$47,700 from \$43,800 on January 1, 2022
- Lane Transit Tax decreasing to .0075 –
 - ◇ Wilsonville Transit Tax - no change
 - ◇ TriMet Transit Tax - decreasing to .0077337
 - ◇ Eugene Community Safety Payroll Tax Ordinance is still in effect since 1/1/2021 - for all employers with employees who have a physical address in Eugene.
- WBF - no change.
- Oregon Saves – Any business with employees in Oregon that doesn't offer an employer-sponsored retirement plan is required to facilitate the state's plan. Employees may all opt out, but the employers must register.
- Final provisions of Workplace Fairness Act took effect 10/1/20 requiring employers to have written policies in place to reduce and prevent sexual assault.

Helpful OR links:

<https://paidleave.oregon.gov/employers/Pages/default.aspx>

<https://www.oregon.gov/boli/employers/Pages/default.aspx>

<https://www.oregon.gov/boli/workers/Pages/minimum-wage-schedule.aspx>

Washington

- Unemployment wage base will increase to \$62,500 for 2022.
- Minimum Wage increase to \$15.74/hr
- PFML – Premiums due from employees and employers to fund the PFML program are increasing from 0.6% to 0.8% of the employee’s wages, up to the Social Security Cap.
- Washington Long Term Disability premium collection set to begin 7/1/2023 and benefits will be available 7/1/2026 (this could change and the date could be pushed out but for now it hasn’t). This is an employee contribution and withheld from employees checks at 0.58% of their wages. The employers are responsible to withhold the amounts, file quarterly reports and remit withheld liabilities.
- Senate Bill 5172 creates a phased-in path toward full overtime pay for agricultural workers. In 2022 AG employees will receive overtime pay for any hours worked over 55 hours per week; **48 hours per week in 2023**; and 40 hours per week by 2024.
- New state minimum salary levels for employees exempt from overtime are in effect.
 - ◇ Now state salary requirements are higher than federal requirements. All employers, regardless of number of employees must pay at least \$1,101.80/week or \$57293.60/year.
 - ◇ Employees must meet both salary and job duties tests to be exempt. Remember that WA Paid Sick Leave eligibility (outside of Seattle) is dependent on overtime classification - if not exempt from overtime, employees are not exempt from paid sick leave requirements.

Helpful WA Links:

<https://www.lni.wa.gov/news-events/article/22-026>

<https://esd.wa.gov/newsroom/pr/paid-family-medical-leave-premiums-to-increase-in-2023#:~:text=To%20keep%20pace%20with%20more,premium%20rate%20will%20be%200.8%25.>

<https://esd.wa.gov/about-employees>