

Legal News

Social Security Wage Base and Tax Rates for 2015

Time to take notice of the annual payroll adjustments that come with the new year.

The Social Security Administration announced the wage base for social security payroll taxes for calendar year 2015. The following table shows the rates and bases applicable for 2015 and 2014 respectively:

Wage Base	2015	2014	Employee Tax	Employer Tax
Old Age, Survivors, Disability Tax	\$118,500	\$117,000	6.20%	6.20%
Medicare Part A	All Wages No Limits	All Wages No Limits	1.45%	1.45%

Medicare Tax for High Earners Continues in 2015

The 0.9% Medicare Tax which first went into effect in 2013 continues in 2015. Employers are required to withhold the tax on earnings over \$200,000 during each calendar year. Even though an employer's obligation to withhold begins at \$200,000, employees may owe more or less tax depending on their filing status. There's no employer match to this tax.

Current Minimum Wage Stands at \$8.00 and Moves to \$9.00 on Aug. 1, 2015

Minnesota dealers are subject to both State and Federal minimum wage laws and are required to pay the minimum wage most favorable to their employees. Since August 2014, the Minnesota rate has been higher and currently stands at \$8.00 per hour. The minimum wage rate will move to \$9.00 per hour effective Aug. 1, 2015.

For youths who are 17 years old and younger, the minimum wage is \$7.25 per hour and is not scheduled to change in 2015.

The law provides a lower minimum wage for new employees under the age of 20 during the first 90 days of their employment. This temporary youth minimum wage rate is currently \$6.50 per hour and moves to \$7.25 per hour effective Aug. 1, 2015.

Vehicle Old Age Exemptions

Minnesota Used Car Warranty Law A variety of exclusions are provided in Minnesota's Used Car Warranty Law, including one for "vehicles that are eight years of age or older as calculated from the first day in January of the designated model year of the vehicle."

On Jan. 1, 2015, model year 2007 vehicles turn eight years old and are exempt from the law.

Minnesota Used Car Damage Disclosure and Branding Laws These laws only apply to vehicles that have a "manufacturer's designated model year equal to or greater than the fifth calendar year immediately preceding the current calendar year."

On Jan. 1, 2015, model year 2010 and newer vehicles will be covered. 2009 and older will be exempt.

Odometer Disclosure Requirements The Federal Odometer Regulations contain an exemption from the disclosure requirements for vehicles that are 10 years old or older. The Minnesota Department of Public Safety administers the exemption on a calendar year basis. Effective Jan. 1, 2015, model year 2005 vehicles turn 10 years old and will be exempt.