

Payroll Rates & Limits

Prepared by School Business Advisory Services, 5/28/26-mp

Calendar Year Rates and Limits – Effective January 2026

Medicare annual maximum wage and contribution cap	No Limit
Medicare tax rate (over \$200,000 rate plus 0.9%)	1.45%
Medicare Part A hospital coverage premium (for retirees with less than 30 quarters).....	\$565.00
Medicare Part A hospital coverage premium (for retirees with 30-39 quarters)	\$311.00
Medicare Part B medical coverage premium (for retirees)	\$202.00
Social Security annual maximum wage cap	\$184,500.00
Social Security annual maximum contribution	\$11,439.00
Social Security tax rate	6.2%
Social Security wages needed to earn 1 quarter of coverage; 4 quarters maximum	\$1,890.00
STRS/PERS annual maximum wage cap (hired on or after 7/1/96).....	\$350,000.00
PERS annual maximum wage cap no Social Security (member after 1/1/13)	\$186,096.00
PERS annual maximum wage cap with Social Security (member after 1/1/13).....	\$155,081.00
Maximum 403(b) & Roth 403(b) contribution per calendar year	\$24,500
Maximum 403(b) & Roth 403(b) contribution per calendar year employees age 50 and over	\$32,500
Maximum 403(b) additional contribution per calendar year for 15-year service.....	\$3,000
Maximum 457 Deferred compensation contribution per calendar year	\$24,500
Maximum 457 Deferred comp contribution per calendar year employees age 50 and over	\$32,500
Federal Minimum Wage (effective 7/24/09).....	\$7.25
State Minimum Wage (effective 1/1/26).....	\$16.90
Medical Flex Spending Arrangement (FSA) limit (vendor # 999810-999834 – ID: MED REMB).....	\$3,400
Dependent Care Reimbursement limit (vendor # 999835-999859 – ID: DEP CARE).....	\$7,500
Health Savings Accounts (HSA) limit (vendor # 999866-999HSA – ID: HSA).....	\$4,400 - \$8,750
SISC Defined Benefit Plan contribution rate (member after 12/31/13: 1.3% employee & 1.3% district).....	2.6%

Fiscal Year 2026-27 Rates and Limits – Effective July 2026

PERS employer rate that begins with the July Regular Payroll	
Districts 01 – 61 & 74 – 78	26.40%
District 71 plan 60(plan 62 – 7.9%).....	10.18%
PERS employee rate (plan 55 or 60 - member on and before 12/31/2012).....	7.000%
PERS employee rate (plan 62 - member on and after 1/1/2013)	8.000%
PERS employee rate District 71 (plan 62 - member on and after 1/1/2013).....	7.750%
PERS retiree fiscal year earnings limit (only temporary positions allowed)	960 Hours
PERS Defined Benefit (DB) Credited Interest Rate (compounded annually June 30)	6.000%
STRS employer rate	19.100%
STRS employer reduced workload program or union elected official.....	19.100%
STRS employee rate for 2% at 60	10.250%
STRS employee rate for 2% at 62	10.205%
STRS DBS employer rate	8.250%
STRS DBS employee rate for 2% at 60.....	8.000%
STRS DBS employee rate for 2% at 62.....	9.000%
STRS retiree fiscal year earnings limitation.....	\$59,565
STRS Disability (coverage B) retiree <i>calendar</i> earnings limitation	\$40,767
STRS annual maximum wage cap (hired/member after 1/1/13)	\$187,369
STRS Regular Interest Rate	7.000%
STRS Defined Benefit (DB) Credited Interest Rate	3.700%
STRS Defined Benefit Supplement (DBS) Interest Rate.....	4.790%
STRS Cash Balance (CB) Interest Rate.....	4.790%
Summer Savings Deduction (10 month)	16.670%
Summer Savings Deduction (11 month).....	8.334%
Unemployment Insurance rate (no wage cap).....	0.05%
CSEA Monthly Dues Maximum at 1.5%	\$47.25