

2017 Tax Update Letter

We would like to wish you a happy, healthy and prosperous 2017. As the new year starts, we would ask you to review the following information to ensure compliance with changing limits and rates.

PAYROLL UPDATE:

- **MINIMUM WAGE:** Minimum wage starting January 1st 2017 is \$10.10 per hour in CT. All employees should fill out new W-4 forms (federal and state). These forms are available online.
- **401(K) CONTRIBUTION LIMITS:** \$18,000 and an additional \$6,000 if over 50 years old.
- **SIMPLE CONTRIBUTION LIMITS:** \$12,500 and additional \$3,000 if over 50 years old.
- **SOCIAL SECURITY WAGE BASE** is \$127,200 for 2017.
- **HSA CONTRIBUTION LIMITS:** \$3,400 for individuals and \$6,750 for families – there is an additional \$1,000 allowed if the HSA holder is over 55 years old.
- **1099s:** 1099s should be issued to eligible recipients by January 31st 2017.

RECOMMENDATIONS:

- **COMPUTER SECURITY:** We strongly encourage the use of automated backup services and up to date anti-virus programs. We recommend never emailing sensitive financial information.
- **TAX REFORM:** There are many different tax reform proposals being discussed for next year. Once legislation is passed we can advise how it will affect your business.

We are here to help you and your business. Please feel free to contact us if you need assistance preparing any year end forms or if we can assist you in any aspect of your business. We recently updated our website and added a testimonials page. We welcome you to visit us online and leave us your feedback.

The Staff of Baldelli & Company CPAs