

## **Rate Information for Employers**

As an employer, the cost of hiring workers does not only include wages. By law, you are also required to pay payroll taxes. The amount you pay for each of these is a percentage of payroll and are as follows:

Social Security & Medicare	7.65%
Federal Unemployment Tax	0.60%
State Unemployment Tax	2.70%
Workers Compensation	1.05%
<b>TOTAL Employer Cost Rate*</b>	<b>12.00 %</b>

\*Note—These are default rates only. Your rate may vary from the default rates listed above.

This means that for every \$1.00 you pay your worker in wages, you must pay an additional 12.00%, or 12 cents, for payroll taxes.

To determine the total cost for your employees, multiply the employee's rate of pay by 1.1200.

	X	1.1200		
Employee Rate		Taxes & Workers' Comp		Cost to You (always round up to next penny)

Palco calculates and pays this amount on your behalf, but it is important for you to understand how this affects your authorized budget. The table below is provided to help you determine your cost to employ someone based on various hourly rate amounts. The "Cost to You" column represents the rate multiplied by the default employer tax rate shown above. You may pay your worker other amounts than those listed in the table.

Hourly Rate	Cost to You	Hourly Rate	Cost to You	Hourly Rate	Cost to You	Hourly Rate	Cost to You	Hourly Rate	Cost to You	Hourly Rate	Cost to You
\$7.25	\$8.12	\$9.25	\$10.36	\$11.25	\$12.60	\$13.25	\$14.84	\$15.25	\$17.08	\$17.25	\$19.32
\$7.50	\$8.40	\$9.50	\$10.64	\$11.50	\$12.88	\$13.50	\$15.12	\$15.50	\$17.36	\$17.50	\$19.60
\$7.75	\$8.68	\$9.75	\$10.92	\$11.75	\$13.16	\$13.75	\$15.40	\$15.75	\$17.64	\$17.75	\$19.88
\$8.00	\$8.96	\$10.00	\$11.20	\$12.00	\$13.44	\$14.00	\$15.68	\$16.00	\$17.92	\$18.00	\$20.16
\$8.25	\$9.24	\$10.25	\$11.48	\$12.25	\$13.72	\$14.25	\$15.96	\$16.25	\$18.20	\$18.25	\$20.44
\$8.50	\$9.52	\$10.50	\$11.76	\$12.50	\$14.00	\$14.50	\$16.24	\$16.50	\$18.48	\$18.50	\$20.72
\$8.75	\$9.80	\$10.75	\$12.04	\$12.75	\$14.28	\$14.75	\$16.52	\$16.75	\$18.76	\$18.75	\$21.00
\$9.00	\$10.08	\$11.00	\$12.32	\$13.00	\$14.56	\$15.00	\$16.80	\$17.00	\$19.04	\$19.00	\$21.28