



Puerto Rico - 2023 Quick Wage & Tax Guide



MINIMUM WAGE

Minimum Wage	\$5.075*	Withholding Tax Rate	None
Minimum Cash Wage (Tipped)	\$5.075*		
Maximum Tip Credit	None*		

*Employers not covered or exempt from the FLSA. FLSA employers must pay \$9.50 per hour. The minimum cash wage for tipped employees is \$2.13 per hour and the maximum tip credit is \$7.37 per hour.

STATE INCOME TAX

UNEMPLOYMENT INSURANCE

Maximum Taxable Wages	\$7,000
Employee Deduction	None
Employer Tax Rates	1.2-5.4%
New Employer Tax Rates	2.9%

MORE INFORMATION

Dept. of Labor & Human Resources: trabajo.pr.gov

Federal

MINIMUM WAGE

Minimum Wage	\$7.25
Minimum Cash Wage (Tipped)	\$2.13
Maximum Tip Credit	\$5.12

FICA (SOCIAL SECURITY)

Maximum Taxable Wages	\$160,200
Employee/Employer Tax Rate	6.2%

FICA (MEDICARE)

Maximum Taxable Wages	\$160,200
Employee/Employer Tax Rate	1.45%
Add. Tax on Earnings >\$200K	2.35%

FUTA (EMPLOYER-PAID)

Maximum Taxable Wages	\$7,000
Employee/Employer Tax Rate	6.0%
Net Tax Rate	0.6%

HEALTH SAVINGS ACCOUNTS

Individual Contribution Limit	Up to \$3,850
Family Contribution Limit	Up to \$7,750

FLEXIBLE SPENDING ACCOUNTS

Individual Contribution Limit	Up to \$3,050
Family Contribution Limit	\$3,050 per FSA

RATES & LIMITS

401(k), 403(b), 457 & Roth 401(k)	\$22,500
Simple Plan IRA	\$15,500

ADDITIONAL CATCH-UP*

401(k), 403(b), 457 & Roth 401(k)	\$7,500
Simple Plan IRA	\$3,500

*Additional catch-up provision for an employee that reaches the age of 50 by the end of the tax year. To qualify, the catch-up contribution must be an established provision of the company's plan. For more information on your specific pension plan rules, please see your plan administrator.

Please read our disclaimer [here](#).

primepay.com