Payroll Tax for Employers Under American Health Benefits Plan

Firm size	Avg. wage < $21,000		Avg. wage $21,000-42,000		Avg. wage $42,001- $83,000		Avg. wage $83,001 +	
	Tax %	Max $ Per Employee*	Tax %	Max $ Per Employee*	Tax %	Max $ Per Employee*	Tax %	Max Wage**
< 10	4.00	840.00	5.00	2,100.00	6.00	4,980.00	8.75	137,142
10-25	4.25	892.50	5.25	2,205.00	6.75	5,602.50	9.50	126,315
26-49	4.50	945.00	5.50	2,310.00	7.25	6,017.50	10.00	120,000
50-199	4.75	997.50	5.75	2,415.00	8.00	6,640.00	10.00	120,000
200-499	5.00	1,050.00	6.00	2,520.00	8.75	7,262.50	10.00	120,000
500+	5.25	1,102.50	6.25	2,625.00	9.50	7,885.00	10.00	120,000

* Max $ Per Employee represents the average payroll tax per employee an employer with the maximum number of employees and the maximum wage in that bracket will have to pay.

** Max Wage represents the highest average wage at which employers will have to pay the full payroll tax percentage.

NOTE: No employer has to contribute more than $12,000 per employee.

Examples

An employer who has 20 employees with an average earnings of $40,000 (meaning a payroll of $800,000) would have a payroll tax of $42,000 (5.25 percent of $800,000).

An employer who has 425 employees and an average earnings of $75,000 (meaning a total payroll of $31,875,000) would have a payroll tax of $2,789,062.50 (8.75 percent of $31,875,000).

An employer with 500 employees and an average earnings of $135,000 (meaning a total payroll of $67,500,000) would have a payroll tax of $6,000,000 (10 percent of $67,500,000, with the tax capped at $12,000 per employee).