

Payroll 2017: Get the latest numbers while they're hot

The IRS has released the 2017 personal exemption amount, which doubles as the value of one withholding allowance for an annual pay period. *One less programming headache:* The personal exemption amount remains \$4,050 for 2017, which means that the value of withholding allowances may not increase, either.

The IRS has also released other key 2017 payroll-related figures. (*Rev. Proc. 2016-55, IRB 2016-45*)

Projected withholding allowance amounts. The IRS publishes the official withholding allowance amounts in Notice 1036, along with the percentage method tables. The estimated value of one allowance per pay period in 2017 is:

- Weekly: \$77.90
- Biweekly: \$155.80
- Semimonthly: \$168.80
- Monthly: \$337.50
- Quarterly: \$1,012.50
- Semiannual: \$2,025.00
- Annual: \$4,050.00
- Daily or miscellaneous: \$15.60.

Pension COLAs. Employees can continue to defer \$18,000 into their 401(k) accounts on a pretax basis. The overall amount they can defer—including pretax, after-tax and employer contributions—is the lesser of 100% of their compensation or \$54,000.

Qualified transportation fringes. The monthly tax-free reimbursement for qualified employer-provided parking and pre-tax mass transit benefits remains \$255.

Health benefits. The salary limit for the 50% small employer tax credit increases to \$26,200, from \$25,900. The maximum pretax amount employees can salt away in their health flexible spending accounts remains \$2,600.

DON'T TOUCH THAT DIAL: For all the news and Notice 1036, which contains the official 2017 withholding allowance amounts and the percentage method withholding tables, visit www.payrolllegalalert.com/2017_inflation_adjustments.

A step-by-step [payroll](#) compliance guide to each pay period, month and calendar quarter of the year is now available. Download it free [here](#).