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MEMORANDUM

To: Chief Fiscal Officers, MMARS Liaisons, and Payroll Directors

From: Tryntje Bumgardner, Assistant Comptroller

Cc: General Counsels and Internal Distribution

Date: February 4, 2026

Re: Tax and Payroll Updates for Tax Year 2026

Office of the Comptroller Fiscal Year Memo FY#2026-12

Executive Summary

HR/CMS must be updated to comply with IRS and DOR requirements regarding employer responsibilities for Tax Year 2026. This memo highlights the requirements and the necessary department actions to be compliant, including recent changes in state and federal taxation.

Federal Tax Law Changes are Included to the Extent the IRS has Published Related Guidance

Tax brackets and supplemental wage rates are included in this memo. As changes are published, the Office of the Comptroller (CTR) will update these items with revisions to this tax memo.

The standard deduction for married filing jointly increases to $32,200 for Tax Year 2026, up $700 from the prior year. For single taxpayers and married individuals filing separately, the standard deduction increases to $16,100 for Tax Year 2026, up $350, and for heads of households, the standard deduction will be $24,150 for Tax Year 2026, up $525.

For Tax Year 2026, the rates are:

- 37 percent for individual single taxpayers with incomes greater than $640,600 (over $768,700 for married couples filing jointly).
- 35 percent for incomes over $256,225 (over $512,450 for married couples filing jointly)
- 32 percent for incomes over $201,775 (over $403,550 for married couples filing jointly)

- 24 percent for incomes over $105,700 (over $211,400 for married couples filing jointly)
- 22 percent for incomes over $50,400 (over $100,800 for married couples filing jointly)
- 12 percent for incomes over $12,400 (over $24,800 for married couples filing jointly)

The lowest rate is 10 percent for single individuals with incomes less than $12,400 ($24,800 for married couples filing jointly)

One Big Beautiful Bill Act (OBBBA)

The One Big Beautiful Bill Act, signed in July 2025, and applied retroactively to January 2025, included four changes related to tax deductions available to taxpayers. One provision with direct impact to Commonwealth employees is the "No Tax on Overtime" provision.

Effective from 2025 through 2028, individuals who receive qualified overtime compensation may deduct the pay that exceeds their regular rate of pay that is required by the Fair Labor Standards Act (FLSA) and that is reported on a Form W-2, Form 1099, or other specified statement furnished to the individual. For Tax Year 2026, the maximum annual deduction for qualified overtime compensation is $12,500 ($25,000 for joint filers). This deduction phases out for taxpayers with modified adjusted gross income over $150,000 ($300,000 for joint filers).

27 Pay Periods in 2026

There will be 27 pay periods processed in Tax Year 2026, beginning with pay period ending December 27, 2025, and concluding with the pay period ending December 12, 2026.

There will be no system changes made to General Deductions; the existing deduction amounts will continue.

Federal/Medicare and State Withholdings

The Federal Supplemental Tax Rate is 22%; Medicare is 1.45% and the Additional Medicare rate is 0.9% for wages over $200,000. This is unchanged from the previous tax year.

The Massachusetts state tax rate remains 5%, as confirmed in DOR's 2026 Circular M.

Employees with withholdings other than Massachusetts state tax should review changes for those states. The payroll system will withhold based on published rates in Tax Year 2026.

Non-Resident Aliens (NRA)

To ensure proper Non-Resident Alien (NRA) tax withholdings, employing departments must ensure that citizenship credentials, visas, and other required documentation have been received. Documents vary depending on visa type. NRA employees must provide the required information and complete the necessary forms using SprinTax, the Commonwealth's secure Online Tax Compliance System. To gain access to the SprinTax application, please contact the CTR Statewide Payroll Team at Statewidepayroll@mass.gov. For more details, see the Non-Resident Alien Taxation section of the HR/CMS Knowledge Center (Requires SharePoint).

Massachusetts Minimum Wage

The 2026 Massachusetts Minimum Wage is $15.00 an hour. Departments should review the MPAY018 Report available on Mobius View.

Massachusetts Paid Family and Medical Leave

The combined contribution will remain the same as 2025: .0088 of eligible wages, comprised of .0070 for Medical (MLI) and .0018 for Family (FLI). Departments must manage both MLI and FLI Status on the State Tax Data Page (see the Maintain Tax Data Job Aid). The available options are unchanged: Subject, Paid by Department, or Exempt. For more information, visit the Department of Family and Medical Leave on Mass.Gov:

https://www.mass.gov/orgs/department-of-family-and-medical-leave.

Standard Mileage Rates

The 2026 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes is 72.5¢ per mile. Mileage reimbursements greater than 72.5¢ per mile are taxable.

Please note that the rate for Commonwealth employees may be different than the mileage rate issued by the Internal Revenue Service.

Social Security

Where applicable, the Social Security tax rate for 2026 is unchanged at 6.2%. The wage limit is now $184,500, up $8,400 from last year.

State Retirement Cap

The definition of "regular compensation" in M.G.L. c. 32, § 1 caps retirement deductions for new employees who became a member in the Retirement Systems on or after January 1, 2011 at 64% of the 26 U.S.C. 401(a) amount including, but not limited to, the applicable limits for any calendar year under 26 U.S.C. 401(a)(17).

For Tax Year 2026, the salary limit is $230,400 (64% of $360,000).

Savings Plans (Deferred Compensation)

The Standard and Catch-Up Limits for 457 and 403B plans have increased:

- Normal $24,500;
- 3 Year Catch-Up (457) $24,500;
- New "Super Catch-Up" $11,250;
- the Over 50 limit has increased to $8,000.

Reminders:

- (3 Year Catch-Up) When an employee elects the 3 Year Catch-Up, they will only appear on the monthly deferral report once. There will be no further reporting unless there is another change submitted through the Plan Provider. Therefore, any future years need to be created upon the initial notification.
- Super Catch-up (60, 61, 62, 63) This option allows employees to contribute an additional designated amount. Once the employee reaches the calendar year of their 64th birthday, the employee will revert to the over 50 limits.

- (Over 50) The Commonwealth will have an automatic update for employees who are 50 years old or turning 50 within the calendar year; this update will automatically insert a row "Age 50-Extend Limit (B)" into the Savings Management page.

Health Care Spending/Dependent Care

Total Administrative Services Corporation (TASC) is the Plan Administrator for the Group Insurance Commission HCSA/DCAP (since July 2023).

The 2026 HCSA Limit is: DCAP $7,500; HCSA $3,400 (minimum $250); and the administrative fee (HCSAF) is $1.00 a month.

Departments should encourage employees to consider the HCSA/DCAP/IRS grace period (two and a half months) when considering 2026 goal amounts. More information can be found at https://www.mass.gov/info-details/flexible-spending-accounts-fsas.

For more information about the HCSA/DCAP pre-tax programs, contact TASC by phone at 1-800-422-4661, by email at CommonwealthofMA@tasconline.com, or visit the GIC website.

New Hires

Every newly hired employee must complete Form I-9 and Form W-4. Both the employer and the employee are responsible for completing Form I-9.

- Form I-9 can be found here: https://www.uscis.gov/sites/default/files/document/forms/i-9-paper-version.pdf
- Form W-4 can be found here: https://www.irs.gov/pub/irs-pdf/fw4.pdf

Social Security Verification

Over the course of the year, data about new hires is submitted to the Social Security Administration for verification. CTR staff contact individual departments to resolve any discrepancies. These discrepancies must be resolved to ensure that new hires receive future benefits.

Correcting SSNs/ Duplicate Employee IDs

Requests to correct W-2s or to combine employee balances, as a result of entering an incorrect SSN, are handled by the CTR Statewide Payroll Team. These requests should be logged with the EOTSS ServiceNow instance (https://massgov.service-now.com/). Do not enter Personal Identifiable Information (PII) in the ticket. CTR may request that the department CFO review the issue to identify and correct any associated internal control weaknesses.

Employees Claiming "Exempt Status" Must Annually File a New Form W-4

If an employee wishes to claim "Exempt" from withholding taxes, the employee must file a new Form W-4 on or before February 15. If the employee fails to submit a new Form W-4, the employer must withhold based on the last "nonexempt" W-4 statement on file; if none exists, then withhold as "Single" with "0" (zero) deductions. See IRS Publication 15 for more details.

Reminders:

- Departments must notify exempt employees to resubmit a new W-4 Form.
- In addition, exempt employees with a valid "My System Profile" email address will receive a system generated reminder to resubmit online using Self-Service Time and Attendance (SSTA).
- All employees can update their W-4 online using SSTA.
- Report HTAX103 identifies exempt employees who must file a new W-4. See the new Job Aid for W-4 Exempt Process: HR/CMS Knowledge Center W-4 Exempt Process (Requires SharePoint)
- If employees use the IRS form, they need to write "Exempt" in the space below Step 4(c) on the form. Departments do not need to send W-4 forms claiming "Exempt" status to the IRS.

2026 W-4 Form

The IRS released an update Form W-4, Employee's Withholding Certificate for 2026, on December 11, 2025. The form increased to five pages and includes changes to the following:

- *Step 3: Claim Dependent and Other Credits.* The lines in Step 3 are now labeled Lines (a) and (b) and require the same information as in the 2025 form. The amount for the child tax credit was increased by the OBBBA to $2,200 from $2,000 per qualifying child.
- *Step 4: Other Adjustments*. Step 4 no longer includes "Optional." Step 4(b) informs employees that if the employee skips this line, withholding will be based on the standard deduction.
- *Deductions Worksheet.* The Deductions Worksheet for Step 4(b) now has 15 lines and is on its own page. New lines were added for employees to enter qualified tips and overtime compensation for the new tax deductions under the OBBBA. Employees can use Line 1(a) to enter an estimate of their qualified tip income and Line 1(b) to enter an estimate of qualified overtime compensation.
- *Exempt checkbox.* A checkbox was added after Step 4 for employees to claim they are exempt from withholding. On the previous version, employees claimed exempt by writing "Exempt" in the space below Step 4(c).

The Internal Revenue Service (IRS) does not require affected employees to update existing forms; however, all new forms must be used going forward.

https://www.irs.gov/pub/irs-pdf/fw4.pdf

The IRS suggests employees complete a Paycheck Checkup to ensure that they are having the proper amount withheld on their behalf.

https://www.irs.gov/individuals/tax-withholding-estimator

IRS Lock-in Letter

The IRS uses information reported on Form W-2 to identify employees with withholding compliance problems. In some cases, if a serious under-withholding problem is found, the IRS may issue a lock-in letter to the employer specifying the corrected withholdings. Departments must furnish the employee copy to the employee within 10 business days of receipt and begin withholding based on the date specified in the notice.

New W-4 submissions are only accepted if the new Form W-4 withholds more than the IRS Notice. See Publication 15 for more details at https://www.irs.gov/pub/irs-pdf/p15t.pdf.

Federal Tax Levy Exemption Tables

The IRS issues Publication 1494 regarding the "personal exemption" amounts to be used for calculating levies. Where applicable, HR/CMS will be updated with 2026 tables. Levies from prior years do not need to be updated unless the employee submits a new Form 668-W. Deductions will continue based on the original year's exemption tables and rates.

Qualified Transportation and Parking Benefits (change)

The Qualified Transportation Benefit Plan (QTBP) allows employees the choice to direct a portion of their salary into reimbursement accounts to pay for certain work-related parking and/or mass transit expenses on a pre-tax, salary reduction basis. The pre-tax amounts are:

- Federal: $340 for both transit and parking
- Massachusetts: $335 for both transit and Parking

Voya is the current third-party administrator for Qualified Transportation benefits. The HR/CMS deductions QTPARK and QTTRAN are set up as pre-tax for both federal and Massachusetts withholdings up to the limit. If the expenses exceed the maximum pre-tax amount, the remainder will be included in a post-tax account and appear on the employee's paycheck as TRANST for state taxes and TRANFD for federal taxes.

Departments must ensure that transit deductions are set up correctly in HR/CMS. Transit pass deductions are made during the first pay period of the month, one month in advance. In HR/CMS, the parking benefit is taken during the second pay period of the month, one month in advance.

Job aids for managing these deductions in HR/CMS are available under the section "Qualified Transportation Benefits" at HR/CMS Knowledge Center (Requires SharePoint).

Employer Provided Qualified Parking Benefits

Pursuant to the Internal Revenue Code Section 132(f), IRS Publication 15-B, and Department of Revenue Technical Information Releases (TIR) 22-15 Section I, employers who provide employees with free parking valued at more than the federal and state exclusion amounts are required to add any excess value to the employee's gross income for tax reporting and withholding purposes.

The Federal exclusion amount for Tax Year 2026 has increased from $325 to $340 per month.

The Massachusetts exclusion amount for Tax Year 2026 has increased from $325 to $335 per month.

Fair Market Value of Parking at State Facilities (Change)

Employer provided qualified parking benefits include parking at the State House, McCormack Building, Hurley/Lindemann Garages, and the outside guaranteed reserved spaces at the State House.

The Division of Capital Asset Management and Maintenance (DCP) conducted the annual survey of Government Center parking rates for Tax Year 2026. DCP has determined that the fair market value has increased to $479 per month for qualified parking for these locations. Public parking garages in the immediate vicinity were identified, and a comparable lot was selected based on the most reasonable rates.

- The $15 increase in the Federal Monthly Exclusion will require updating the amounts in HR/CMS for these locations. The PKF amount for Government Center locations is **$139** per month ($479 less $340).
- The State Monthly Inclusion will need to be added in HR/CMS. The PKS amount for Government Center locations is **$144** per month ($479 less $335).

Other Parking Places

If your department provides some employees with free employer-provided parking at a location that is not listed above, you are required to determine the monthly fair market value of this non-cash parking benefit each year. IRS guidance requires that the fair market value be determined based on either:

- If the parking is available to the public, the monthly rate that the general public pays for the same parking, *not* the lower group or corporate rate that your department actually pays for the spaces.
- If the parking is not available to the public, the department must survey rates at local parking facilities that are both comparable and in the same vicinity as the department's site.

  The department sets a monthly value based on the monthly rate for parking at a comparable lot (*not* any lower amount that your department actually pays for the spaces).

Departments that provide free parking in facilities other than the lots or spaces whose value is determined by DCAMM should re-determine the fair market value of this parking fringe benefit for Tax Year 2026. Please refer to IRS Publication 15B, "Employers Tax Guide To Fringe Benefits", for additional guidance on non-cash fringe benefits and use the exclusion amounts outlined in this memo (Federal $340 and State $335).

Periodically, CTR will review the status of employee records as they relate to benefit and tax requirements, as well as the department evaluations of parking values assigned.

Tax Reporting Requirements Based upon "Access", Not Employee "Use" of Parking

With the limited exception of the few state employees who are assigned "non-personal use vehicles", there are no exemptions from the tax reporting and withholding requirements for employer-provided parking (even if the parking is required to perform their jobs). The value of a parking fringe benefit is determined by the parking "access" not by the actual "use" of the parking space by an employee.

The value of the parking benefit is the same whether an employee is assigned a reserved parking space or granted guaranteed access to unassigned spaces.

Remote work is not a factor in determining fair market value; only removal of access is a factor.

Commonwealth-Provided Parking That Does Not Require Tax Reporting

The following types of Commonwealth-provided parking do not trigger state and federal tax reporting requirements:

- Employee parking assignments at the Boston Merrimac Street parking lot (fair market value is $327 which is less than the limit).
- Employees provided with passes for non-guaranteed or non-reserved on street or off-street parking (e.g., "L Pass" spaces).
- Employees provided with limited access parking so long as the total daily space value for parking access for that employee does not exceed the $340 Federal or $335 State threshold per month for days granted access. The employee must **not** be able to park on any other days.

Examples include:

- Restricted nighttime access between 5 p.m. and 7 a.m.
- Parking space shared by multiple employees, each with restricted access with a monthly value which does not exceed federal or state thresholds.
- Visitor parking access.

Entering a Recurring Parking Non-Cash Benefit in HR/CMS

The HR/CMS earnings code for imputed parking benefits is "PKF" for Federal and "PKS" for State. Departments should follow the Job Aid regarding the parking non-cash benefit in the HR/CMS Knowledge Center(Requires SharePoint) under the heading "General Deductions". The Imputed Income is based on the parking benefit one month in arrears. In HR/CMS, the January benefit is not processed until the February payroll. Therefore, the change in Imputed Income (PKF/PKS) amounts should occur in the first pay period in February (pay period ending February 6, 2026).

See Employee Non-Cash Parking Benefit for a copy of the employee non-cash parking benefits HR/CMS Selection form.

If you have any questions, please submit a ticket using the LCM/MMARS Payroll Tile in the **CTR ServiceNow Portal**.

Enc: Annual Changes Matrix

Description	2023	2024	2025	2026	Change
Medicare Tax	1.45% (No Maximum)	1.45% (No Maximum)	1.45% (No Maximum)	1.45% (No Maximum)	no
Additional Medicare Tax	0.9% on wages over $200,000 (no employer share)	0.9% on wages over $200,000 (no employer share)	0.9% on wages over $200,000 (no employer share)	0.9% on wages over $200,000 (no employer share)	no
Social Security Tax (MBTA Only)	6.2% on wages up to $160,200	6.2% on wages up to $168,600	6.2% on wages up to $176,100	6.2% on wages up to $184,500	yes
Earned Income Credit Maximum Income For Eligibility	The maximum Earned Income Credit amount is $7,430 for taxpayers who have 3 or more qualifying children; $6604 who have 2 qualifying children; $3,995 for 1 child and $600 for no child. The revenue procedure has a table providing maximum credit amounts for other categories, income thresholds and phaseouts	The maximum Earned Income Tax Credit amount is $7,830 for taxpayers who have 3 or more qualifying children, an increase of $400 from $7,430 for Tax Year 2023. The revenue procedure contains a table providing maximum EITC amount for other categories, income thresholds and phase-outs	The maximum Earned Income Tax Credit amount is $8,046 for taxpayers who have 3 or more qualifying children, an increase of $216 from $7,830 for Tax Year 2024. The revenue procedure contains a table providing maximum EITC amount for other categories, income thresholds and phase-outs	The maximum Earned Income Tax Credit amount is $8,231 for taxpayers who have 3 or more qualifying children, an increase of $185 from $8,046 for Tax Year 2025. The revenue procedure contains a table providing maximum EITC amount for other categories, income thresholds and phase-outs	yes
Annual Exemption Factor (Federal § 151(d))	Personal Exemptions have been replaced with new Standard Deduction: Single or Married filing separate-$14,600, Married Joint -$27,700, Head of House $20,800	Personal Exemptions have been replaced with new Standard Deduction: Single or Married filing separate-$14,600, Married Joint -$29,200, Head of House $21,900	Personal Exemptions have been replaced with new Standard Deduction: Single or Married filing separate-$15000, Married Joint -$30,000, Head of House $22,500	Personal Exemptions have been replaced with new Standard Deduction: Single or Married filing separate-$16,100, Married Joint -$32,200, Head of House $24,150	yes
Annual Exemption Factor (Massachusetts)	Single $4,400; Married filing separate $4,400; Head of household $6,800; Married filing joint $8,800	Single $4,400; Married filing separate $4,400; Head of household $6,800; Married filing joint $8,800	Single $4,400; Married filing separate $4,400; Head of household $6,800; Married filing joint $8,800	Single $4,400; Married filing separate $4,400; Head of household $6,800; Married filing joint $8,800	no
Income Tax Withholding Rates (Federal)	Bracket rates: 10%, 12%, 22%, 24%, 32%, 35%, 37% and the Supplemental Withholding Rate is 22%. Note: Tax rates have remained the same, but the income brackets have changed	Bracket rates: 10%, 12%, 22%, 24%, 32%, 35%, 37% and the Supplemental Withholding Rate is 22%. Note: Tax rates have remained the same, but the income brackets have changed.	Bracket rates: 10%, 12%, 22%, 24%, 32%, 35%, 37% and the Supplemental Withholding Rate is 22%. Note: Tax rates have remained the same, but the income brackets have changed.	Bracket rates: 10%, 12%, 22%, 24%, 32%, 35%, 37% and the Supplemental Withholding Rate is 22%. Note: Tax rates have remained the same, but the income brackets have changed.	yes
Income Tax Withholding Rates (Massachusetts)	no updates as of 12/15/2021	5.00%	5.00%	5.00%	no
IRC §457(b) Deferred Compensation Elective Deferral Limits (Federal/Massachusetts)	$22,500	$23,000	$23,500	$24,500	yes
IRC §403(b) Tax Sheltered Annuity Elective Deferral Limits (Federal/Massachusetts)	$22,500	$23,000	$23,500	$24,500	yes
IRC §403(b) and 457 Plan Catch-up Contributions for Individuals age 50 and over Deferral Limits (Federal/Massachusetts)	$7,500	$7,500	$7,500	$8,000	yes
IRC §401(a)(17) and §404(I) Annual Compensation Limit (Federal/Massachusetts)	NOTE: For those employees hired after January 1, 2011, there is a ceiling on the state retirement benefits paid while the amount of regular compensation subject to Retirement is capped at 64% of the Federal Limit under U.S.C. 401(a)(17). The U.S.C. 401(a)(17) limit is **$330,000**. The 2023 Retirement limit is then **$211,200**.	NOTE: For those employees hired after January 1, 2011, there is a ceiling on the state retirement benefits paid while the amount of regular compensation subject to Retirement is capped at 64% of the Federal Limit under U.S.C. 401(a)(17). The U.S.C. 401(a)(17) limit is **$345,000**. The 2024 Retirement limit is then **$220,800**.	NOTE: For those employees hired after January 1, 2011, there is a ceiling on the state retirement benefits paid while the amount of regular compensation subject to Retirement is capped at 64% of the Federal Limit under U.S.C. 401(a)(17). The U.S.C. 401(a)(17) limit is **$350,000**. The 2025 Retirement limit is then **$224,000**.	NOTE: For those employees hired after January 1, 2011, there is a ceiling on the state retirement benefits paid while the amount of regular compensation subject to Retirement is capped at 64% of the Federal Limit under U.S.C. 401(a)(17). The U.S.C. 401(a)(17) limit is **$360,000**. The 2025 Retirement limit is then **$230,400**.	yes
IRC §127 Educational Assistance Programs (Federal/Massachusetts)	Provides income exclusion for up to $5,250 of employer provided, non-job related educational assistance for undergraduate and Graduate courses.	Provides income exclusion for up to $5,250 of employer provided, non-job related educational assistance for undergraduate and Graduate courses.	Provides income exclusion for up to $5,250 of employer provided, non-job related educational assistance for undergraduate and Graduate courses.	Provides income exclusion for up to $5,250 of employer provided, non-job related educational assistance for undergraduate and Graduate courses.	no
IRC §132 Qualified Transportation Fringe Benefits - Transit Pass (Federal/ Medicare/ Massachusetts)	Transit Pre-Tax amount is **$300** for Federal and **$300** for Massachusetts.	Transit Pre-Tax amount is **$315** for Federal and **$315** for Massachusetts.	Transit Pre-Tax amount is **$325** for Federal and **$325** for Massachusetts.	Transit Pre-Tax amount is **$340** for Federal and **$335** for Massachusetts.	yes
IRC §132 Qualified Transportation Fringe Benefits - Parking (Federal/ Medicare/ Massachusetts)	Parking Exclusion Amount is **$300** for Federal and **$300** Massachusetts.	Parking Exclusion Amount is **$315** for Federal and **$315** Massachusetts.	Parking Exclusion Amount is **$325** for Federal and **$325** Massachusetts.	Transit Pre-Tax amount is **$340** for Federal and **$335** for Massachusetts.	yes
Revenue Procedure 2007-70 Mileage Rate for Business Transportation	0.625 cents/mile	0.67 cents/mile	0.67 cents/mile	0.725 cents/mile	yes
IRC 61 Fringe Benefits - Use of State Car (Federal/ Medicare/ Massachusetts)	$1.50 each way	$1.50 each way	$1.50 each way	$1.50 each way	no
IRC 61 Fringe Benefits - Housing (Federal/ Medicare/ Massachusetts)	The Housing benefit (both cash and non-cash) is taxable income. It should be added to the individual's federal and state taxable gross and is subject to applicable Medicare tax withholding.	The Housing benefit (both cash and non-cash) is taxable income. It should be added to the individual's federal and state taxable gross and is subject to applicable Medicare tax withholding.	The Housing benefit (both cash and non-cash) is taxable income. It should be added to the individual's federal and state taxable gross and is subject to applicable Medicare tax withholding.	The Housing benefit (both cash and non-cash) is taxable income. It should be added to the individual's federal and state taxable gross and is subject to applicable Medicare tax withholding.	no
IRC 61 Fringe Benefits - Tangible Assets (Federal/ Medicare/ Massachusetts)	The Tangible Assets benefit (both cash and non-cash) is taxable income. It should be added to the individual's federal and state taxable gross and is subject to applicable Medicare tax withholding.	The Tangible Assets benefit (both cash and non-cash) is taxable income. It should be added to the individual's federal and state taxable gross and is subject to applicable Medicare tax withholding.	The Tangible Assets benefit (both cash and non-cash) is taxable income. It should be added to the individual's federal and state taxable gross and is subject to applicable Medicare tax withholding.	The Tangible Assets benefit (both cash and non-cash) is taxable income. It should be added to the individual's federal and state taxable gross and is subject to applicable Medicare tax withholding.	no

Description	2023	2024	2025	2026	Change
IRC 79 Fringe Benefits - Imputed Income (Federal/ Medicare/ Massachusetts)	IRC section 79 provides that the cost of the Employer Provided Group-Term Life Insurance benefit with a value in excess of $50,000, less any employee contributions, is taxable income. It should be added to the individual's federal and state taxable gross and is subject to applicable Medicare tax withholding.	IRC section 79 provides that the cost of the Employer Provided Group-Term Life Insurance benefit with a value in excess of $50,000, less any employee contributions, is taxable income. It should be added to the individual's federal and state taxable gross and is subject to applicable Medicare tax withholding.	IRC section 79 provides that the cost of the Employer Provided Group-Term Life Insurance benefit with a value in excess of $50,000, less any employee contributions, is taxable income. It should be added to the individual's federal and state taxable gross and is subject to applicable Medicare tax withholding.	IRC section 79 provides that the cost of the Employer Provided Group-Term Life Insurance benefit with a value in excess of $50,000, less any employee contributions, is taxable income. It should be added to the individual's federal and state taxable gross and is subject to applicable Medicare tax withholding.	no
IRC §125 Flexible Spending Accounts - Health Care Spending Account	$2,850. GIC pretax plan HCSA is administered by Benefit Strategies, LLC.	$3,050. GIC pretax plan HCSA is administered by Total Administrative Services Corp. (TASC)	$3,300. GIC pretax plan HCSA is administered by Total Administrative Services Corp. (TASC)	$3,400. GIC pretax plan HCSA is administered by Total Administrative Services Corp. (TASC)	yes
IRC §125 Flexible Spending Accounts - Dependent Care Assistance Program	$5,000. GIC pretax benefit the Dependent Care Assistance Program (DCAP) is administered by **Benefit Strategies, LLC.** Exempt up to certain limits, **$5,000** ($2,750 for married employee filing separate return).	$5,000. GIC pretax benefit the Dependent Care Assistance Program (DCAP) is administered by Total Administrative Services Corp. (TASC). Exempt up to certain limits, $5,000 ($2,500 for married employee filing separate return).	$5,000. GIC pretax benefit the Dependent Care Assistance Program (DCAP) is administered by Total Administrative Services Corp. (TASC). Exempt up to certain limits, $5,000 ($2,500 for married employee filing separate return).	$7,500. GIC pretax benefit the Dependent Care Assistance Program (DCAP) is administered by Total Administrative Services Corp. (TASC). Exempt up to certain limits, $7,500 ($3,750 for married employee filing separate return).	yes
IRC §125 Flexible Spending Accounts - Fee	There is a monthly fee of $1 applicable for HCSA or DCAP. Will be taken in Period 1.	There is a monthly fee of $1 applicable for HCSA or DCAP. Will be taken in Period 1.	There is a monthly fee of $1 applicable for HCSA or DCAP. Will be taken in Period 1.	There is a monthly fee of $1 applicable for HCSA or DCAP. Will be taken in Period 1.	no
440 Mass. 309, 798 NE2d 941 (2003). Imputed Income Health Benefit	Respect for Marriage further recognize same-sex marriages for marriage benefits.	Respect for Marriage further recognize same-sex marriages for marriage benefits.	Respect for Marriage further recognize same-sex marriages for marriage benefits.	Respect for Marriage further recognize same-sex marriages for marriage benefits.	no
CH58 Acts of 2006. Health Care Reform Act allows Non-IRS Dependents Health Coverage (Imputed Income Health)	The Affordable Care Act allows young adults coverage up to age 26, even if the child no longer is a dependent or lives with parents. For MA, there is coverage up to the child's 26th birthday, OR two years after the child loses federal tax 'section 106' dependent status, whichever occurs first. Eligibility is determined by GIC.	The Affordable Care Act allows young adults coverage up to age 26, even if the child no longer is a dependent or lives with parents. For MA, there is coverage up to the child's 26th birthday, OR two years after the child loses federal tax 'section 106' dependent status, whichever occurs first. Eligibility is determined by GIC.	The Affordable Care Act allows young adults coverage up to age 26, even if the child no longer is a dependent or lives with parents. For MA, there is coverage up to the child's 26th birthday, OR two years after the child loses federal tax 'section 106' dependent status, whichever occurs first. Eligibility is determined by GIC.	The Affordable Care Act allows young adults coverage up to age 26, even if the child no longer is a dependent or lives with parents. For MA, there is coverage up to the child's 26th birthday, OR two years after the child loses federal tax 'section 106' dependent status, whichever occurs first. Eligibility is determined by GIC.	no