

2026 FAST FACTS MIDWESTERN STATES



Resources:

Dept. of Labor: www.dol.gov
Internal Revenue Service: www.irs.gov

FEDERAL	
Minimum Wage	\$7.25
Tipped Minimum Wage	\$2.13
<i>Employers are required to follow Federal minimum wage rules when State minimum wage is less than the Federal minimum wage.</i>	
MILEAGE RATES	
Business	72.5 cents/mile
Medical	20.5 cents/mile
Moving	20.5 cents/mile
Charitable	14 cents/mile
SUPPLEMENTAL WAGE/BONUS RATES	
Flat Rate Withholding Method (Unchanged from 2025)	22%
Pay Over \$1 Million (Unchanged from 2025)	37%

*Rates vary by industry.
**Rates include surcharges.
***Special rules apply to minimum wage standards for this state. Please refer to state laws.
****For specific rate please reference the state withholding tables.

FICA (MEDICARE)	
Maximum Taxable Earnings	No Limit
Employee/Employer Tax Rate (Unchanged from 2025)	1.45%
Additional Medicare Tax Withholding on Wages> \$200,000 (No Employer Match)	0.90%
FICA (SOCIAL SECURITY)	
Maximum Taxable Earnings (Increased from \$176,100 in 2025)	\$184,500
Employee/Employer Tax Rate (Unchanged from 2025)	6.2%
FUTA (EMPLOYER-PAID)	
Maximum Taxable Earnings	\$7,000
Percent of Taxable Wages	6.0%
Maximum Credit (Results to a normal net tax of 0.6%)	5.4%
RETIREMENT PLANS	
Contribution Limit - 401(k) & 403(b) plans (Increased from \$23,500 in 2025)	\$24,500
Catch-up Contribution Limit - 401(k) & 403(b) plans (Age 50 or older) (Increased from \$7,500 in 2025)	\$8,000
Super Catch Up Contribution Limits (Individuals age 60-63 by end of year)	\$11,250
Contribution Limit - Simple IRA (Increased from \$16,000 in 2024)	\$16,500
Catch-up Contribution Limit- Simple IRA (Increased from \$3,500 in 2025)	\$4,000
HEALTH SAVINGS ACCOUNTS	
Self-Only Contribution Limit (Employee & Employer) (Increased from \$4,300 in 2025)	\$4,400
Family Contribution Limit (Employee & Employer) (Increased from \$8,550 in 2025)	\$8,750
Catch-up Contribution Limit (Employee & Employer) (Unchanged from 2025)	\$1,000

STATE	WAGE WITHHOLDING RATE	UNEMPLOYMENT TAXABLE WAGE BASE LIMIT	UNEMPLOYMENT RATE RANGE (EMPLOYERS) ¹	UNEMPLOYMENT RATE (NEW EMPLOYER) ²	MINIMUM HOURLY WAGE	MIN. TIPPED HOURLY WAGE
MIDWESTERN STATES						
Illinois	4.95%	\$14,250	0.750%-7.050%	3.35% New Employer**	\$15.00***	\$9.00***
Indiana	2.95%	\$9,500	0.5%-9.4%	2.50%	\$7.25***	\$2.13***
Iowa	3.8%	\$20,400	0.0%-5.4%	1.0% New Employer, 5.4% Construction	\$7.25	\$4.35
Kansas	5%	\$15,100	0.00-6.65%	1.75% New Employer, 5.55% Construction	\$7.25	\$2.13***
Michigan	4.25%	\$9,000 and \$9,500	0.06%-10.3%	2.7% New Employer	\$13.73	\$5.49***
Minnesota	6.25%	\$44,000	0.4% - 9.3%**	1.0% - 9.3%*	\$11.41	N/A
Missouri	4.7%	\$9,000	0%-9.24%	2.376%	\$15.00	\$7.50
Nebraska	3.5%	\$9,000 for category 1-19 employers, \$24,000 for category 20 employers	0%-5.40%	1.25% - New Employer**, 5.40% Construction	\$15.00***	\$2.13***
North Dakota	1.50%	\$46,600	0.07% - 9.67%	1.00% Nonconstruction (6.07% if negative account balance), 9.67% Construction	\$7.25	\$4.86
Ohio	2.75%	\$9,000	0.4% - 10.1%	2.85% New Employer, 5.85% Construction	\$11.00	\$5.50
South Dakota	None	\$15,000	0.0%-9.13%	1.2%, 1.0% New Employer, 6.0%, 3.0% New Construction	\$11.85	\$5.925
Wisconsin	3.54%, or 4.65%, or 5.30%, or 7.65%	\$14,000	0.0%-12.0%* range of rates can vary by small/large firms	New Employer 3.05%-3.25%, Construction, 2.50%-2.70%	\$7.25***	\$2.33***

1. Rates include applicable agency surcharges. Reimbursable and exempt employers not included. 2. Rates do not include surcharges unless noted.
Up to date as of 01/09/2026 and is provided by each independently owned Journey location. This does not provide any legal, accounting, or financial advice.

For more information, contact us:

www.JourneyPayrollHR.com