

2026 FAST FACTS SOUTHERN STATES



Resources:

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

FEDERAL	
Minimum Wage	\$7.25
Tipped Minimum Wage	\$2.13
Employers are required to follow Federal minimum wage rules when State minimum wage is less than the Federal minimum wage.	
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
SOUTHERN STATES						
Alabama	5.00%	\$8,000	0.20%-5.40%	2.70%	N/A	N/A
Arkansas	3.9%	\$7,000	0.20% - 10.10%**	2.0%**	\$11.00***	\$2.63***
Florida	None	\$7,000	0.10%-5.40%	2.70%	\$14.00	\$10.98
Georgia	5.19%****	\$9,500	0.06%-8.10%	2.64%	\$5.15***	\$2.13***
Kentucky	None	\$12,000	0.3%-9.0%	2.7% New Employer, 9.0% Construction	\$7.25	\$2.13
Louisiana	None	\$7,000	0.09%-6.2%	1.14% - 2.79%	N/A	N/A
Mississippi	None	\$14,000	0.20%-5.60%	1.20%**	N/A	N/A
North Carolina	4.09%	\$34,200	0.06%-5.76%	1.00%	\$7.25	\$2.13
Oklahoma	4.50%	\$25,000	0.2%-5.8%	1.50%	\$7.25***	\$3.625***
South Carolina	6.0%	\$14,000	0.06%-5.46%	1.00%	N/A	N/A
Tennessee	None	\$7,000	0.01%-10.0%	2.7%-5.0%*	N/A	N/A
Texas	None	\$9,000	0.32%-6.32%	2.7%**	\$7.25	\$2.13
Virginia	5.75%	\$8,000	0.10%-6.20%	2.50% In State New Employer, 6.20% Out of State Contractor**	\$12.77***	\$2.13***
West Virginia	None	\$9,500	1.5%-8.5%	2.7% In-State New Employer, 8.5% Out-of-State Construction	\$8.75	\$2.62***

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